

STATE OF MINNESOTA

# Journal of the House

NINETY-THIRD SESSION — 2024

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NINETY-SEVENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 2, 2024

The House of Representatives convened at 12:00 noon and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by Wyatt Lawrence, Senior High Youth Director, New Life Church, Princeton, Minnesota.

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

The Speaker administered the oath of office to the new House member, Bryan Lawrence from District 27B. Representative Lawrence's certificate of election is on file. Representative Lawrence was elected in a special election held on Tuesday, March 19, 2024 to replace Kurt Daudt whose resignation was effective at 11:59 p.m. on Sunday, February 11, 2024.

The roll was called and the following members were present:

Acomb	Demuth	Heintzeman	Koegel	Nelson, M.	Reyer
Agbaje	Dotseth	Hemmingsen-Jaeger	Kotyza-Witthuhn	Nelson, N.	Robbins
Anderson, P. E.	Edelson	Her	Koznick	Neu Brindley	Schomacker
Anderson, P. H.	Elkins	Hicks	Kraft	Newton	Schultz
Backer	Engen	Hill	Kresha	Niska	Scott
Bahner	Feist	Hollins	Lawrence	Noor	Sencer-Mura
Bakeberg	Fischer	Hornstein	Lee, F.	Norris	Skraba
Baker	Fogelman	Howard	Lee, K.	Novotny	Smith
Becker-Finn	Franson	Hudella	Liebling	O'Driscoll	Stephenson
Berg	Frazier	Hudson	Lillie	Olson, B.	Swedzinski
Bierman	Frederick	Huot	Lislegard	Olson, L.	Torkelson
Bliss	Freiberg	Hussein	Long	Pelowski	Urdahl
Brand	Garofalo	Igo	McDonald	Pérez-Vega	Vang
Burkel	Gomez	Jacob	Mekeland	Perryman	Virmig
Carroll	Greenman	Johnson	Moller	Petersburg	Wiens
Clardy	Grossell	Jordan	Mueller	Pinto	Witte
Coulter	Hansen, R.	Joy	Murphy	Pryor	Xiong
Daniels	Hanson, J.	Keeler	Myers	Pursell	Youakim
Davids	Harder	Klevorn	Nadeau	Quam	Zeleznikar
Davis	Hassan	Knudsen	Nash	Rehm	Spk. Hortman

A quorum was present.

Altendorf, Bennett, Cha, Curran, Finke, Gillman, Kiel, Kozlowski, Pfarr, Rarick, Tabke, West, Wiener and Wolgamott 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.

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**PETITIONS AND COMMUNICATIONS**

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 21, 2024

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. 3987, relating to human services; implementing transfer of duties from the Department of Human Services to the Department of Direct Care and Treatment; establishing general executive board duties, powers, rulemaking authority, and contracting for administrative services; making conforming changes.

H. F. No. 3646, relating to children, youth, and families; creating the statutory infrastructure for the new Department of Children, Youth, and Families; moving and copying statutes.

Sincerely,

TIM WALZ  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 25, 2024

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. 4518, relating to education finance; making forecast adjustments; appropriating money.

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 Bobby Joe Champion  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2024 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:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2024</i>	<i>Date Filed 2024</i>
	3987	79	4:01 p.m. March 21	March 21
	3646	80	4:04 p.m. March 21	March 21
	4518	81	4:17 p.m. March 25	March 25

Sincerely,

STEVE SIMON  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 310, A bill for an act relating to public safety; modifying residency provisions for certain level III predatory offenders; amending Minnesota Statutes 2022, section 244.052, subdivision 4a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 244.052, subdivision 4a, is amended to read:

Subd. 4a. **Level III offenders; location of residence.** (a) When an offender assigned to risk level III is released from confinement or a residential facility to reside in the community or changes residence while on supervised or conditional release, the agency responsible for the offender's supervision shall:

(1) take into consideration the proximity of the offender's residence to that of other level III offenders and if the proximity presents a risk of reoffending;

(2) take into consideration the proximity of the offender's residence to the following locations if the locations present a risk of reoffending:

(i) schools;

(ii) child care facilities or family or group family day care programs;

(iii) licensed residences for vulnerable adults;

(iv) attractions within public parks that are regularly used by minors, including but not limited to playgrounds or athletic fields; and

(v) community centers and recreation centers that are regularly used in youth athletic activities or offer regularly scheduled indoor playtimes or access to gymnasiums and other facilities that are restricted to minors; and,

(3) to the greatest extent feasible, shall mitigate the concentration of level III offenders and concentration of level III offenders near schools the locations listed in clause (2) when the concentration presents a risk of reoffending.

(b) If the owner or property manager of a hotel, motel, lodging establishment, or apartment building has an agreement with an agency that arranges or provides shelter for victims of domestic abuse, the owner or property manager may not knowingly rent rooms to both level III offenders and victims of domestic abuse at the same time. If the owner or property manager has an agreement with an agency to provide housing to domestic abuse victims and discovers or is informed that a tenant is a level III offender after signing a lease or otherwise renting to the offender, the owner or property manager may evict the offender."

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

The report was adopted.

Pinto from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 912, A bill for an act relating to human services; establishing the Minnesota African American Family Preservation Act; establishing the African American Child Welfare Council; modifying child welfare provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, section 260C.329, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapter 260.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[260.61] CITATION.**

Sections 260.61 to 260.697 may be cited as the "Layla Jackson Law."

Sec. 2. **[260.62] PURPOSES.**

(a) The purposes of the Layla Jackson Law are to:

(1) protect the best interests of African American and disproportionately represented children;

(2) promote the stability and security of African American and disproportionately represented children and families by establishing minimum standards to prevent the arbitrary and unnecessary removal of African American and disproportionately represented children from their families; and

(3) improve permanency outcomes, including family reunification, for African American and disproportionately represented children.

(b) Nothing in this legislation is intended to interfere with the protections of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963.

Sec. 3. **[260.63] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this section apply to sections 260.61 to 260.697.

Subd. 2. **Active efforts.** "Active efforts" means a rigorous and concerted level of effort that the responsible social services agency must continuously make throughout the time that the responsible social services agency is involved with an African American or a disproportionately represented child and the child's family. To provide active efforts to preserve an African American or a disproportionately represented child's family, the responsible social services agency must continuously involve an African American or a disproportionately represented child's family in all services for the family, including case planning and choosing services and providers, and inform the family of the ability to request a case review by the commissioner under section 260.694. When providing active efforts, a responsible social services agency must consider an African American or a disproportionately represented family's social and cultural values at all times while providing services to the African American or disproportionately represented child and family. Active efforts includes continuous efforts to preserve an African American or a disproportionately represented child's family and to prevent the out-of-home placement of an African American or a disproportionately represented child. If an African American or a disproportionately represented child enters out-of-home placement, the responsible social services agency must make active efforts to reunify the African American or disproportionately represented child with the child's family as soon as possible. Active efforts sets a higher standard for the responsible social services agency than reasonable efforts to preserve the child's family, prevent the child's out-of-home placement, and reunify the child with the child's family. Active efforts includes the provision of reasonable efforts as required by Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 679c.

Subd. 3. **Adoptive placement.** "Adoptive placement" means the permanent placement of an African American or a disproportionately represented child made by the responsible social services agency upon a fully executed adoption placement agreement, including the signatures of the adopting parent, the responsible social services agency, and the commissioner of human services according to section 260C.613, subdivision 1.

Subd. 4. **African American child.** "African American child" means a child having origins in Africa, including a child of two or more races who has at least one parent with origins in Africa.

Subd. 5. **Best interests of the African American or disproportionately represented child.** The "best interests of the African American or disproportionately represented child" means providing a culturally informed practice lens that acknowledges, utilizes, and embraces the African American or disproportionately represented child's community and cultural norms and allows the child to remain safely at home with the child's family. The best interests of the African American or disproportionately represented child support the child's sense of belonging to the child's family, extended family, kin, and cultural community.

Subd. 6. **Child placement proceeding.** (a) "Child placement proceeding" means any judicial proceeding that could result in:

- (1) an adoptive placement;
- (2) a foster care placement;
- (3) a preadoptive placement; or
- (4) a termination of parental rights.

(b) Judicial proceedings under this subdivision include a child's placement based upon a child's juvenile status offense, but do not include a child's placement based upon:

(1) an act which if committed by an adult would be deemed a crime; or

(2) an award of child custody in a divorce proceeding to one of the child's parents.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of human services or the commissioner's designee.

Subd. 8. **Custodian.** "Custodian" means any person who is under a legal obligation to provide care and support for an African American or a disproportionately represented child, or who is in fact providing daily care and support for an African American or a disproportionately represented child. This subdivision does not impose a legal obligation upon a person who is not otherwise legally obligated to provide a child with necessary food, clothing, shelter, education, or medical care.

Subd. 9. **Disproportionality.** "Disproportionality" means the overrepresentation of African American children and other disproportionately represented children in the state's child welfare system population as compared to the representation of those children in the state's total child population.

Subd. 10. **Disproportionately represented child.** "Disproportionately represented child" means a child whose race, culture, ethnicity, disability status, or low-income socioeconomic status is disproportionately encountered, engaged, or identified in the child welfare system as compared to the representation in the state's total child population.

Subd. 11. **Egregious harm.** "Egregious harm" has the meaning given in section 260E.03, subdivision 5.

Subd. 12. **Foster care placement.** "Foster care placement" means the court-ordered removal of an African American or a disproportionately represented child from the child's home with the child's parent or legal custodian and the temporary placement of the child in a foster home, in shelter care or a facility, or in the home of a guardian, when the parent or legal custodian cannot have the child returned upon demand, but the parent's parental rights have not been terminated. A foster care placement includes an order placing the child under the guardianship of the commissioner, pursuant to section 260C.325, prior to an adoption being finalized.

Subd. 13. **Imminent physical damage or harm.** "Imminent physical damage or harm" means that a child is threatened with immediate and present conditions that are life-threatening or likely to result in abandonment, sexual abuse, or serious physical injury. The immediate and present conditions must have a direct causal relationship with the physical harm threatened. The existence of community or family poverty, isolation, single parenthood, age of the parent, crowded or inadequate housing, substance use, prenatal drug or alcohol exposure, mental illness, disability or special needs of the parent or child, or nonconforming social behavior does not by itself constitute imminent physical damage or harm.

Subd. 14. **Responsible social services agency.** "Responsible social services agency" has the meaning given in section 260C.007, subdivision 27a.

Subd. 15. **Parent.** "Parent" means the biological parent of an African American or a disproportionately represented child or any person who has legally adopted an African American or a disproportionately represented child who, prior to the adoption, was considered a relative to the child, as defined in subdivision 17. Parent includes an unmarried father whose paternity has been acknowledged or established and a putative father. Paternity has been acknowledged when an unmarried father takes any action to hold himself out as the biological father of a child.

Subd. 16. **Preadoptive placement.** "Preadoptive placement" means a responsible social services agency's placement of an African American or a disproportionately represented child with the child's family or kin when the child is under the guardianship of the commissioner, for the purpose of adoption, but an adoptive placement agreement for the child has not been fully executed.

Subd. 17. **Relative.** "Relative" means:

- (1) an individual related to the child by blood, marriage, or adoption;
- (2) a legal parent, guardian, or custodian of the child's sibling;
- (3) an individual who is an important friend of the child or child's family with whom the child has resided or has had significant contact; or
- (4) an individual who the child or the child's family identify as related to the child's family.

Subd. 18. **Safety network.** "Safety network" means a group of individuals identified by the parent and child, when appropriate, that is accountable for developing, implementing, sustaining, supporting, or improving a safety plan to protect the safety and well-being of a child.

Subd. 19. **Sexual abuse.** "Sexual abuse" has the meaning given in section 260E.03, subdivision 20.

Subd. 20. **Termination of parental rights.** "Termination of parental rights" means an action resulting in the termination of the parent-child relationship under section 260C.301.

Sec. 4. **[260.64] DUTY TO PREVENT OUT-OF-HOME PLACEMENT AND PROMOTE FAMILY REUNIFICATION.**

(a) A responsible social services agency shall make active efforts to prevent the out-of-home placement of an African American or a disproportionately represented child, eliminate the need for a child's removal from the child's home, and reunify an African American or a disproportionately represented child with the child's family as soon as practicable.

(b) Prior to petitioning the court to remove an African American or a disproportionately represented child from the child's home, a responsible social services agency must work with the child's family to allow the child to remain in the child's home while implementing a safety plan based on the family's needs. The responsible social services agency must:

- (1) make active efforts to engage the child's parent or custodian and the child, when appropriate;
- (2) assess the family's cultural and economic needs;
- (3) hold a family group consultation meeting and connect the family with supports to establish a safety network for the family; and
- (4) provide support, guidance, and input to assist the family and the family's safety network with developing the safety plan.

(c) The safety plan must:

(1) address the specific allegations impacting the child's safety in the home. If neglect is alleged, the safety plan must incorporate economic services and supports to address the family's specific needs and prevent neglect;

(2) evaluate whether an order for protection under section 518B.01 or other court order expelling an allegedly abusive household member from the home of a parent or custodian who is not alleged to be abusive will allow the child to safely remain in the home;

(3) incorporate family and community support to ensure the child's safety while keeping the family intact; and

(4) be adjusted as needed to address the child's and family's ongoing needs and support.

The responsible social services agency is not required to establish a safety plan in a case with allegations of sexual abuse or egregious harm.

Sec. 5. **[260.65] EMERGENCY REMOVAL.**

**Subdivision 1. Emergency removal or placement permitted.** Nothing in this section shall be construed to prevent the emergency removal of an African American or a disproportionately represented child's parent or custodian, or the emergency placement of the child in a foster setting, in order to prevent imminent physical damage or harm to the child.

**Subd. 2. Petition for emergency removal; placement requirements.** A petition for a court order authorizing the emergency removal or continued emergency placement of an African American or a disproportionately represented child or the petition's accompanying documents must contain a statement of the risk of imminent physical damage or harm to the African American or disproportionately represented child and any evidence that the emergency removal or placement continues to be necessary to prevent imminent physical damage or harm to the child. The petition or its accompanying documents must also include a statement of the efforts that have been made to assist the child's parents or custodians so that the child may safely be returned to their custody.

**Subd. 3. Notice and service requirements.** (a) The petition for emergency removal and accompanying documents must be served on the parent and, if the child is not located in the child's home at the time that the child is removed, on the entity or individual with custody of the child. If the court authorizes an emergency removal under subdivision 2, the petition and accompanying documents must be served on the parents or custodians at the time of the child's removal unless, after active efforts, the parents or custodians cannot be located at the time of removal.

(b) Whenever the responsible social services agency is notified that a child is removed pursuant to a court order issued under subdivision 2, the responsible social services agency shall make active efforts to provide notice to the parent or custodian of:

(1) the fact that the child has been removed from the child's home;

(2) the reasons for the child's emergency removal; and

(3) the parent or custodian's legal rights under this chapter, chapter 260C, and any other applicable provisions of statute, including the right to an emergency hearing under subdivision 4.

(c) Notice under paragraph (b) must be provided in plain language and take into consideration the parent or custodian's primary language, level of education, and culture. Notice may be given by any means reasonably certain of notifying the parent or custodian including but not limited to written, telephone, or in-person oral notification. If the initial notification is provided by a means other than in writing, the responsible social services agency shall make active efforts to also provide written notification.

(d) Notice required under this subdivision must be provided to the parent or custodian no more than 24 hours after the child has been removed or 24 hours after the responsible social services agency has been notified that the child has been removed pursuant to subdivision 2.

**Subd. 4. Emergency proceeding requirements.** (a) The court shall hold a hearing no later than 72 hours, excluding weekends and holidays, after the emergency removal of the African American or disproportionately represented child. The court shall determine whether the emergency removal continues to be necessary to prevent



imminent physical damage or harm to the child and whether, after considering the child's particular circumstances, the imminent physical damage or harm to the child outweighs the harm that the child will experience as a result of continuing the emergency removal.

(b) The court shall hold additional hearings whenever new information indicates that the emergency situation has ended. The court shall consider all such new information at any court hearing after the emergency proceeding to determine whether the emergency removal or placement is no longer necessary to prevent imminent physical damage or harm to the child.

(c) Notwithstanding section 260C.163, subdivision 3, and the provisions of Minnesota Rules of Juvenile Protection Procedure, rule 25, a parent or custodian of an African American or a disproportionately represented child who is subject to an emergency hearing under this section and Minnesota Rules of Juvenile Protection Procedure, rule 30, must be represented by counsel. The court must appoint qualified counsel to represent a parent if the parent meets the eligibility requirements in section 611.17.

Subd. 5. **Termination of emergency removal or placement.** (a) An emergency removal or placement of an African American or a disproportionately represented child must immediately terminate once the responsible social services agency or court possesses sufficient evidence to determine that the emergency removal or placement is no longer necessary to prevent imminent physical damage or harm to the child and the child shall be immediately returned to the custody of the child's parent or custodian. The responsible social services agency or court shall ensure that the emergency removal or placement terminates immediately when the removal or placement is no longer necessary to prevent imminent physical damage or harm to the African American or disproportionately represented child.

(b) If the court determines that custody of the child by the child's parent or custodian is likely to result in serious physical harm to the child, after service upon the African American or disproportionately represented child's parents or custodian and upon a determination supported by clear and convincing evidence, the court shall further consider whether participation by the parents or legal custodians in any prevention services would prevent or eliminate the need for removal. If so, the court shall inquire of the parent or custodian whether they are willing to participate in such services. If the parent or custodian agrees to participate in the prevention services identified by the court that would prevent or eliminate the need for removal, the court shall place the child with the parent or custodian and the emergency removal shall terminate. The court shall not order a parent to participate in prevention services over the parent's or custodian's objection and the parent or custodian must have the opportunity to consult with counsel prior to deciding whether to agree to proposed prevention services as a condition of the child being returned to the custody of the parent or custodian.

(c) If the court determines that custody of the child by the child's parent or custodian is likely to result in serious physical harm to the child, the court shall further consider whether an order for protection under section 518B.01 or other court order expelling an allegedly abusive household member from the home of a parent or custodian who is not alleged to be abusive will allow the child to safely return to the home.

(d) In no instance shall emergency removal or emergency placement of an African American or a disproportionately represented child extend beyond 30 days unless the court finds by a showing of clear and convincing evidence that:

(1) continued emergency removal or placement is necessary to prevent imminent physical damage or harm to the child; and

(2) it has not been possible to initiate a child placement proceeding with all of the protections under sections 260.61 to 260.694.

Sec. 6. **[260.66] NONCUSTODIAL PARENTS; TEMPORARY OUT-OF-HOME PLACEMENT.**

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be

placed in foster care, and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information required under section 260C.221, subdivision 2, paragraph (b). The responsible social services agency must maintain detailed records of the agency's efforts to notify parents and relatives under this section.

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide daily care for the African American or disproportionately represented child temporarily or permanently, the court shall order that the child be placed in the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being placed with the noncustodial or nonadjudicated parent.

Sec. 7. **[260.67] RELATIVE PLACEMENT.**

Subdivision 1. **Relative placement procedures and requirements.** (a) If an African American or a disproportionately represented child's noncustodial or nonadjudicated parent is unwilling or unable to provide daily care for the child and the court has determined that the child's continued placement in the home of the child's parent or custodian would endanger the child's health, safety, or welfare, the child's parent, custodian, or the child, when appropriate, has the right to select one or more relatives who may be willing and able to temporarily care for the child. The responsible social services agency must place the child with a selected relative after assessing the relative's willingness and ability to provide daily care for the child.

(b) The responsible social services agency shall consider additional relatives for the child's placement if:

(1) the selected relative or relatives are unavailable, unwilling, or unable to provide daily care for the child; or

(2) conditions or circumstances exist that would disqualify the selected relative or relatives from being licensed family foster parents and the disqualifying conditions or circumstances would not be eligible for a variance from the commissioner.

(c) The responsible social services agency must inform selected relatives and the child's parent or custodian of the difference between informal kinship care arrangements and court-ordered foster care. If a selected relative and the child's parent or custodian request an informal kinship care arrangement for a child's placement instead of court-ordered foster care and such an arrangement will maintain the child's safety and well-being, the responsible social services agency shall comply with the request and inform the court of the plan for the child. The court shall honor the request to forego a court-ordered foster care placement of the child in favor of an informal kinship care arrangement, unless the court determines that the request is not in the best interests of the African American or disproportionately represented child.

(d) The responsible social services agency must make active efforts to support a relative with whom a child is placed in completing the family foster care licensure process and addressing barriers, disqualifications, or other issues affecting the relative's licensure, including but not limited to assisting the relative with requesting reconsideration of a disqualification under section 245C.21.

(e) The decision by a relative to not be considered as an African American or a disproportionately represented child's foster care or temporary placement option shall not be a basis for the responsible social services agency or the court to rule out the relative for placement in the future or for denying the relative's request to be considered or selected as a foster care or permanent placement of the child.

Subd. 2. **Authorization for nonrelative foster care or temporary placement.** (a) An African American or a disproportionately represented child must be placed with a noncustodial or nonadjudicated parent under section 260.66 or with a relative pursuant to subdivision 1, unless the responsible social services agency establishes that there is reasonable cause to believe that:

(1) placement in nonrelative foster care is necessary to prevent imminent physical damage or harm to the child, including that which would result from sexual abuse or sexual exploitation, because no noncustodial or nonadjudicated parent or relative is capable of ensuring the child's basic safety; or

(2) placement with a noncustodial or nonadjudicated parent or relative would hinder efforts to reunify the child and the parent.

(b) If the court orders the placement of an African American or a disproportionately represented child in nonrelative foster care, the court order must state the reasons for placement in nonrelative foster care.

(c) Before authorizing nonrelative foster care or temporary placement for an African American or a disproportionately represented child under paragraph (a), the court must ask the petitioner and any other person present at the hearing whether any relatives are willing and able to care for the child, including:

(1) whether any relative is able to meet any special needs of the child;

(2) whether the relative is willing to facilitate the child's sibling and parent or custodian visitation if such visitation is ordered by the court; and

(3) whether the relative supports reunification of the parent or custodian and child once reunification can safely occur.

(d) If a relative has been determined to be willing and able to be a placement resource for the child, the following shall not prevent the child's placement with the relative:

(1) an incomplete background study, if the relative is otherwise willing and able to provide care and safety, provided that the background study must be completed as soon as possible after placement;

(2) the relative's uncertainty regarding potential adoption of the child;

(3) the relative's disbelief that the parent or custodian presents a danger to the child, provided that the relative will protect the safety of the child and comply with court orders regarding contact with a parent or custodian; or

(4) the conditions of the relative's home are not sufficient to satisfy the requirements for foster parent licensure. The court may order the responsible social services agency to provide active efforts under subdivision 1, paragraph (c).

**Sec. 8. [260.68] CHILD IN NEED OF PROTECTION OR SERVICES; OUT-OF-HOME PLACEMENT PROCEEDINGS.**

Subdivision 1. Standard for ordering out-of-home placement. (a) A court shall not order a foster care or permanent out-of-home placement of an African American or a disproportionately represented child alleged to be in need of protection or services unless the court finds by clear and convincing evidence that the child would be at risk of serious physical harm if the child were to remain in the child's home.

(b) Before ordering a foster care placement or permanent out-of-home placement of an African American or a disproportionately represented child under paragraph (a), the court must:

(1) find that no alternative resources or arrangements are available to the family that would adequately safeguard the child without requiring out-of-home placement;

(2) evaluate the harm to the child that may result from foster care placement or permanent out-of-home placement by considering:

(i) the disruption to the child's schooling and social relationships that may result from placement out of the child's home or neighborhood;

(ii) detrimental long-term emotional and psychological impacts of disrupting the relationship between children and their parents; and

(iii) any measures that may be taken to alleviate such a disruption;

(3) determine whether a parent or custodian's noncompliance with any conditions or requirements of an out-of-home placement plan resulted from circumstances beyond the parent or custodian's control and if so, give due consideration to those circumstances;

(4) inquire into efforts that have been made to place the child with a relative, including asking a parent or custodian whether the responsible social services agency discussed with them the placement of the child with a relative;

(5) determine that the out-of-home placement proposed by the responsible services agency is the least disruptive and most family-like setting that meets the needs of the child;

(6) evaluate the services provided to the family to prevent or eliminate the need for removal of the child from the child's home. If the petition for a child in need of child protective services or other information before the court alleges that homelessness or the lack of suitable housing was a significant factor contributing to the removal of the child, the court shall inquire as to whether housing assistance was provided to the family to prevent or eliminate the need for the removal of the child or children; and

(7) determine whether it is in the best interests of the child to remain enrolled in the school, developmental program, or child care program where the child was enrolled prior to the removal and evaluate the efforts that have been made to maintain the child in the school or program if it is in the child's best interests.

Subd. 2. **Active efforts.** (a) At each hearing regarding an African American or a disproportionately represented child who is alleged or adjudicated to be in need of protection or services, the court shall review whether the responsible social services agency has provided active efforts to the child and the child's family and shall require the responsible social services agency to provide evidence and documentation that demonstrates that the agency is providing culturally informed, strength-based, community-involved, and community-based services to the child and the child's family.

(b) When determining whether the responsible social services agency has made active efforts to preserve the child's family, the court shall make findings regarding whether the responsible social services agency made appropriate and meaningful services available to the child's family based upon the family's specific needs. If a court determines that the responsible social services agency did not make active efforts to preserve the family as required by this section, the court shall order the responsible social services agency to immediately provide active efforts to the child and child's family to preserve the family.

**Sec. 9. [260.69] TRANSFER OF PERMANENT LEGAL AND PHYSICAL CUSTODY; TERMINATION OF PARENTAL RIGHTS; CHILD PLACEMENT PROCEEDINGS.**

Subdivision 1. **Preference for transfer of permanent legal and physical custody.** If an African American or a disproportionately represented child cannot be returned to the child's parent, the court shall, if possible, transfer permanent legal and physical custody of the child to:

(1) a noncustodial parent under section 260C.515, subdivision 4, if the child cannot return to the care of the parent or custodian from whom the child was removed or who had legal custody at the time that the child was placed in foster care; or

(2) a willing and able relative, according to the requirements of section 260C.515, subdivision 4, if the court determines that reunification with the child's family is not an appropriate permanency option for the child. Prior to the court ordering a transfer of permanent legal and physical custody to a relative who is not a parent, the responsible social services agency must inform the relative of Northstar kinship assistance benefits and eligibility requirements, and of the relative's ability to apply for benefits on behalf of the child under chapter 256N.

Subd. 2. **Termination of parental rights restrictions.** (a) A court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child based solely on the parent's failure to complete case plan requirements.

(b) Except as provided in paragraph (c), a court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child in a child placement proceeding unless the allegations against the parent involve sexual abuse; egregious harm as defined in section 260C.007, subdivision 14; murder in the first, second, or third degree under section 609.185, 609.19, or 609.195; murder of an unborn child in the first, second, or third degree under section 609.2661, 609.2662, or 609.2663; manslaughter of an unborn child in the first or second degree under section 609.2664 or 609.2665; domestic assault by strangulation under section 609.2247; felony domestic assault under section 609.2242 or 609.2243; kidnapping under section 609.25; solicitation, inducement, and promotion of prostitution under section 609.322, subdivision 1, and subdivision 1a if one or more aggravating factors are present; criminal sexual conduct under sections 609.342 to 609.3451; engaging in, hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; solicitation of children to engage in sexual conduct under section 609.352; possession of pornographic work involving minors under section 617.247; malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378; use of a minor in sexual performance under section 617.246; or failing to protect a child from an overt act or condition that constitutes egregious harm.

(c) The court may terminate the parental rights of a parent of an African American or a disproportionately represented child under section 260C.301, subdivision 1, paragraph (b), clause (4) or (6), if a transfer of permanent legal and physical custody under subdivision 1 is not possible because the child has no willing or able noncustodial parent or relative to whom custody can be transferred.

(d) Nothing in this subdivision precludes the court from terminating the parental rights of a parent of an African American or a disproportionately represented child if the parent desires to voluntarily terminate the parent's own parental rights for good cause under section 260C.301, subdivision 1, paragraph (a).

Subd. 3. **Appeals.** Notwithstanding the Minnesota Rules of Juvenile Protection Procedure, rule 47.02, subdivision 2, a parent of an African American or a disproportionately represented child whose parental rights have been terminated may appeal the decision within 90 days of the service of notice by the court administrator of the filing of the court's order.

Sec. 10. **[260.694] RESPONSIBLE SOCIAL SERVICES AGENCY CONDUCT AND CASE REVIEW.**

Subdivision 1. **Responsible social services agency conduct.** (a) A responsible social services agency employee who has duties related to child protection shall not knowingly:

- (1) make untrue statements about any case involving a child alleged to be in need of protection or services;
- (2) intentionally withhold any information that may be material to a case involving a child alleged to be in need of protection or services; or
- (3) fabricate or falsify any documentation or evidence relating to a case involving a child alleged to be in need of protection or services.

(b) Any of the actions listed in paragraph (a) shall constitute grounds for adverse employment action.

Subd. 2. **Commissioner notification.** (a) When a responsible social services agency makes a maltreatment determination involving an African American or a disproportionately represented child or places an African American or a disproportionately represented child in a foster care placement, the agency shall, within seven days of making a maltreatment determination or initiating the child's foster care placement, notify the commissioner of the maltreatment determination or foster care placement and of the steps that the agency has taken to investigate and

remedy the conditions that led to the maltreatment determination or foster care placement. Upon receiving this notice, the commissioner shall review the responsible social services agency's handling of the child's case to ensure that the case plan and services address the unique needs of the child and the child's family and that the agency is making active efforts to reunify and preserve the child's family. At all stages of a case involving an African American or a disproportionately represented child, the responsible social services agency shall, upon request, fully cooperate with the commissioner and, as appropriate and as permitted under statute, provide access to all relevant case files.

(b) In any adoptive or preadoptive placement proceeding involving an African American or a disproportionately represented child under the guardianship of the commissioner, the responsible social services agency shall notify the commissioner of the pending proceeding and of the right of intervention. The notice must include the identity of the child and the child's parents whose parental rights were terminated or who consented to the child's adoption. Upon receipt of the notice, the commissioner shall review the case to ensure that the requirements of this act have been met. When the responsible social services agency has identified a nonrelative as an African American or a disproportionately represented child's adoptive placement, no preadoptive or adoptive placement proceeding may be held until at least 30 days after the commissioner receives the required notice or until an adoption home study can be completed for a relative adoption, whichever occurs first. If the commissioner requests additional time to prepare for the proceeding, the district court must grant the commissioner up to 30 additional days to prepare for the proceeding. In cases in which a responsible social services agency or party to a preadoptive or adoptive placement knows or has reason to believe that a child is or may be African American or a disproportionately represented child, proof of service upon the commissioner must be filed with the adoption petition.

Subd. 3. **Case review.** (a) Each responsible social services agency shall conduct a review of all child protection cases handled by the agency every 24 months, after establishing a 2024 baseline. The responsible social services agency shall report the agency's findings to the county board, related child welfare committees, the Children's Justice Initiative team, the commissioner, and community stakeholders within six months of gathering the relevant case data. The case review must include:

(1) the number of African American and disproportionately represented children represented in the county child welfare system;

(2) the number and sources of maltreatment reports received and reports screened in for investigation or referred for family assessment and the race of the children and parents or custodians involved in each report;

(3) the number and race of children and parents or custodians who receive in-home preventive case management services;

(4) the number and race of children whose parents or custodians are referred to community-based, culturally appropriate, strength-based, or trauma-informed services;

(5) the number and race of children removed from their homes;

(6) the number and race of children reunified with their parents or custodians;

(7) the number and race of children whose parents or custodians are offered family group decision-making services;

(8) the number and race of children whose parents or custodians are offered the parent support outreach program;

(9) the number and race of children in foster care or out-of-home placement at the time that the data is gathered;

(10) the number and race of children who achieve permanency through a transfer of permanent legal and physical custody to a relative, a legal guardianship, or an adoption; and

(11) the number and race of children who are under the guardianship of the commissioner or awaiting a permanency disposition.

(b) The required case review must also:

(1) identify barriers to reunifying children with their families;

(2) identify the family conditions that led to the out-of-home placement;

(3) identify any barriers to accessing culturally informed mental health or substance use disorder treatment services for the parents or children;

(4) document efforts to identify fathers and maternal and paternal relatives and to provide services to custodial and noncustodial fathers, if appropriate; and

(5) document and summarize court reviews of active efforts.

(c) Any responsible social services agency that has a case review showing disproportionality and disparities in child welfare outcomes for African American and other disproportionately represented children and families, compared to the agency's overall outcomes, must develop a remediation plan to be approved by the commissioner. The responsible social services agency must develop the plan within 30 days of finding the disproportionality or disparities and must make measurable improvements within 12 months of the date that the commissioner approves the remediation plan. A responsible social services agency may request assistance from the commissioner to develop a remediation plan. The remediation plan must include measurable outcomes to identify, address, and reduce the factors that led to the disproportionality and disparities in the agency's child welfare outcomes and include information about how the responsible social services agency will achieve and document trauma-informed, positive child well-being outcomes through remediation efforts.

Subd. 4. **Noncompliance.** Any responsible social services agency that fails to comply with this section is subject to corrective action and a fine determined by the commissioner. The commissioner shall use fines received under this subdivision to support compliance with this act but shall not use amounts received to supplant funding for existing services.

**Sec. 11. [260.697] AFRICAN AMERICAN AND DISPROPORTIONATELY REPRESENTED FAMILY PRESERVATION GRANTS.**

Subdivision 1. **Primary support grants.** The commissioner shall establish direct grants to organizations, service providers, and programs owned and led by African Americans and other individuals from communities disproportionately represented in the child welfare system to provide services and support for African American and disproportionately represented children and families involved in Minnesota's child welfare system, including supporting existing eligible services and facilitating the development of new services and providers, to create a more expansive network of service providers available for African American and disproportionately represented children and families.

Subd. 2. **Eligible services.** (a) Services eligible for grants under this section include but are not limited to:

(1) child out-of-home placement prevention and reunification services;

(2) family-based services and reunification therapy;

(3) culturally specific individual and family counseling;

(4) court advocacy;

(5) training of and consultation with responsible social services agencies and private social services agencies regarding this act;

(6) services to support informal kinship care arrangements; and

(7) other activities and services approved by the commissioner that further the goals of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, including but not limited to the recruitment of African American staff and staff from other communities disproportionately represented in the child welfare system to work for responsible social services agencies and licensed child-placing agencies.

(b) The commissioner may specify the priority of an activity and service based on its success in furthering these goals. The commissioner shall give preference to programs and service providers that are located in or serve counties with the highest rates of child welfare disproportionality for African American and other disproportionately represented children and families, and employ staff who represent the population primarily served.

Subd. 3. **Ineligible services.** Grant money may not be used to supplant funding for existing services or for the following purposes:

(1) child day care that is necessary solely because of the employment or training for employment of a parent or another relative with whom the child is living;

(2) foster care maintenance or difficulty of care payments;

(3) residential treatment facility payments;

(4) adoption assistance or Northstar kinship assistance payments under chapter 259A or 256N;

(5) public assistance payments for Minnesota family investment program assistance, supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services; or

(6) administrative costs for income maintenance staff.

Subd. 4. **Requests for proposals.** The commissioner shall request proposals for grants under subdivisions 1, 2, and 3, and specify the information and criteria required.

Sec. 12. Minnesota Statutes 2022, section 260C.329, subdivision 3, is amended to read:

Subd. 3. **Petition.** The county attorney ~~or~~, a parent whose parental rights were terminated under a previous order of the court, an African American or a disproportionately represented child who is ten years of age or older, the responsible social services agency, or a guardian ad litem may file a petition for the reestablishment of the legal parent and child relationship. A parent filing a petition under this section shall pay a filing fee in the amount required under section 357.021, subdivision 2, clause (1). The filing fee may be waived ~~pursuant to chapter 563 in cases of indigency.~~ A petition for the reestablishment of the legal parent and child relationship may be filed when:

~~(1) in cases where the county attorney is the petitioning party, both the responsible social services agency and the county attorney agree that reestablishment of the legal parent and child relationship is in the child's best interests;~~

~~(2)~~ (1) the parent has corrected the conditions that led to an order terminating parental rights;

~~(3)~~ (2) the parent is willing and has the capability (2) to provide day-to-day care and maintain the health, safety, and welfare of the child;



~~(4) the child has been in foster care for at least 48 months after the court issued the order terminating parental rights;~~

~~(5)~~ (3) the child has not been adopted; and

~~(6)~~ (4) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2.

Sec. 13. Minnesota Statutes 2022, section 260C.329, subdivision 8, is amended to read:

Subd. 8. **Hearing.** The court may grant the petition ordering the reestablishment of the legal parent and child relationship only if it finds by clear and convincing evidence that:

(1) reestablishment of the legal parent and child relationship is in the child's best interests;

(2) the child has not been adopted;

(3) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2;

~~(4) at least 48 months have elapsed following a final order terminating parental rights and the child remains in foster care;~~

~~(5)~~ (4) the child desires to reside with the parent;

~~(6)~~ (5) the parent has corrected the conditions that led to an order terminating parental rights; and

~~(7)~~ (6) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child.

Sec. 14. **CULTURAL COMPETENCY TRAINING FOR INDIVIDUALS WORKING WITH AFRICAN AMERICAN AND DISPROPORTIONATELY REPRESENTED FAMILIES AND CHILDREN IN THE CHILD WELFARE SYSTEM.**

Subdivision 1. **Applicability.** The commissioner of human services shall collaborate with the Children's Justice Initiative to ensure that cultural competency training is given to individuals working in the child welfare system, including child welfare workers, supervisors, attorneys, juvenile court judges, and family law judges.

Subd. 2. **Training.** (a) The commissioner shall develop training content and establish the frequency of trainings.

(b) The cultural competency training under this section is required prior to or within six months of beginning work with any African American or disproportionately represented child and family. A responsible social services agency staff person who is unable to complete the cultural competency training prior to working with African American or disproportionately represented children and families must work with a qualified staff person within the agency who has completed cultural competency training until the person is able to complete the required training. The training must be available by January 1, 2025, and must:

(1) be provided by an African American individual or individual from a community that is disproportionately represented in the child welfare system who is knowledgeable about African American and other disproportionately represented social and cultural norms and historical trauma;

(2) raise awareness and increase a person's competency to value diversity, conduct a self-assessment, manage the dynamics of difference, acquire cultural knowledge, and adapt to diversity and the cultural contexts of communities served;

(3) include instruction on effectively developing a safety plan and instruction on engaging a safety network; and

(4) be accessible and comprehensive and include the ability to ask questions.

(c) The training may be provided in a series of segments, either in person or online.

Subd. 3. **Update.** The commissioner shall provide an update to the legislative committees with jurisdiction over child protection issues by January 1, 2025, on the rollout of the training under subdivision 1 and the content and accessibility of the training under subdivision 2.

Sec. 15. **DISAGGREGATE DATA.**

The commissioner of human services shall establish a method to disaggregate data related to African American and other child welfare disproportionality and begin disaggregating data by January 1, 2025.

Sec. 16. **ENSURING FREQUENT VISITATION FOR AFRICAN AMERICAN AND DISPROPORTIONATELY REPRESENTED CHILDREN IN OUT-OF-HOME PLACEMENT.**

A responsible social services agency must engage in best practices related to visitation when an African American or a disproportionately represented child is in out-of-home placement. When the child is in out-of-home placement, the responsible social services agency shall make active efforts to facilitate regular and frequent visitation between the child and the child's parents or custodians, the child's siblings, and the child's relatives. If visitation is infrequent between the child and the child's parents, custodians, siblings, or relatives, the responsible social services agency shall make active efforts to increase the frequency of visitation and address any barriers to visitation.

Sec. 17. **CHILD WELFARE COMPLIANCE AND FEEDBACK PORTAL.**

The commissioner of human services shall develop, maintain, and administer a publicly accessible online compliance and feedback portal to receive reports of noncompliance with the Layla Jackson Law under Minnesota Statutes, sections 260.61 to 260.697, and other statutes related to child maltreatment, safety, and placement. Reports received through the portal must be transferred for review and further action to the appropriate unit or department within the Department of Human Services.

Sec. 18. **DIRECTION TO COMMISSIONER; MAINTAINING CONNECTIONS IN FOSTER CARE BEST PRACTICES.**

The commissioner of human services shall develop and publish guidance on best practices for ensuring that African American and disproportionately represented children in foster care maintain connections and relationships with their parents, custodians, and extended relative and kin network. The commissioner shall also develop and publish best practice guidance on engaging and assessing noncustodial and nonadjudicated parents to care for their African American or disproportionately represented children who cannot remain with the children's custodial parents.

Sec. 19. **APPROPRIATIONS.**

(a) \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for the administration of the Layla Jackson Law under Minnesota Statutes, sections 260.61 to 260.697. This is an ongoing appropriation.

(b) \$...... in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for the development, maintenance, and administration of the child welfare compliance and feedback portal. This is an ongoing appropriation."

Delete the title and insert:

"A bill for an act relating to human services; establishing the Layla Jackson Law; modifying child welfare provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, section 260C.329, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapter 260."

With the recommendation that when so amended the bill be re-referred to the Committee on Judiciary Finance and Civil Law.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 1718, A bill for an act relating to public safety; providing for appointment, licensing, and compensation of railroad peace officers; addressing civil liability issues; requiring rulemaking; amending Minnesota Statutes 2022, sections 626.05, subdivision 2; 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219.

Reported the same back with the following amendments:

Page 2, line 17, delete the comma and insert "and" and delete ", and immunities"

Page 3, line 28, delete "Subject to the privileges and immunities afforded a peace"

Page 3, line 29, delete everything before "a"

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

The report was adopted.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 2000, A bill for an act relating to gambling; authorizing and providing for sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting; providing civil and criminal penalties; providing for amateur sports grants; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 245.98, subdivision 2; 260B.007, subdivision 16; 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

Reported the same back with the following amendments:

Page 5, after line 8, insert:

"Subd. 21. **Sports governing body.** "Sports governing body" means an organization headquartered in the United States that prescribes and enforces final rules and codes of conduct for a sporting event and participants engaged in the sport. Notwithstanding the foregoing, the commissioner shall adopt rules to determine the governing body for electronic sports for the purposes of this chapter."

Renumber the subdivisions in sequence

Page 7, line 31, delete "2024" and insert "2025"

Page 15, line 7, delete "\$6,000" and insert "\$50,000"

Page 15, line 8, delete "\$38,250" and insert "\$250,000"

Page 15, line 9, delete "\$25,500" and insert "\$250,000"

Page 15, line 23, delete "\$6,000" and insert "\$50,000"

Page 15, line 24, delete "\$38,250" and insert "\$100,000"

Page 15, line 25, delete "\$25,500" and insert "\$100,000"

Page 16, line 20, delete "AND APPROPRIATION"

Page 16, line 21, delete everything after "the" and insert "general fund."

Page 16, delete line 22

Page 20, line 30, delete "commission" and insert "commissioner"

Page 27, line 25, delete "2024" and insert "2025"

Page 28, line 28, delete "2023" and insert "2024"

Page 28, after line 28, insert:

"Sec. 26. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective July 1, 2024."

Page 29, line 16, delete the period and insert "; and"

Page 29, delete lines 17 to 19

Page 29, line 20, delete "21" and insert "22"

Page 29, line 25, delete "ten" and insert "20"

Page 30, delete subdivision 7 and insert:

"Subd. 7. **Distribution of revenues; account established.** (a) The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section as follows:

(1) 80 percent to the general fund; and

(2) 20 percent to the sports betting revenue account in the special revenue fund.

(b) The sports betting revenue account is established in the special revenue fund.

Subd. 8. **Distribution of money.** (a) All amounts collected in the previous fiscal year by the commissioner in the sports betting revenue account must be distributed annually by October 1 as provided in this subdivision. Any money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, shall be credited to the account. After deducting any amounts necessary to pay the refunds under subdivision 5, the money shall be distributed as provided in paragraphs (b) and (d).

(b) 50 percent is appropriated to the commissioner of human services, of which:

(1) one-third is for the compulsive gambling treatment program established under section 245.98 which must also be available for up to 60 hours of intervention services for a family member or concerned significant other who is a Minnesota resident and is negatively impacted by problem or compulsive gambling;

(2) one-third is for emergency services grants under section 256E.36; and

(3) one-third is for a grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, provide education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and conduct research relating to problem gambling.

(c) Money appropriated by this subdivision must supplement and must not replace existing state funding for these programs. Money appropriated from the sports betting revenue account under this subdivision is available until expended.

(d) 50 percent shall be transferred to the amateur sports integrity and participation account established pursuant to section 240A.15, subdivision 1.

**EFFECTIVE DATE.** This section is effective for sports betting net revenue received after June 30, 2024."

Page 31, delete lines 16 to 19

Page 32, after line 7, insert:

"ARTICLE 3  
FANTASY CONTESTS

Section 1. **[349C.01] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Adjusted gross fantasy contest receipts.** "Adjusted gross fantasy contest receipts" means the amount equal to the total of all entry fees that a fantasy contest operator collects from all participants minus the total of all prizes paid out to all participants multiplied by the location percentage for this state.

Subd. 3. **Athletic event.** "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the athletic skill of one or more players or participants.

Subd. 4. **Authorized participant.** "Authorized participant" means an individual who has a valid fantasy contest account with a fantasy contest operator and is at least 21 years of age.

Subd. 5. **College sports.** "College sports" means a sporting event in which at least one participant is a team or individual from a public or private institution of higher education.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of public safety.

Subd. 7. **Entry fee.** "Entry fee" means cash or cash equivalent that is required to be paid by an authorized participant and set in advance by a fantasy contest operator to participate in a fantasy contest.

Subd. 8. **Esports event.** "Esports event" means a competition between individuals or teams using video games in a game, match, or contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online that is approved by the commissioner to be an event eligible for fantasy contests under this chapter.

Subd. 9. **Fantasy contest.** "Fantasy contest" means any simulated game or contest, with an entry fee, in which:

(1) the value of all prizes offered to a winning authorized participant are established and made known to the authorized participant in advance of the contest;

(2) all winning outcomes reflect the relative knowledge and skill of the authorized participant; and

(3) the authorized participant assembles, owns, or manages a fictional entry or roster of actual professional or amateur athletes, who participate in real-world sports events, or esports events that are regulated by a governing body and that are held between professional players who play individually or as teams.

Subd. 10. **Fantasy contest account.** "Fantasy contest account" means an electronic ledger in which the following types of transactions relative to an authorized participant are recorded:

(1) deposits and credits;

(2) withdrawals;

(3) fantasy contest wagers;

(4) monetary value of winnings;

(5) service or other transaction related charges authorized by the authorized participant, if any;

(6) adjustments to the account;

(7) promotional activity; and

(8) responsible gaming parameters.

Subd. 11. **Fantasy contest operator.** "Fantasy contest operator" means an entity that is licensed by the commissioner to operate, conduct, or offer for play fantasy contests under this chapter. A fantasy contest operator shall not be an authorized participant in a fantasy contest.

Subd. 12. **Governing body.** "Governing body" means an organization headquartered in the United States that prescribes and enforces final rules and codes of conduct for a sporting event and participants engaged in the sport. Notwithstanding the foregoing, the commissioner shall adopt rules to determine the governing body for electronic sports for the purposes of this chapter.

Subd. 13. **Location percentage.** "Location percentage" means the percentage rounded to the nearest tenth of one percent of the total entry fees collected from authorized participants located in this state divided by the total entry fees collected from all players in the fantasy contest activity.

Subd. 14. **Sports event.** "Sports event" means an athletic event, esports event, college sports event, or other event approved by the commissioner to be an event eligible for participation in a fantasy contest under this chapter. Sports event does not include:

(1) horse racing as defined in section 240.01, subdivision 8; or

(2) an esports or athletic event, demonstration, activity, or tournament organized by an elementary, middle, or high school, or by any youth activity sports program, league, or clinic.

Subd. 15. **Wager.** "Wager" means a transaction between an authorized participant and a licensed fantasy contest operator in which an authorized participant pays, deposits, or risks cash or a cash equivalent as an entry fee into a fantasy contest.

Sec. 2. **[349C.02] POWERS AND DUTIES OF THE COMMISSIONER.**

Subdivision 1. **Regulate fantasy contests.** The commissioner has the power and duty to regulate fantasy contests authorized under this chapter. In making rules, establishing policy, and regulating fantasy contests, the commissioner shall:

- (1) ensure that fantasy contests are conducted in a fair and lawful manner;
- (2) promote public safety and welfare; and
- (3) ensure that fantasy contests are conducted in a manner that is transparent to authorized participants.

Subd. 2. **Rulemaking.** (a) The commissioner must adopt and enforce rules consistent with this chapter that address:

- (1) the manner in which wagers are accepted and payouts are remitted;
- (2) the types of records that shall be kept by fantasy contest operators;
- (3) the testing and auditing requirements for licensees, including requirements related to fantasy contest accounts;
- (4) the method of accounting used by fantasy contest operators;
- (5) the creation, funding, and use of fantasy contest accounts, debit cards, and checks by authorized participants, provided that the rules permit an authorized participant to fund a fantasy contest account through a bonus or promotion, electronic bank transfer, an online or mobile payment system that supports online money transfers, a reloadable or prepaid card, and any other appropriate means approved by the commissioner, not including the use of credit cards;
- (6) the appropriate standards and practices to prevent and address compulsive and problem gambling;
- (7) the appropriate standards and practices to prevent and address fantasy contest entry by individuals who are not authorized participants or who are otherwise disqualified, prohibited, or excluded from contest entry;
- (8) the sporting events eligible for fantasy contests;
- (9) the requirements for obtaining and retaining fantasy contest operator licenses, including requirements for criminal and financial background checks, financial disclosure and auditing requirements, data practices and security requirements, bonding or other surety requirements, and the conduct of inspections;
- (10) investigation into any licensed or unlicensed person or entity when a person or entity is engaged in conducting a fantasy contest or engaged in conduct advertised as a fantasy contest that does meet the requirements of this chapter;

(11) the requirements for monitoring patterns of participation to identify behaviors consistent with problem gambling and the appropriate actions to take when problem gambling is suspected, including pausing or suspending activities from an identified fantasy contest account; and

(12) the appropriate limits, standards, and requirements necessary to prevent excessive wagering by an individual whose ability to control impulsive wagering is impaired in any way.

**Subd. 3. Licensing; fee collection.** (a) The commissioner shall issue all fantasy contest operator licenses. Licenses issued under this chapter may not be transferred.

(b) The commissioner shall collect all license fees, including renewals, surcharges, and civil penalties imposed by this chapter.

**Subd. 4. Delegation.** The commissioner may delegate any of its authority under this chapter to the director of alcohol and gambling enforcement if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.

**Subd. 5. Additional powers.** The commissioner may exercise any other powers necessary to enforce the provisions of this chapter.

**Sec. 3. [349C.03] LICENSING; APPLICATION REQUIREMENTS.**

**Subdivision 1. General requirements.** (a) A licensee or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under this chapter:

(1) complete an application for licensure or application for renewal;

(2) pay the applicable application and licensing fees;

(3) not owe \$500 or more in delinquent taxes, as defined in section 270C.72;

(4) not have, after demand, failed to file tax returns required by the commissioner of revenue; and

(5) no officer, director, or other person with a present direct or indirect financial or management interest in the applicant:

(i) is in default in the payment of an obligation or debt to the state;

(ii) has been convicted of a crime listed in section 299L.25, subdivision 2, paragraph (a), or has a state or federal charge for one of those crimes pending;

(iii) is or has been convicted of engaging in an illegal business;

(iv) has ever been found guilty of fraud or misrepresentation in connection with wagering;

(v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota relating to wagering; or

(vi) may be employed by any state agency with regulatory authority over fantasy contests.

(b) Any fantasy contest operator applying for licensure or renewal of a license may operate during the application period unless the commissioner has reasonable cause to believe that such operator is or may be in violation of the provisions of this chapter.



(c) A fantasy contest operator applying for licensure or renewal of a license must pay an application fee of \$10,000.

Subd. 2. **Application; contents.** (a) An application for a license under this chapter must be submitted on a form prescribed by the commissioner. At a minimum, the application must include:

(1) the business name, address, and contact information of the applicant;

(2) the applicant's website address;

(3) the applicant's tax identification number;

(4) proof of the applicant's financial security in an amount sufficient to comply with the provisions of section 349C.08;

(5) the name and address of all officers, directors, and shareholders with more than ten percent interest in the corporation and any of its holding companies;

(6) an affidavit executed by the applicant setting forth that, to the best of the applicant's knowledge, the applicant meets the requirements of subdivision 1, paragraph (a), clauses (3) to (5);

(7) an irrevocable consent statement, signed by the applicant, which states that suits and actions limited to the enforcement of this chapter may be commenced against the applicant by the commissioner in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commissioner;

(8) a declaration that the laws of the state of Minnesota will be followed, including any applicable provisions of the Minnesota Human Rights Act, chapter 363A; and

(9) any additional information required by the commissioner.

(b) If the commissioner receives an application that fails to provide the required information, the commissioner shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Within 90 days of receiving a completed application, the commissioner shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.

(e) An applicant whose application is not approved may reapply at any time, but must submit a new application and pay an additional application fee.

Subd. 3. **Duty to update.** (a) During the pendency of an application and at any time after a license has been issued, an applicant or licensee shall notify the commissioner of any changes to the information provided under this section.

(b) If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in a licensee, or a change of ownership of more than ten percent of the shares of the licensee is made after the application for a license is filed or a license is issued, the applicant or licensee must notify the commissioner of the changes within ten days of their occurrence and submit a new affidavit as required by this section.

Subd. 4. **Deposit of fees.** Application, registration, license, and renewal fees shall be deposited in the general fund.

Sec. 4. **[349C.04] FANTASY CONTEST OPERATOR LICENSE.**

Subdivision 1. **Issuance; renewal.** The commissioner may issue an unlimited number of licenses. Each license is valid for three years and may be renewed under conditions required by rule adopted pursuant to section 349C.02.

Subd. 2. **Licensing requirements.** A fantasy contest operator must:

(1) submit a completed application and all required documents or other materials pursuant to this chapter and any relevant rules;

(2) submit a detailed plan and specifications for the implementation of fantasy contests;

(3) include mechanisms on its platform that are designed to detect and prevent the unauthorized use of fantasy contest accounts and to detect and prevent fraud, money laundering, and collusion;

(4) include identity and geolocation verification procedures, which may require the use of a reputable independent third party that is in the business of verifying an individual's personally identifiable information and can detect potential prohibited participants;

(5) submit a statement of the assets and liabilities of the license holder to the commissioner;

(6) pay a licensing fee pursuant to subdivision 3 upon initial application and at each subsequent license renewal; and

(7) meet any other conditions required by rule adopted pursuant to section 349C.02.

Subd. 3. **Fees.** (a) The initial license fee for a fantasy contest operator that operated in Minnesota in the preceding 12 months shall be the greater of ten percent of its adjusted gross fantasy contest receipts from the preceding 12 months or \$5,000. The initial license fee for a fantasy contest operator that did not operate in the state for at least the preceding 12 months shall be \$5,000.

(b) The license renewal fee shall be one percent of adjusted gross fantasy contest receipts for the preceding three years.

Subd. 4. **Continued operation; registration.** (a) Any fantasy operator already offering fantasy contests to persons located in Minnesota before July 1, 2024, may continue to offer contests to persons located in Minnesota until the fantasy operator's application for licensure has been approved or denied so long as the fantasy operator files an application for licensure with the commissioner within 90 days of the commissioner making applications available for submission.

(b) A fantasy contest operator must register with the commissioner in a form and manner prescribed by the commissioner to continue operations under paragraph (a). The fantasy contest operator must submit its registration with a \$10,000 registration fee.

Subd. 5. **Reporting.** A fantasy contest operator must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.

Sec. 5. **[349C.05] FANTASY CONTESTS AUTHORIZED.**

Subdivision 1. Authorization. A person 21 years of age or older may participate in a fantasy contest within the state provided the person places all wagers with an entity licensed under this chapter and is not disqualified, prohibited, or excluded from participation in a fantasy contest.

Subd. 2. Fantasy contest. (a) Entry into a fantasy contest by an authorized participant is lawful provided that:

(1) winning outcomes are determined solely by clearly established scoring criteria based on one or more statistical results of the performance of individual athletes, including but not limited to a fantasy score or a statistical measure of performance; and

(2) no winning outcome is entirely based on the score, point spread, or any performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in any single actual event;

(b) Fantasy contests may include both contests wherein authorized participants compete against each other and contests wherein only a single authorized participant competes against a target score set by the fantasy contest operator.

(c) Any fantasy contest conducted under this chapter does not constitute sports betting for any purpose, as set forth in sections 299L.10 to 299L.80.

(d) A fantasy contest subject to the requirements of this chapter does not include:

(1) any fantasy contest in which the authorized participant is not required to pay an entry fee to a fantasy contest operator; or

(2) contests:

(i) with rosters whose membership is limited to athletes of a single sport;

(ii) that encompass at least one-half of a sport's regular season of the athletic activity in which the underlying competition is being conducted;

(iii) in which participants compete against each other; and

(iv) in which the fantasy contest operator, if it so chooses, retains an administrative fee not to exceed 50 percent of all entry fees paid to enter the single season-long contest.

Subd. 3. Fantasy contest operator. A fantasy contest operator must:

(1) make available on its website means to allow individuals to self-report to the exclusion list provided under section 349C.07;

(2) provide authorized participants with access to their play history and account details, including all deposit amounts, withdrawal amounts, a summary of entry fees expended, and bonus or promotion information, including how much is left on any pending bonus or promotion and how much has been released to the authorized participant;

(3) segregate authorized participant funds, including amounts in live fantasy contests that have not been paid out yet, from operational funds;

(4) prominently publish the rules governing each fantasy contest with an entry fee;

(5) develop and prominently publish procedures by which any person may file a complaint with the operator and the commissioner; and

(6) disclose the terms of all promotional offers at the time the offers are advertised, and provide full disclosures of limitations on the offer before an authorized participant provides financial consideration in exchange for the offer.

Sec. 6. **[349C.06] WAGERING.**

Subdivision 1. **Placing wagers; entry fees.** An individual who is 21 years of age or older may place wagers pursuant to this chapter by submitting an entry fee to a fantasy contest operator to participate in a fantasy contest provided the individual is not otherwise disqualified, prohibited, or excluded from doing so. A fantasy contest operator may only accept wagers in a form and manner prescribed and approved by the commissioner.

Subd. 2. **Fantasy contest account.** (a) An individual may establish a fantasy contest account by electronic means from any location, and may fund an account by any means approved by the commissioner.

(b) A fantasy contest operator must not accept a wager unless the authorized participant provides consideration in the form of money or other thing of value such as use of promotional credits from the authorized participant's fantasy contest account at the time of making the wager.

(c) Consideration must be in the form of withdrawal from a fantasy contest account maintained by the fantasy contest operator for the benefit of and in the name of the wagerer.

(d) A fantasy contest operator shall verify an individual's age and identity before allowing that individual to place a wager and may utilize an approved identity verification service provider to confirm an individual's age and identity.

(e) A fantasy contest operator must deposit any prize won by an authorized participant into the authorized participant's account within 72 hours of winning the prize.

(f) An authorized participant shall have the right to withdraw the balance of funds in the fantasy contest account in the authorized participant's name at any time with proof of identity, as determined by rules adopted pursuant to section 349C.02, within ten business days of the request being made. This period shall be extended if the fantasy contest operator believes in good faith that the authorized participant engaged in either fraudulent conduct or other conduct that would put the operator in violation of this chapter, in which case the fantasy contest operator may decline to honor the request for withdrawal for a reasonable investigatory period until the investigation is resolved if the fantasy contest operator provides notice of the nature of the investigation to the authorized participant. If the investigation exceeds 60 days, the fantasy contest operator shall notify the commissioner. For the purposes of this provision, a request for withdrawal will be considered honored if it is processed by the fantasy contest operator but delayed by a payment processor, credit card issuer, or by the custodian of a financial account.

Subd. 3. **Wager location.** Fantasy contest wagers may only be accepted from an authorized participant placing a wager online, through a website or mobile application, while the authorized participant is physically within the state. The incidental routing of a fantasy contest wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

Subd. 4. **Wagers prohibited.** A fantasy contest operator must not accept a wager on the outcome of an event or proposition that has already been determined.

Subd. 5. **Receipt.** A fantasy contest operator must provide a person who places a wager with an electronic receipt at the time of sale that contains the following information:

(1) the proposition that is the subject of the wager;

(2) the outcome that will constitute a win on the wager;

(3) the amount wagered; and

(4) the payout in the event of a winning wager.

Subd. 6. **Wager data; safeguards necessary.** (a) Information regarding wagers made by an authorized participant who engages in fantasy contests, including but not limited to wager type and consideration paid, may be accessed, stored, or used for ordinary business purposes by the fantasy contest operator.

(b) Fantasy contest operators must use commercially reasonable methods to maintain the security of wager data, authorized participant data, and other confidential information from unauthorized access and dissemination, however, that nothing in this chapter shall preclude the use of Internet or cloud-based hosting of such data and information or disclosure as required by court order, other law, or this chapter.

**Sec. 7. [349C.07] EXCLUSION LIST AND PROHIBITION ON PARTICIPATION.**

Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who are not eligible to wager on fantasy contests through a fantasy contest operator. The list shall include the names of:

(1) persons who have themselves requested to be on the exclusion list;

(2) persons whose names have been submitted, for their protection, by their legal guardians;

(3) persons whose names have been submitted by fantasy contest operators for good cause; and

(4) persons whose names have been submitted by sports governing bodies.

(b) A person who has requested to be on the exclusion list may specify a time limit of one, three, or five years for the person's name to be on the list. The commissioner will remove the person's name from the list at the conclusion of the specified time. A person may be removed from the list before the specified time by providing proof of completion of a class approved by the commissioner to address compulsive gambling.

(c) The information contained on the list is private data on individuals, as defined in section 13.02, subdivision 12, except the commissioner is permitted to share the list with fantasy contest operators as needed to prevent persons on the exclusion list from participating in fantasy contests.

Subd. 2. **Prohibited wagers by certain persons.** The following persons who are otherwise authorized to participate in fantasy contests are prohibited from placing the wagers described:

(1) a person who is prohibited from placing wagers by a fantasy contest operator for good cause, including but not limited to any person placing a wager as an agent or proxy on behalf of another, may not place a wager of any kind;

(2) a person who is an athlete, coach, referee, player, trainer, or team employee is prohibited from wagering in a fantasy contest overseen by that person's sports governing body;

(3) a person who holds a position of authority sufficient to exert influence over the participants in a sporting event, including but not limited to a coach, manager, or owner is prohibited from wagering in a fantasy contest overseen by that person's sports governing body; and

(4) a person who has access to certain types of exclusive or nonpublic information regarding a sporting event is prohibited from wagering in a fantasy contest overseen by the sports governing body of that sporting event.

Subd. 3. **Prohibition on accepting wagers.** (a) A fantasy contest operator shall not knowingly accept a wager from a person on the exclusion list or allow a person on the exclusion list to establish a fantasy contest account.

(b) A fantasy contest operator shall not knowingly accept a wager prohibited under subdivision 2 from any person who can reasonably be identified by publicly available information or by any lists provided to the commissioner.

(c) Knowingly accepting a wager from a person on the exclusion list is a license violation, subject to a penalty established by the commissioner.

Sec. 8. **[349C.08] FINANCIAL RESPONSIBILITY.**

Subdivision 1. **Responsibility for satisfying winning wagers.** A wager in a fantasy contest placed with a fantasy contest operator is an enforceable contract. A fantasy contest operator who accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one year of the outcome that is the subject of the wager may be canceled by the fantasy contest operator.

Subd. 2. **Cash reserves.** (a) A fantasy contest operator shall maintain cash reserves in an amount that is not less than the greater of \$25,000 or the sum of the:

(1) amounts held by the fantasy contest operator for the fantasy contest accounts of authorized participants;

(2) amounts accepted by the fantasy contest operator as wagers on contingencies whose outcome have not been determined; and

(3) amounts owed but unpaid by the fantasy contest operator on winning wagers through the period established by the operator, subject to time limits set by the commissioner, for honoring winning wagers.

(b) Such reserves shall be held in the form of cash or cash equivalents segregated from operational funds, payment processor reserves and receivables, any bond, an irrevocable letter of credit, or any combination thereof.

Subd. 3. **Bond.** A fantasy contest operator shall be required to post a bond, securities, or an irrevocable letter of credit in an amount the commissioner deems necessary after taking into consideration the amount of the fantasy contest operator's cash reserves, to protect the financial interests of authorized participants participating in fantasy contests. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

Sec. 9. **[349C.09] RECORD RETENTION; INFORMATION SHARING.**

Subdivision 1. **Record retention.** Fantasy contest operators shall maintain records of all wagers placed, including personally identifiable information of an authorized participant, amount and type of wager, time the wager was placed, location of the wager, including IP address if applicable, the outcome of the wager, and records of abnormal betting activity for three years after the fantasy contest occurs. Fantasy contest operators shall make the data described in this subdivision available for inspection upon request of the commissioner or as required by court order.

Subd. 2. **Anonymization required.** Fantasy contest operators shall use commercially reasonable efforts to maintain in real time and at the account level anonymized information regarding an authorized participant, amount and type of wager, the time the wager was placed, the location of the wager, including the IP address if applicable, the outcome of the wager, and records of abnormal betting activity. Nothing in this section shall require a fantasy contest operator to provide any information that is prohibited by federal, state, or local laws or regulations, including laws and regulations relating to privacy and personally identifiable information.

Subd. 3. **Information sharing.** (a) If a sports governing body has notified the commissioner that access to the information described in subdivision 2 for wagers placed on fantasy contests of the sports governing body is necessary to monitor the integrity of such body's sporting events, then fantasy contest operators shall share, in a commercially reasonable frequency, form, and manner, with the sports governing body or its designees the information under subdivision 2 with respect to wagers on fantasy contests of the sports governing body.

(b) Sports governing bodies and their designees may only use information received under this subdivision for integrity-monitoring purposes and may not use information received under this subdivision for any commercial or other purpose.

Sec. 10. **[349C.10] LICENSE VIOLATIONS; ENFORCEMENT.**

Subdivision 1. **Schedule of penalties.** The commissioner must adopt rules that provide a graduated schedule of penalties for violations of license requirements under statute or rule. The schedule must specify penalties that may range from warnings and probation periods to civil fines, temporary suspension of licenses, or revocation of licenses.

Subd. 2. **Authority to act.** The commissioner may issue administrative orders, impose civil penalties, and suspend, revoke, or not renew a license issued pursuant to this chapter if the commissioner determines that a licensee has committed or is about to commit a violation of this chapter or rules adopted pursuant to this chapter, or if the commissioner determines that the licensee is disqualified or ineligible to hold a license pursuant to sections 349C.04 and 349C.05.

Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without a hearing, suspend the license and operating privilege of any licensee for a period of up to 90 days if there is clear and convincing evidence that:

(1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation, requires immediate action to protect the public from harm;

(2) the licensee has not timely filed a tax return or paid the tax required under chapter 297K; or

(3) the licensee has not timely paid all fees due under this chapter.

(b) The commissioner shall notify the licensee of the violation that caused the temporary suspension and may lift the temporary suspension if the licensee corrects the violation.

(c) The commissioner may extend the period of suspension if the violation is not corrected, the commissioner notifies the licensee that the commissioner intends to revoke or not renew a license, and a contested case hearing has not taken place.

Subd. 4. **Notice of violation; administrative orders; request for reconsideration; demand for hearing.** (a) The commissioner may issue an administrative order to any licensee who has committed a violation. The order may require the licensee to correct the violation or to cease and desist from committing the violation and may impose civil penalties. The order must state the deficiencies that constitute a violation, the time by which the violation must be corrected, and the amount of any civil penalty.

(b) If the licensee believes the information in the administrative order is in error, the licensee may ask the commissioner to reconsider any parts of the order that are alleged to be in error. The request must be in writing, be delivered to the commissioner by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The commissioner must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the order unless the commissioner issues a supplemental order granting additional time. The commissioner's disposition of a request for reconsideration is final.

(c) An administrative order that imposes a civil penalty of more than \$2,000 shall be treated as a contested case under chapter 14.

(d) A licensee may request a hearing on the administrative order within 30 days of service of the order. The request must be in writing and delivered to the commissioner by certified mail. If the licensee does not request a hearing within 30 days, the order becomes final.

(e) If a licensee requests a hearing, the hearing must be held not later than 30 days after the commissioner receives the request unless the licensee and the commissioner agree on a later date. After the hearing, the commissioner may enter an order making such disposition as the facts require. If the licensee fails to appear at the hearing after having been notified of it, the licensee is considered in default and the proceeding may be determined against the licensee on consideration of the administrative order, the allegations of which may be considered to be true. An action of the commissioner under this paragraph is subject to judicial review pursuant to chapter 14.

(f) Civil penalties collected by the commissioner shall be deposited in the general fund. Civil penalties may be recovered in a civil action in the name of the state brought in the district court.

Subd. 5. **Revocation, nonrenewal, civil penalties; contested case.** If the commissioner intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the commissioner shall provide the licensee with a statement of the complaints made against the licensee and shall initiate a contested case proceeding. The contested case shall be held pursuant to chapter 14.

Sec. 11. **[349C.11] DATA PROTECTIONS.**

Data in which an individual who has wagered on a fantasy contest is identified by name, account number, Social Security number, or any other uniquely identifying indicia, are private data on individuals, as defined in section 13.02, subdivision 12. Data on individual earnings of fantasy contest operator application and licensing information are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 12. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective July 1, 2024.

ARTICLE 4  
TAXATION OF FANTASY CONTESTS

Section 1. **[297K.01] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Adjusted gross fantasy contest receipts.** "Adjusted gross fantasy contest receipts" means the amount equal to the total of all entry fees that a fantasy contest operator collects from all authorized participants minus the total of all prizes paid out to all participants multiplied by the location percentage for this state.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of revenue.

Subd. 4. **Fantasy contest.** "Fantasy contest" has the meaning given in section 349C.01, subdivision 9.

Subd. 5. **Fantasy contest operator.** "Fantasy contest operator" has the meaning given in section 349C.01, subdivision 11.

Subd. 6. **Location percentage.** "Location percentage" means the percentage rounded to the nearest tenth of one percent of the total entry fees collected from authorized participants located in this state divided by the total entry fees collected from all players in the fantasy contest activity.



Subd. 7. **Wager.** "Wager" has the meaning given in section 349C.01, subdivision 15.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

Sec. 2. **[297K.02] TAX ON FANTASY CONTEST NET REVENUE.**

Subdivision 1. **Tax imposed.** A tax is imposed on fantasy contest operators equal to ten percent of adjusted gross fantasy receipts.

Subd. 2. **Fantasy contest net revenue tax in lieu of other taxes.** Income derived by a fantasy contest operator from the conduct of wagering on a fantasy contest is not subject to the tax imposed under chapter 290. Wagers accepted by a fantasy contest operator are not subject to the tax imposed in section 297A.62 or 297E.03.

Subd. 3. **Returns; due dates.** A fantasy contest operator must file a return by the 20th day of each month reporting the tax due under this section for the preceding month. The return must include the amount of all wagers received, payouts made, all fantasy contest taxes owed, and other information required by the commissioner. The tax under this chapter is due to be paid to the commissioner on the day the return is due.

Subd. 4. **Public information.** All records concerning the administration of taxes under this chapter are classified as public information.

Subd. 5. **Refunds.** A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds under this subdivision is appropriated from the general fund to the commissioner.

Subd. 6. **Extensions.** If in the commissioner's judgment good cause exists, the commissioner may extend the time for filing tax returns or paying taxes, or both, under this section for not more than six months.

Subd. 7. **Deposit of revenue.** The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section into the general fund.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

Sec. 3. **[297K.03] FANTASY CONTEST OPERATOR REPORTS AND RECORDS.**

Subdivision 1. **Business records.** A fantasy contest operator must maintain records supporting the fantasy contest activity and taxes owed. Records required to be kept in this section must be preserved by the fantasy contest operator for at least 3-1/2 years after the return is due or filed, whichever is later, and may be inspected by the commissioner at any reasonable time without notice or a search warrant.

Subd. 2. **Audits.** The commissioner may require a financial audit of a fantasy contest operator's fantasy contest activities if the operator has failed to comply with the financial reporting requirements under this chapter. Audits must be performed by an independent accountant licensed according to chapter 326A. The commissioner must prescribe standards for an audit required under this subdivision. A complete, true, and correct copy of an audit must be filed as prescribed by the commissioner. Nothing in this subdivision limits the commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024."

Page 33, delete lines 20 to 23 and insert:

"(b) Paragraph (a) does not apply to transfers of data between a person licensed under sections 299L.10 to 299L.80 or an employee of a licensee and the following entities when that transfer is necessary to perform duties prescribed by law relating to wagering on sporting events:

(1) the transfer of data to the commissioner, the director, or the commissioner of revenue;

(2) the transfer of data to a sports governing body pursuant to section 299L.53, subdivision 3, paragraph (a); and

(3) the transfer of data to the University of Minnesota pursuant to section 299L.53, subdivision 3, paragraph (c)."

Page 37, line 9, delete "and"

Page 37, after line 9, insert:

"(9) fantasy contests when the betting is conducted pursuant to chapter 349C; and"

Page 37, line 10, delete "(9)" and insert "(10)"

Page 37, line 19, before the period, insert "or fantasy contests pursuant to chapter 349C"

Page 37, line 25, before the period, insert "or fantasy contests when betting is conducted pursuant to chapter 349C"

Page 38, after line 2, insert:

"Sec. 7. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to read:

Subd. 7b. **Fantasy contest.** "Fantasy contest" has the meaning given in section 349C.01, subdivision 9."

Page 38, line 23, delete "609.76" and insert "299L.80"

Page 39, delete section 10 and insert:

"Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective the day that sports betting and fantasy contests become lawful under articles 1 and 3 and applies to crimes committed on or after that date."

Page 40, delete article 4 and insert:

"ARTICLE 6  
AMATEUR SPORTS AND ACTIVITIES GRANTS

Section 1. **[240A.15] GRANTS FOR PROMOTING INTEGRITY AND PARTICIPATION.**

Subdivision 1. **Account established; appropriation.** (a) The amateur sports integrity and participation account is established in the special revenue fund. The account shall consist of the amount deposited pursuant to section 297J.02, subdivision 8, paragraph (d).

(b) The amount necessary to make grants under subdivisions 2 and 3 is appropriated to the Minnesota Amateur Sports Commission. The Minnesota Amateur Sports Commission may retain four percent of the total appropriation to administer the grants.

(c) The amount necessary to make grants under subdivision 4 is appropriated to the Minnesota State High School League. The Minnesota State High School League may retain four percent of the total appropriation to administer the grants.

**Subd. 2. Grants to promote the integrity of amateur sports.** (a) The Minnesota Amateur Sports Commission shall use 20 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to collegiate and amateur sports associations to promote the integrity of amateur sports. Of this amount, 80 percent of money must be distributed to grant recipients at institutions whose undergraduate enrollment total is fewer than 25,000 students.

(b) Grant recipients may use money to:

(1) provide comprehensive gambling and athlete protection education and programming related to disordered gambling to athletes and others directly involved with amateur athletic organizations;

(2) promote the independence, safety, and training of amateur sports leagues and officials;

(3) provide educational substance abuse prevention and intervention programs related to the use of performance-enhancing drugs;

(4) provide problem gambling prevention education;

(5) provide training to coaches and athletes on safe relationships and how to establish and maintain an environment free from bullying, harassment, and discrimination based on race or sex; or

(6) provide training or resources to address the mental health needs of amateur athletes, including programs to address depression, anxiety, and disordered eating.

(c) By September 1 of each year, individuals or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing how grant money was used and providing any additional information required by the Minnesota Amateur Sports Commission.

**Subd. 3. Grants to promote and facilitate participation in youth sports.** (a) The Minnesota Amateur Sports Commission shall use 40 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to organizations to promote and facilitate participation in youth sports in areas that have experienced a disproportionately high rate of juvenile crime.

(b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.

(c) Grant recipients may use money to:

(1) establish, maintain, or expand youth sports;

(2) improve facilities for youth sports;

(3) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;

(4) recruit and train adults to serve as coaches, officials, or in other supportive roles; or

(5) coordinate additional services for youth, including tutoring, mental health services, substance abuse treatment, and family counseling.

(d) By September 1 of each year, individuals or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing how grant money was used and providing any additional information required by the Minnesota Amateur Sports Commission.

Subd. 4. **Grants to promote and facilitate participation in youth activities.** (a) The Minnesota State High School League shall use 40 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to schools or organizations to promote and facilitate participation in competitive, nonathletic youth activities in areas that have experienced a disproportionately high rate of juvenile crime.

(b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.

(c) Grant recipients may use money to:

(1) establish, maintain, or expand competitive, nonathletic youth activities;

(2) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;

(3) recruit and train adults to serve as coaches, officials, or in other supportive roles; or

(4) coordinate additional services for youth, including tutoring, mental health services, substance abuse treatment, and family counseling.

(d) By September 1 of each year, schools or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota State High School League describing how grant money was used and providing any additional information required by the Minnesota State High School League.

Subd. 5. **Annual report.** By January 15 of each year, the Minnesota Amateur Sports Commission and Minnesota State High School League must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must identify the grants issued under this section since the previous report, including the individual or organization that received the grant, the amount awarded, and the purpose of the grant. The report must also compile and provide the annual reports received from grantees.

Sec. 2. Minnesota Statutes 2022, section 245.98, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of human services shall establish a program for the treatment of compulsive gamblers and their families. The commissioner may contract with an entity with expertise regarding the treatment of compulsive gambling to operate the program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; regional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The commissioner may enter into agreements with other entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The

program must include up to 60 hours of intervention services for a family member or concerned significant other who is a Minnesota resident and is negatively impacted by problem or compulsive gambling. The program may also include inpatient and outpatient treatment and rehabilitation services for residents in different settings, including a temporary or permanent residential setting for mental health or substance use disorder, and individuals in jails or correctional facilities. The program may also include research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established.

## ARTICLE 7 CHARITABLE GAMBLING

Section 1. Minnesota Statutes 2023 Supplement, section 297E.02, subdivision 6, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. ~~The For~~ combined net receipts of an organization collected on or before June 30, 2025, the combined net receipts are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	eight percent
Over \$87,500, but not over \$122,500	\$7,000 plus 17 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$12,950 plus 25 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$21,700 plus 33.5 percent of the amount over \$157,500

(b) For combined net receipts of an organization collected between July 1, 2025, and June 30, 2026, the combined net receipts are subject to a tax computed according to the following schedule:

<u>If the combined net receipts for the fiscal year are:</u>	<u>The tax is:</u>
<u>Not over \$87,500</u>	<u>5.5 percent</u>
<u>Over \$87,500, but not over \$122,500</u>	<u>\$7,000 plus 15 percent of the amount over \$87,500, but not over \$122,500</u>
<u>Over \$122,500, but not over \$157,500</u>	<u>\$12,950 plus 23 percent of the amount over \$122,500, but not over \$157,500</u>
<u>Over \$157,500</u>	<u>\$21,700 plus 32.5 percent of the amount over \$157,500</u>

(c) For combined net receipts of an organization collected between July 1, 2026, and June 30, 2027, the combined net receipts are subject to a tax computed according to the following schedule:

<u>If the combined net receipts for the fiscal year are:</u>	<u>The tax is:</u>
<u>Not over \$87,500</u>	<u>four percent</u>
<u>Over \$87,500, but not over \$122,500</u>	<u>\$7,000 plus 13 percent of the amount over \$87,500, but not over \$122,500</u>

<u>Over \$122,500, but not over \$157,500</u>	<u>\$12,950 plus 20 percent of the amount over \$122,500, but not over \$157,500</u>
<u>Over \$157,500</u>	<u>\$21,700 plus 28.5 percent of the amount over \$157,500</u>

(d) For combined net receipts of an organization collected on July 1, 2027, and thereafter, the combined net receipts are subject to a tax computed according to the following schedule:

<u>If the combined net receipts for the fiscal year are:</u>	<u>The tax is:</u>
<u>Not over \$87,500</u>	<u>three percent</u>
<u>Over \$87,500, but not over \$122,500</u>	<u>\$7,000 plus ten percent of the amount over \$87,500, but not over \$122,500</u>
<u>Over \$122,500, but not over \$157,500</u>	<u>\$12,950 plus 18 percent of the amount over \$122,500, but not over \$157,500</u>
<u>Over \$157,500</u>	<u>\$21,700 plus 26 percent of the amount over \$157,500</u>

~~(b)~~ (e) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

**EFFECTIVE DATE.** This section is effective for receipts collected the day following final enactment.

Sec. 2. Minnesota Statutes 2022, section 349.12, is amended by adding a subdivision to read:

Subd. 12f. **Electronic pull-tab device dispenser.** (a) "Electronic pull-tab device dispenser" means a device that:

- (1) accepts cash inserted into the electronic pull-tab device dispenser;
- (2) loads funds onto an electronic pull-tab device that corresponds to the funds inserted into the electronic pull-tab device dispenser;
- (3) dispenses an electronic pull-tab device for use;
- (4) is kept in a physical location within an establishment where the dispenser can be seen by a bartender or booth operator at all times;
- (5) does not have the ability to redeem or dispense prizes, break bills, or return change, tickets, tokens, or winnings to a player;
- (6) does not have the ability to track, monitor, or compile data related to individual players or distribute play-based incentives;
- (7) does not include player stations, individual seats, or seating areas at or near the device;
- (8) does not include interactive features, elements, or functions other than those required to accomplish the tasks identified in clauses (1) to (3);
- (9) requires the electronic pull-tab device to be disconnected, unattached, unplugged, or otherwise unaffixed from the electronic pull-tab device dispenser for the electronic pull-tab device to operate or for game play to occur;

(10) has no promotional material, signs, or advertisements attached to the physical device or displayed on any screen located on the electronic pull-tab device dispenser;

(11) has no spinning reels or other representations that mimic a video slot machine, including but not limited to free plays, bonus games, screens, or game features that are triggered after the initial symbols are revealed that display the results of the game;

(12) has no additional function as an amusement or gambling device;

(13) has no audio or visual components other than those necessary to allow use of the electronic pull-tab device dispenser by a player who is visually impaired; and

(14) satisfies any applicable federal requirements placed on such devices or specific financial transactions.

(b) The number of electronic pull-tab device dispensers located at any permitted premises is limited to one.

(c) Each electronic pull-tab device dispenser shall include a certification from a board-approved testing laboratory that the device meets the standards and requirements established in Minnesota Statutes and Minnesota Rules.

Sec. 3. Minnesota Statutes 2023 Supplement, section 349.12, subdivision 25, is amended to read:

Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15c, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services;

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$50 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities, intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;

(8) payment of local taxes authorized under this chapter, including local gambling taxes authorized under section 349.213, subdivision 3, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; and

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;

(14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

(15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for:

(i) up to 100 percent for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veteran or fraternal organization; or

(ii) a proportional amount subject to approval by the director and based on the portion of a building used as the primary headquarters of the licensed veteran or fraternal organization;

(17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than \$5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home;



(18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota;

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, and is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section;

(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure; ~~or~~

(26) a contribution to a 501(c)(19) organization that does not have an organization license under section 349.16 and is not affiliated with the contributing organization, and whose owned or leased property is not a permitted premises under section 349.165. The 501(c)(19) organization may only use the contribution for lawful purposes under this subdivision or for the organization's primary mission. The 501(c)(19) organization may not use the contribution for expansion of a building or for bar-related expenditures. A contribution may not be made to a statewide organization representing a consortia of 501(c)(19) organizations; or

(27)(i) an expenditure made after June 30, 2024, and before August 1, 2029, for the repair, maintenance, or improvement of real property and capital assets owned by the following organizations, or for the replacement of a capital asset that can no longer be repaired:

(A) American Legion;

(B) Veterans of Foreign Wars of the United States (VFW);

(C) Jewish War Veterans of the United States of America;

(D) Military Order of the Purple Heart;

(E) AMVETS;

(F) Marine Corps League;

(G) Paralyzed Veterans of America; or

(H) Disabled American Veterans.

(ii) The expenditure is limited to 50 percent of gross profits from the previous fiscal year. The fiscal year is July 1 through June 30. Any unused allowances may carry forward pursuant to the requirements in item (iii).

(iii) For qualifying organizations whose gross receipts exceed \$400,000 per year, the organization may carry forward unused allowances for up to two years. For qualifying organizations whose gross receipts do not exceed \$400,000 per year, the organization may carry forward unused allowances for up to three years. Any organization carrying forward funds must identify the planned project for which the funds will be used prior to carrying forward the unused allowances.

(iv) Total expenditures for the fiscal year may not exceed the limit imposed under item (ii) unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or any capital improvements within the building regardless of use of the improvement are allowed under this provision. This provision applies only to capital improvements to the existing building square footage and does not apply to the new construction of a new or replacement building.

(b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25), must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

(c) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

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

ARTICLE 8  
PARI-MUTUEL HORSE RACING

Section 1. Minnesota Statutes 2022, section 240.01, subdivision 1c, is amended to read:

Subd. 1c. **Advance deposit wagering; ADW.** "Advance deposit wagering" or "ADW" means a system of pari-mutuel ~~wagering~~ betting in which wagers and withdrawals are debited and winning payoffs and deposits are credited to an account held by an authorized ADW provider on behalf of an account holder. Advance deposit wagering shall not mean or include historical horse racing, nor any televised, video, or computer screen depicting a video game of chance or slot machine.

Sec. 2. Minnesota Statutes 2022, section 240.01, subdivision 8, is amended to read:

Subd. 8. **Horse racing.** "Horse racing" is any form of live or simulcast of a live horse racing race in which horses carry a human rider or pull a sulky with a human. Horse racing shall not include any form that has happened in the past or is considered historical horse racing.

Sec. 3. Minnesota Statutes 2022, section 240.01, is amended by adding a subdivision to read:

Subd. 8a. **Historical horse racing.** "Historical horse racing" means any horse race that was previously conducted at a licensed racetrack, concluded with results, and concluded without scratches, disqualifications, or dead-heat finishes.

Sec. 4. Minnesota Statutes 2022, section 240.01, subdivision 14, is amended to read:

Subd. 14. **Pari-mutuel betting.** "Pari-mutuel betting" is the system of betting on horse races where those who bet on horses that finish in the position or positions for which bets are taken share in the total amounts bet, less deductions required or permitted by law. Pari-mutuel betting shall not include betting on a race that has occurred in the past or is considered historical horse racing or where bettors are allowed to bet on the individual outcome of a race or bettors do not share in the total amount of the bets taken.

Sec. 5. **[240.1563] RACING COMMISSION ECONOMIC DEVELOPMENT ACCOUNT.**

The Racing Commission economic development account is established in the special revenue fund. The account shall consist of any amounts transferred from the general fund. The amounts deposited into the account are appropriated to the Minnesota Racing Commission. The commission must provide money annually as follows to fund purse supplements:

(1) 28 percent to a licensed racetrack that primarily conducts standardbred horse racing; and

(2) 72 percent to a licensed racetrack that primarily conducts Thoroughbred and Quarter Horse racing.

Sec. 6. Minnesota Statutes 2022, section 240.30, subdivision 8, is amended to read:

Subd. 8. **Limitations.** The commission may not approve any plan of operation under subdivision 6 that exceeds any of the following limitations:

(1) the maximum number of tables used for card playing at the card club at any one time, other than tables used for instruction, demonstrations, or poker tournament play, may not exceed 80;

(2) except as provided in clause (3), no wager may exceed \$100;

(3) for games in which each player is allowed to make only one wager or has a limited opportunity to change that wager, no wager may exceed \$300.

A plan of operation shall not authorize historical horse racing, or any other form of gaming that is not expressly authorized for racetracks in law.

ARTICLE 9  
APPROPRIATIONS; MISCELLANEOUS

Section 1. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

\$4,001,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of public safety to perform the duties required to establish and regulate mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80, and fantasy contests under Minnesota Statutes, chapter 349C. The base for this appropriation is \$2,700,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 2. **DEPARTMENT OF REVENUE; APPROPRIATION.**

\$1,681,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue to perform the duties necessary to establish and enforce the taxation of mobile sports betting and fantasy contests under Minnesota Statutes, chapters 297J and 297K. The base for this appropriation is \$1,353,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 3. **DEPARTMENT OF HUMAN SERVICES; APPROPRIATION.**

\$100,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to administer the money appropriated under Minnesota Statutes, section 297J.02, subdivision 8. The base for this appropriation is \$165,000 in fiscal year 2026 and \$526,000 in fiscal year 2027 and each fiscal year thereafter.

Sec. 4. **OFFICE OF THE ATTORNEY GENERAL; APPROPRIATION.**

\$702,000 in fiscal year 2025 is appropriated from the general fund to the Office of the Attorney General to perform the duties required to support state agencies regarding the regulation of mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80, and fantasy contests under Minnesota Statutes, chapter 349C. This is an ongoing appropriation.

Sec. 5. **RACING COMMISSION ECONOMIC DEVELOPMENT ACCOUNT; TRANSFER.**

\$625,000 in fiscal year 2026 is transferred from the general fund to the Racing Commission economic development account in the special revenue fund to perform the duties imposed under Minnesota Statutes, section 240.1563. This transfer is ongoing.

Sec. 6. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT GAMBLERS; APPROPRIATION.**

Subdivision 1. **Appropriation.** \$150,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of public safety for a grant to a nonprofit organization to conduct a study on the gambling motivations and beliefs of young adult gamblers. The commissioner may not use any amount of this appropriation to administer the grant. This is a onetime appropriation.

Subd. 2. **Award.** The commissioner shall award the grant to a nonprofit, gambling-neutral organization with experience raising public awareness about problem gambling and providing professional training for those who work with problem gamblers.

Subd. 3. **Focus group.** (a) The grant recipient shall convene a focus group of 40 individuals who are at least 18 years of age but not more than 35 years of age and who have experience gambling in Minnesota.

(b) Membership of the focus group shall reflect the geographical and demographic diversity of Minnesotans who are 18 to 35 years of age.

(c) The focus group shall identify the reasons that young adults gamble and the ways in which they engage in gambling, including whether they wager on sporting events; participate in fantasy sports; purchase lottery tickets; visit casinos; engage in online gambling; participate in card playing as defined in Minnesota Statutes, section 240.01, subdivision 5; engage in pari-mutuel betting as defined in Minnesota Statutes, section 240.01, subdivision 14; or participate in lawful gambling authorized under Minnesota Statutes, chapter 349.

Subd. 4. **Qualitative survey.** Following completion of the focus group described in subdivision 3, the grant recipient shall create a qualitative survey and obtain responses from a sample of at least 50,000 individuals.

Subd. 5. **Report.** By January 15, 2026, the grant recipient shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report shall summarize the actions and findings of the grant recipient and shall make recommendations for policies and the use of financial resources to prevent and address problem gambling by young adults."

Renumber the articles and sections in sequence and correct the internal references

Amend the title as follows:

Page 1, lines 2 and 3, after "betting" insert "and fantasy contests"

Page 1, line 4, after "grants;" insert "providing for charitable gambling; providing for pari-mutuel horse racing;"

Correct the title numbers accordingly

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

The report was adopted.

Noor from the Committee on Human Services Finance to which was referred:

H. F. No. 2666, A bill for an act relating to human services; establishing a Minnesota basic income grant program; requiring a report; appropriating money.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Economic Development Finance and Policy.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2895, A bill for an act relating to judiciary; modifying spousal maintenance; amending Minnesota Statutes 2022, section 518.552, subdivisions 1, 2, 3, 6, by adding subdivisions.

Reported the same back with the following amendments:

Page 2, line 3, strike "temporary" and insert "transitional" and strike "permanent" and insert "indefinite"

Page 3, line 8, delete "2023" and insert "2024"

Page 3, line 9, delete "2023" and insert "2024"

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

The report was adopted.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 3063, A bill for an act relating to public safety; removing law regarding collection of DNA data without a conviction; providing for the removal of certain biological specimens and records from the DNA index system; amending Minnesota Statutes 2022, section 299C.105, subdivision 1; repealing Minnesota Statutes 2022, section 299C.105, subdivision 3.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. [260B.009] DNA COLLECTION; PARENTAL CONSENT, COURT ORDER, OR WARRANT REQUIRED.

(a) As used in this section, "DNA analysis" has the meaning given in section 299C.155.

(b) A biological specimen for the purpose of DNA analysis must not be taken from a minor without the consent of the minor's parent or custodian, a court order, or a warrant.

(c) A minor whose biological specimen is collected in violation of paragraph (b) may move the court to suppress the use, as evidence, of the results of the DNA analysis and for destruction of the biological specimen.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to biological specimens collected on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, section 299C.105, subdivision 1, is amended to read:

Subdivision 1. **Required collection of biological specimen for DNA testing.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken biological specimens for the purpose of DNA analysis as defined in section 299C.155, of the following:

(1) ~~persons who have appeared in court and have had a judicial probable cause determination on a charge of committing, or persons having been convicted of or attempting to commit,~~ any of the following:

(i) murder under section 609.185, 609.19, or 609.195;

(ii) manslaughter under section 609.20 or 609.205;

(iii) assault under section 609.221, 609.222, or 609.223;

(iv) robbery under section 609.24, aggravated robbery under section 609.245, or carjacking under section 609.247;

- (v) kidnapping under section 609.25;
  - (vi) false imprisonment under section 609.255;
  - (vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;
  - (viii) incest under section 609.365;
  - (ix) burglary under section 609.582, subdivision 1; or
  - (x) indecent exposure under section 617.23, subdivision 3;
- (2) persons sentenced as patterned sex offenders under section 609.3455, subdivision 3a; or
- (3) ~~juveniles who have appeared in court and have had a judicial probable cause determination on a charge of committing, or~~ juveniles having been adjudicated delinquent for committing or attempting to commit; any of the following:
- (i) murder under section 609.185, 609.19, or 609.195;
  - (ii) manslaughter under section 609.20 or 609.205;
  - (iii) assault under section 609.221, 609.222, or 609.223;
  - (iv) robbery under section 609.24, aggravated robbery under section 609.245, or carjacking under section 609.247;
  - (v) kidnapping under section 609.25;
  - (vi) false imprisonment under section 609.255;
  - (vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;
  - (viii) incest under section 609.365;
  - (ix) burglary under section 609.582, subdivision 1; or
  - (x) indecent exposure under section 617.23, subdivision 3.
- (b) Unless the superintendent of the bureau requires a shorter period, within 72 hours the biological specimen required under paragraph (a) must be forwarded to the bureau in such a manner as may be prescribed by the superintendent.
- (c) Prosecutors, courts, and probation officers shall attempt to ensure that the biological specimen is taken on a person described in paragraph (a)."

Page 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon and insert "requiring parental consent for DNA collection;"

Page 1, line 4, delete everything before "amending"

Correct the title numbers accordingly

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

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3204, A bill for an act relating to domestic relations; modifying parenting time provisions; amending Minnesota Statutes 2022, sections 257.025; 518.131, subdivisions 1, 11; 518.14; 518.17, subdivisions 1, 3; 518.175, subdivisions 1, 6.

Reported the same back with the following amendments:

Page 3, line 11, delete "14" and insert "30"

Page 3, after line 12, insert:

"(c) A court must consider credible allegations of domestic abuse, substance abuse, maltreatment findings, or neglect as a reasonable basis for a party who has denied parenting time to the other party.

(d) If temporary parenting time is ordered, the court may also order temporary child support if requested by the other party."

Page 3, line 31, after the period, insert "In determining whether to award fees, the court must consider the circumstances and any other factors that contributed to the length or expense of the proceeding."

Page 8, line 30, delete "must" and strike "provide" and insert "shall fully consider providing"

Page 9, line 23, reinstate "\$500" and delete "\$1,000"

Page 9, line 26, before the semicolon, insert "in accordance with the procedures established by section 518.18"

Page 10, line 7, strike "(d)" and insert "(e)"

Page 10, line 18, strike "(b) to (e)" and insert "(d) to (f)"

Page 11, line 11, delete "\$1,000" and insert "\$500"

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

The report was adopted.



Nelson, M., from the Committee on Labor and Industry Finance and Policy to which was referred:

H. F. No. 3275, A resolution memorializing Congress that the Legislature of the State of Minnesota reaffirms its ratification of the Child Labor Amendment to the United States Constitution.

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

The report was adopted.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 3304, A bill for an act relating to public safety; requiring a report regarding the sentencing of certain military veterans; amending Minnesota Statutes 2022, section 609.1056, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, delete "(d)" and insert "(b)"

Page 2, line 23, delete "2023" and insert "2024"

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

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3488, A bill for an act relating to labor; providing compensation for minors appearing in Internet content creation; amending Minnesota Statutes 2022, section 181A.03, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 181A.

Reported the same back with the following amendments:

Page 2, line 5, after "(a)" insert "Except as otherwise provided in this section."

Page 2, line 16, delete "\$0.10" and insert "\$0.01"

Page 2, line 18, after the period, insert "If a minor under the age of 14 is featured by a content creator, the minor shall receive 100 percent of the proceeds of the creator's compensation for the content they have appeared in, less any amount owed to another minor."

Page 2, after line 18, insert:

"(c) A minor who is under the age of 18 and over the age of 13 may produce, create, and publish their own content and is entitled to all compensation for their own content creation. A minor engaged in the work of content creation as the producer, creator, and publisher of content must also follow the requirements in paragraph (b).

(d) A minor who appears incidentally in a video that depicts a public event that a reasonable person would know to be broadcast, including a concert, competition, or sporting event, and is published by a content creator is not considered a violation of this section."

Page 3, line 32, before the semicolon, insert "including any compensation owed under this section"

Page 4, line 7, before "Along" insert "(a)"

Page 4, after line 10, insert:

"(b) The attorney general may enforce subdivision 1, pursuant to section 8.31, and may recover costs and fees."

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

The report was adopted.

Fischer from the Committee on Human Services Policy to which was referred:

H. F. No. 3495, A bill for an act relating to behavioral health; modifying functional assessment requirements; exempting children's day treatment providers from medication self-administration requirements under certain circumstances; modifying certified mental health clinic staffing standards; modifying intensive residential treatment services and residential crisis stabilization weekly team meeting requirements; requiring the commissioner of human services to establish an initial provider entity application and certification process and recertification process for certain mental health provider types; modifying client eligibility criteria for certain services in children's therapeutic services and supports; removing an excluded service from children's therapeutic services and supports medical assistance payment; modifying intensive nonresidential rehabilitative mental health services team members to include co-occurring disorder specialists; amending Minnesota Statutes 2022, sections 245I.10, subdivision 9; 245I.11, subdivision 1; 245I.20, subdivision 4; 245I.23, subdivision 14; 256B.0943, subdivisions 3, 12; 256B.0947, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
MENTAL HEALTH UNIFORM SERVICE STANDARDS

Section 1. Minnesota Statutes 2022, section 245I.02, subdivision 17, is amended to read:

Subd. 17. **Functional assessment.** "Functional assessment" means the assessment of a client's current level of functioning relative to functioning that is appropriate for someone the client's age. ~~For a client five years of age or younger, a functional assessment is the Early Childhood Service Intensity Instrument (ESCI). For a client six to 17 years of age, a functional assessment is the Child and Adolescent Service Intensity Instrument (CASH). For a client 18 years of age or older, a functional assessment is the functional assessment described in section 245I.10, subdivision 9.~~

Sec. 2. Minnesota Statutes 2022, 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 (ESCI). For a client six to 17 years of age, a level of care assessment is the Child and Adolescent Service Intensity Instrument (CASH). 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. 3. Minnesota Statutes 2022, section 245I.04, subdivision 6, is amended to read:

Subd. 6. **Clinical trainee qualifications.** (a) A clinical trainee is a staff person who: (1) is enrolled in an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional and who is participating in a practicum or internship with the license holder through the individual's graduate program; ~~or~~ (2) has completed an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional and who is in compliance with the requirements of the applicable health-related licensing board, including requirements for supervised practice-; or (3) has completed an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional, has completed a practicum or internship and has not yet taken or received the results from the required test or is waiting for the final licensure decision.

(b) A clinical trainee is responsible for notifying and applying to a health-related licensing board to ensure that the trainee meets the requirements of the health-related licensing board. As permitted by a health-related licensing board, treatment supervision under this chapter may be integrated into a plan to meet the supervisory requirements of the health-related licensing board but does not supersede those requirements.

Sec. 4. Minnesota Statutes 2022, section 245I.10, subdivision 9, is amended to read:

Subd. 9. **Functional assessment; required elements.** (a) When a license holder is completing a functional assessment for an adult client, the license holder must:

(1) complete a functional assessment of the client after completing the client's diagnostic assessment;

(2) use a collaborative process that allows the client and the client's family and other natural supports, the client's referral sources, and the client's providers to provide information about how the client's symptoms of mental illness impact the client's functioning;

(3) if applicable, document the reasons that the license holder did not contact the client's family and other natural supports;

(4) assess and document how the client's symptoms of mental illness impact the client's functioning in the following areas:

(i) the client's mental health symptoms;

(ii) the client's mental health service needs;

(iii) the client's substance use;

(iv) the client's vocational and educational functioning;

(v) the client's social functioning, including the use of leisure time;

(vi) the client's interpersonal functioning, including relationships with the client's family and other natural supports;

(vii) the client's ability to provide self-care and live independently;

(viii) the client's medical and dental health;

(ix) the client's financial assistance needs; and

(x) the client's housing and transportation needs;

~~(5) include a narrative summarizing the client's strengths, resources, and all areas of functional impairment;~~

~~(6)~~(5) complete the client's functional assessment before the client's initial individual treatment plan unless a service specifies otherwise; and

~~(7)~~(6) update the client's functional assessment with the client's current functioning whenever there is a significant change in the client's functioning or at least every ~~480~~ 365 days, unless a service specifies otherwise.

(b) A license holder may use any available, validated measurement tool, including but not limited to the Daily Living Activities-20, when completing the required elements of a functional assessment under this subdivision.

Sec. 5. Minnesota Statutes 2022, section 245I.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) If a license holder is licensed as a residential program, stores or administers client medications, or observes clients self-administer medications, the license holder must ensure that a staff person who is a registered nurse or licensed prescriber is responsible for overseeing storage and administration of client medications and observing as a client self-administers medications, including training according to section 245I.05, subdivision 6, and documenting the occurrence according to section 245I.08, subdivision 5.

(b) For purposes of this section, "observed self-administration" means the preparation and administration of a medication by a client to themselves under the direct supervision of a registered nurse or a staff member to whom a registered nurse delegates supervision duty. Observed self-administration does not include a client's use of a medication that they keep in their own possession while participating in a program.

Sec. 6. Minnesota Statutes 2022, section 245I.11, is amended by adding a subdivision to read:

Subd. 6. **Medication administration in children's day treatment settings.** (a) For a program providing children's day treatment services under section 256B.0943, the license holder must maintain policies and procedures that state whether the program will store medication and administer or allow observed self-administration.

(b) For a program providing children's day treatment services under section 256B.0943 that does not store medications but allows clients to use a medication that they keep in their own possession while participating in a program, the license holder must maintain documentation from a licensed prescriber regarding the safety of medications held by clients, including:

(1) an evaluation that the client is capable of holding and administering the medication safely;

(2) an evaluation of whether the medication is prone to diversion, misuse, or self-injury; and

(3) any conditions under which the license holder should no longer allow the client to maintain the medication in their own possession.

Sec. 7. Minnesota Statutes 2022, section 245I.20, subdivision 4, is amended to read:

Subd. 4. **Minimum staffing standards.** (a) A certification holder's treatment team must consist of at least four mental health professionals. At least two of the mental health professionals must be employed by or under contract with the mental health clinic for a minimum of 35 hours per week each. ~~Each of the two mental health professionals must specialize in a different mental health discipline.~~

(b) The treatment team must include:

(1) a physician qualified as a mental health professional according to section 245I.04, subdivision 2, clause (4), or a nurse qualified as a mental health professional according to section 245I.04, subdivision 2, clause (1); and

(2) a psychologist qualified as a mental health professional according to section 245I.04, subdivision 2, clause (3).

(c) The staff persons fulfilling the requirement in paragraph (b) must provide clinical services at least:

(1) eight hours every two weeks if the mental health clinic has over 25.0 full-time equivalent treatment team members;

(2) eight hours each month if the mental health clinic has 15.1 to 25.0 full-time equivalent treatment team members;

(3) four hours each month if the mental health clinic has 5.1 to 15.0 full-time equivalent treatment team members; or

(4) two hours each month if the mental health clinic has 2.0 to 5.0 full-time equivalent treatment team members or only provides in-home services to clients.

(d) The certification holder must maintain a record that demonstrates compliance with this subdivision.

Sec. 8. Minnesota Statutes 2022, section 245I.23, subdivision 14, is amended to read:

Subd. 14. **Weekly team meetings.** (a) The license holder must hold weekly team meetings and ancillary meetings according to this subdivision.

(b) A mental health professional or certified rehabilitation specialist must hold at least one team meeting each calendar week ~~and~~. The mental health professional or certified rehabilitation specialist must be physically present at the team meeting, except as permitted under paragraph (d). All treatment team members, including treatment team members who work on a part-time or intermittent basis, must participate in a minimum of one team meeting during each calendar week when the treatment team member is working for the license holder. The license holder must document all weekly team meetings, including the names of meeting attendees, and indicate whether the meeting was conducted remotely under paragraph (d).

(c) If a treatment team member cannot participate in a weekly team meeting, the treatment team member must participate in an ancillary meeting. A mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner who participated in the most recent weekly team meeting may lead the ancillary meeting. During the ancillary meeting, the treatment team member leading the ancillary meeting must review the information that was shared at the most recent weekly team meeting, including revisions to client treatment plans and other information that the treatment supervisors exchanged with treatment team members. The license holder must document all ancillary meetings, including the names of meeting attendees.

(d) A license holder may permit one weekly meeting to occur remotely and without physical presence due to illness or weather conditions. If the conditions that prevent physical presence persist for longer than one week, the license holder must request a variance to conduct additional meetings remotely.

## ARTICLE 2 ADULT MENTAL HEALTH SERVICES

Section 1. Minnesota Statutes 2022, section 245.462, subdivision 6, is amended to read:

Subd. 6. **Community support services program.** "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the treatment supervision of a mental health professional designed to help adults with serious and persistent mental illness to function and remain in the community. A community support services program includes:

(1) client outreach,

- (2) medication monitoring,
- (3) assistance in independent living skills,
- (4) development of employability and work-related opportunities,
- (5) crisis assistance,
- (6) psychosocial rehabilitation,
- (7) help in applying for government benefits, and
- (8) housing support services.

The community support services program must be coordinated with the case management services specified in section 245.4711. A program that meets the accreditation standards for Clubhouse International model programs meets the requirements of this subdivision.

Sec. 2. **[253B.042] ENGAGEMENT SERVICES PILOT GRANTS.**

Subdivision 1. **Creation.** The engagement services pilot grant program is established in the Department of Human Services, to provide grants to counties or certified community behavioral health centers to provide engagement services under section 253B.041. Engagement services provide culturally responsive, person-centered early interventions to prevent an individual from meeting the criteria for civil commitment and promote positive outcomes.

Subd. 2. **Allowable grant activities.** (a) Grantees must use grant money to:

- (1) develop a system to respond to requests for engagement services;
  - (2) provide the following engagement services, taking into account an individual's preferences for treatment services and supports:
    - (i) assertive attempts to engage an individual in voluntary treatment for mental illness for at least 90 days;
    - (ii) efforts to engage an individual's existing support systems and interested persons, including but not limited to providing education on restricting means of harm and suicide prevention, when the provider determines that such engagement would be helpful; and
    - (iii) collaboration with the individual to meet the individual's immediate needs, including but not limited to housing access, food and income assistance, disability verification, medication management, and medical treatment;
  - (3) conduct outreach to families and providers; and
  - (4) evaluate the impact of engagement services on decreasing civil commitments, increasing engagement in treatment, decreasing police involvement with individuals exhibiting symptoms of serious mental illness, and other measures.
- (b) Engagement services staff must have completed training on person-centered care. Staff may include but are not limited to mobile crisis providers under section 256B.0624, certified peer specialists under section 256B.0615, community-based treatment programs staff, and homeless outreach workers.

Subd. 3. **Outcome evaluation.** The commissioner of management and budget must formally evaluate outcomes of grants awarded under this section, using an experimental or quasi-experimental design. The commissioner shall consult with the commissioner of management and budget to ensure that grants are administered to facilitate this evaluation. Grantees must collect and provide the information needed to the commissioner of human services to complete the evaluation. The commissioner must provide the information collected to the commissioner of management and budget to conduct the evaluation. The commissioner of management and budget may obtain additional relevant data to support the evaluation study pursuant to section 15.08.

Sec. 3. Minnesota Statutes 2022, section 256B.0622, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for assertive community treatment.** (a) An eligible client for assertive community treatment is an individual who meets the following criteria as assessed by an ACT team:

(1) is age 18 or older. Individuals ages 16 and 17 may be eligible upon approval by the commissioner;

(2) has a primary diagnosis of schizophrenia, schizoaffective disorder, major depressive disorder with psychotic features, other psychotic disorders, or bipolar disorder. Individuals with other psychiatric illnesses may qualify for assertive community treatment if they have a serious mental illness and meet the criteria outlined in clauses (3) and (4), but no more than ten percent of an ACT team's clients may be eligible based on this criteria. Individuals with a primary diagnosis of a substance use disorder, intellectual developmental disabilities, borderline personality disorder, antisocial personality disorder, traumatic brain injury, or an autism spectrum disorder are not eligible for assertive community treatment;

(3) has significant functional impairment as demonstrated by at least one of the following conditions:

(i) significant difficulty consistently performing the range of routine tasks required for basic adult functioning in the community or persistent difficulty performing daily living tasks without significant support or assistance;

(ii) significant difficulty maintaining employment at a self-sustaining level or significant difficulty consistently carrying out the head-of-household responsibilities; or

(iii) significant difficulty maintaining a safe living situation;

(4) has a need for continuous high-intensity services as evidenced by at least two of the following:

(i) two or more psychiatric hospitalizations or residential crisis stabilization services in the previous 12 months;

(ii) frequent utilization of mental health crisis services in the previous six months;

(iii) 30 or more consecutive days of psychiatric hospitalization in the previous 24 months;

(iv) intractable, persistent, or prolonged severe psychiatric symptoms;

(v) coexisting mental health and substance use disorders lasting at least six months;

(vi) recent history of involvement with the criminal justice system or demonstrated risk of future involvement;

(vii) significant difficulty meeting basic survival needs;

(viii) residing in substandard housing, experiencing homelessness, or facing imminent risk of homelessness;

(ix) significant impairment with social and interpersonal functioning such that basic needs are in jeopardy;

(x) coexisting mental health and physical health disorders lasting at least six months;

(xi) residing in an inpatient or supervised community residence but clinically assessed to be able to live in a more independent living situation if intensive services are provided;

(xii) requiring a residential placement if more intensive services are not available; or

(xiii) difficulty effectively using traditional office-based outpatient services;

(5) there are no indications that other available community-based services would be equally or more effective as evidenced by consistent and extensive efforts to treat the individual; and

(6) in the written opinion of a licensed mental health professional, has the need for mental health services that cannot be met with other available community-based services, or is likely to experience a mental health crisis or require a more restrictive setting if assertive community treatment is not provided.

(b) An individual meets the criteria for assertive community treatment under this section immediately following participation in a first episode of psychosis program if the individual:

(1) meets the eligibility requirements outlined in paragraph (a), clauses (1), (2), (5), and (6);

(2) is currently participating in a first episode of psychosis program under section 245.4905; and

(3) needs the level of intensity provided by an ACT team, in the opinion of the individual's first episode of psychosis program, in order to prevent crisis services, hospitalization, homelessness, and involvement with the criminal justice system.

Sec. 4. Minnesota Statutes 2022, section 256B.0622, subdivision 3a, is amended to read:

Subd. 3a. **Provider certification and contract requirements for assertive community treatment.** (a) The assertive community treatment provider must:

~~(1) have a contract with the host county to provide assertive community treatment services; and~~

~~(2)~~ have each ACT team be certified by the state following the certification process and procedures developed by the commissioner. The certification process determines whether the ACT team meets the standards for assertive community treatment under this section, the standards in chapter 245I as required in section 245I.011, subdivision 5, and minimum program fidelity standards as measured by a nationally recognized fidelity tool approved by the commissioner. Recertification must occur at least every three years.

(b) An ACT team certified under this subdivision must meet the following standards:

(1) have capacity to recruit, hire, manage, and train required ACT team members;

(2) have adequate administrative ability to ensure availability of services;

(3) ensure flexibility in service delivery to respond to the changing and intermittent care needs of a client as identified by the client and the individual treatment plan;

(4) keep all necessary records required by law;

(5) be an enrolled Medicaid provider; and

(6) establish and maintain a quality assurance plan to determine specific service outcomes and the client's satisfaction with services.



(c) The commissioner may intervene at any time and decertify an ACT team with cause. The commissioner shall establish a process for decertification of an ACT team and shall require corrective action, medical assistance repayment, or decertification of an ACT team that no longer meets the requirements in this section or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification process. The decertification is subject to appeal to the state.

Sec. 5. Minnesota Statutes 2022, section 256B.0622, subdivision 7a, is amended to read:

Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a) The required treatment staff qualifications and roles for an ACT team are:

(1) the team leader:

(i) shall be a mental health professional. Individuals who are not licensed but who are eligible for licensure and are otherwise qualified may also fulfill this role ~~but must obtain full licensure within 24 months of assuming the role of team leader;~~

(ii) must be an active member of the ACT team and provide some direct services to clients;

(iii) must be a single full-time staff member, dedicated to the ACT team, who is responsible for overseeing the administrative operations of the team, ~~providing treatment supervision of services in conjunction with the psychiatrist or psychiatric care provider,~~ and supervising team members to ensure delivery of best and ethical practices; and

(iv) must be available to ~~provide~~ ensure that overall treatment supervision to the ACT team is available after regular business hours and on weekends and holidays. ~~The team leader may delegate this duty to another and is provided by a~~ qualified member of the ACT team;

(2) the psychiatric care provider:

(i) must be a mental health professional permitted to prescribe psychiatric medications as part of the mental health professional's scope of practice. The psychiatric care provider must have demonstrated clinical experience working with individuals with serious and persistent mental illness;

(ii) shall collaborate with the team leader in sharing overall clinical responsibility for screening and admitting clients; monitoring clients' treatment and team member service delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects, and health-related conditions; actively collaborating with nurses; and helping provide treatment supervision to the team;

(iii) shall fulfill the following functions for assertive community treatment clients: provide assessment and treatment of clients' symptoms and response to medications, including side effects; provide brief therapy to clients; provide diagnostic and medication education to clients, with medication decisions based on shared decision making; monitor clients' nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and community visits;

(iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized for mental health treatment and shall communicate directly with the client's inpatient psychiatric care providers to ensure continuity of care;

(v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per 50 clients. Part-time psychiatric care providers shall have designated hours to work on the team, with sufficient blocks of time on consistent days to carry out the provider's clinical, supervisory, and administrative responsibilities. No more than two psychiatric care providers may share this role; and

(vi) shall provide psychiatric backup to the program after regular business hours and on weekends and holidays. The psychiatric care provider may delegate this duty to another qualified psychiatric provider;

(3) the nursing staff:

(i) shall consist of one to three registered nurses or advanced practice registered nurses, of whom at least one has a minimum of one-year experience working with adults with serious mental illness and a working knowledge of psychiatric medications. No more than two individuals can share a full-time equivalent position;

(ii) are responsible for managing medication, administering and documenting medication treatment, and managing a secure medication room; and

(iii) shall develop strategies, in collaboration with clients, to maximize taking medications as prescribed; screen and monitor clients' mental and physical health conditions and medication side effects; engage in health promotion, prevention, and education activities; communicate and coordinate services with other medical providers; facilitate the development of the individual treatment plan for clients assigned; and educate the ACT team in monitoring psychiatric and physical health symptoms and medication side effects;

(4) the co-occurring disorder specialist:

(i) shall be a full-time equivalent co-occurring disorder specialist who has received specific training on co-occurring disorders that is consistent with national evidence-based practices. The training must include practical knowledge of common substances and how they affect mental illnesses, the ability to assess substance use disorders and the client's stage of treatment, motivational interviewing, and skills necessary to provide counseling to clients at all different stages of change and treatment. The co-occurring disorder specialist may also be an individual who is a licensed alcohol and drug counselor as described in section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience, and other requirements in section 245G.11, subdivision 5. No more than two co-occurring disorder specialists may occupy this role; and

(ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients. The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT team members on co-occurring disorders;

(5) the vocational specialist:

(i) shall be a full-time vocational specialist who has at least one-year experience providing employment services or advanced education that involved field training in vocational services to individuals with mental illness. An individual who does not meet these qualifications may also serve as the vocational specialist upon completing a training plan approved by the commissioner;

(ii) shall provide or facilitate the provision of vocational services to clients. The vocational specialist serves as a consultant and educator to fellow ACT team members on these services; and

(iii) must not refer individuals to receive any type of vocational services or linkage by providers outside of the ACT team;

(6) the mental health certified peer specialist:

(i) shall be a full-time equivalent. No more than two individuals can share this position. The mental health certified peer specialist is a fully integrated team member who provides highly individualized services in the community and promotes the self-determination and shared decision-making abilities of clients. This requirement may be waived due to workforce shortages upon approval of the commissioner;

(ii) must provide coaching, mentoring, and consultation to the clients to promote recovery, self-advocacy, and self-direction, promote wellness management strategies, and assist clients in developing advance directives; and

(iii) must model recovery values, attitudes, beliefs, and personal action to encourage wellness and resilience, provide consultation to team members, promote a culture where the clients' points of view and preferences are recognized, understood, respected, and integrated into treatment, and serve in a manner equivalent to other team members;

(7) the program administrative assistant shall be a full-time office-based program administrative assistant position assigned to solely work with the ACT team, providing a range of supports to the team, clients, and families; and

(8) additional staff:

(i) shall be based on team size. Additional treatment team staff may include mental health professionals; clinical trainees; certified rehabilitation specialists; mental health practitioners; or mental health rehabilitation workers. These individuals shall have the knowledge, skills, and abilities required by the population served to carry out rehabilitation and support functions; and

(ii) shall be selected based on specific program needs or the population served.

(b) Each ACT team must clearly document schedules for all ACT team members.

(c) Each ACT team member must serve as a primary team member for clients assigned by the team leader and are responsible for facilitating the individual treatment plan process for those clients. The primary team member for a client is the responsible team member knowledgeable about the client's life and circumstances and writes the individual treatment plan. The primary team member provides individual supportive therapy or counseling, and provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

Sec. 6. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 7b, is amended to read:

Subd. 7b. **Assertive community treatment program size and opportunities scores.** ~~(a) Each ACT team shall maintain an annual average caseload that does not exceed 100 clients. Staff to client ratios shall be based on team size as follows:~~ must demonstrate that the team attained a passing score according to the most recently issued Tool for Measurement of Assertive Community Treatment (TMACT).

~~(1) a small ACT team must:~~

~~(i) employ at least six but no more than seven full-time treatment team staff, excluding the program assistant and the psychiatric care provider;~~

~~(ii) serve an annual average maximum of no more than 50 clients;~~

~~(iii) ensure at least one full-time equivalent position for every eight clients served;~~

~~(iv) schedule ACT team staff on weekdays and on call duty to provide crisis services and deliver services after hours when staff are not working;~~

~~(v) provide crisis services during business hours if the small ACT team does not have sufficient staff numbers to operate an after hours on call system. During all other hours, the ACT team may arrange for coverage for crisis assessment and intervention services through a reliable crisis intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis intervention provider and the on call ACT team staff are available to see clients face to face when necessary or if requested by the crisis intervention services provider;~~

~~(vi) adjust schedules and provide staff to carry out the needed service activities in the evenings or on weekend days or holidays, when necessary;~~

~~(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team's psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing; and~~

~~(viii) be composed of, at minimum, one full time team leader, at least 16 hours each week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full time equivalent nursing, one full time co-occurring disorder specialist, one full time equivalent mental health certified peer specialist, one full time vocational specialist, one full time program assistant, and at least one additional full time ACT team member who has mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status; and~~

~~(2) a midsize ACT team shall:~~

~~(i) be composed of, at minimum, one full time team leader, at least 16 hours of psychiatry time for 51 clients, with an additional two hours for every six clients added to the team, 1.5 to two full time equivalent nursing staff, one full time co-occurring disorder specialist, one full time equivalent mental health certified peer specialist, one full time vocational specialist, one full time program assistant, and at least 1.5 to two additional full time equivalent ACT members, with at least one dedicated full time staff member with mental health professional status. Remaining team members may have mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status;~~

~~(ii) employ seven or more treatment team full time equivalents, excluding the program assistant and the psychiatric care provider;~~

~~(iii) serve an annual average maximum caseload of 51 to 74 clients;~~

~~(iv) ensure at least one full time equivalent position for every nine clients served;~~

~~(v) schedule ACT team staff for a minimum of ten hour shift coverage on weekdays and six to eight hour shift coverage on weekends and holidays. In addition to these minimum specifications, staff are regularly scheduled to provide the necessary services on a client by client basis in the evenings and on weekends and holidays;~~

~~(vi) schedule ACT team staff on call duty to provide crisis services and deliver services when staff are not working;~~

~~(vii) have the authority to arrange for coverage for crisis assessment and intervention services through a reliable crisis intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis intervention provider and the on call ACT team staff are available to see clients face to face when necessary or if requested by the crisis intervention services provider; and~~

~~(viii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing;~~

~~(3) a large ACT team must:~~

~~(i) be composed of, at minimum, one full time team leader, at least 32 hours each week per 100 clients, or equivalent of psychiatry time, three full time equivalent nursing staff, one full time co-occurring disorder specialist, one full time equivalent mental health certified peer specialist, one full time vocational specialist, one full time program assistant, and at least two additional full time equivalent ACT team members, with at least one dedicated full time staff member with mental health professional status. Remaining team members may have mental health professional or mental health practitioner status;~~

~~(ii) employ nine or more treatment team full time equivalents, excluding the program assistant and psychiatric care provider;~~

~~(iii) serve an annual average maximum caseload of 75 to 100 clients;~~

~~(iv) ensure at least one full time equivalent position for every nine individuals served;~~

~~(v) schedule staff to work two eight hour shifts, with a minimum of two staff on the second shift providing services at least 12 hours per day weekdays. For weekends and holidays, the team must operate and schedule ACT team staff to work one eight hour shift, with a minimum of two staff each weekend day and every holiday;~~

~~(vi) schedule ACT team staff on call duty to provide crisis services and deliver services when staff are not working; and~~

~~(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team psychiatric care provider during all hours is not feasible, alternative psychiatric backup must be arranged and a mechanism of timely communication and coordination established in writing.~~

~~(b) An ACT team of any size may have a staff to client ratio that is lower than the requirements described in paragraph (a) upon approval by the commissioner, but may not exceed a one to ten staff to client ratio.~~

Sec. 7. Minnesota Statutes 2022, section 256B.0622, subdivision 7d, is amended to read:

Subd. 7d. **Assertive community treatment assessment and individual treatment plan.** (a) An initial assessment shall be completed the day of the client's admission to assertive community treatment by the ACT team leader or the psychiatric care provider, with participation by designated ACT team members and the client. The initial assessment must include obtaining or completing a standard diagnostic assessment according to section 2451.10, subdivision 6, and completing a 30-day individual treatment plan. The team leader, psychiatric care provider, or other mental health professional designated by the team leader or psychiatric care provider, must update the client's diagnostic assessment at least annually as required under section 2451.10, subdivision 2, paragraphs (f) and (g).

(b) A functional assessment must be completed according to section 2451.10, subdivision 9. Each part of the functional assessment areas shall be completed by each respective team specialist or an ACT team member with skill and knowledge in the area being assessed.

(c) Between 30 and 45 days after the client's admission to assertive community treatment, the entire ACT team must hold a comprehensive case conference, where all team members, including the psychiatric provider, present information discovered from the completed assessments and provide treatment recommendations. The conference must serve as the basis for the first individual treatment plan, which must be written by the primary team member.

(d) The client's psychiatric care provider, primary team member, and individual treatment team members shall assume responsibility for preparing the written narrative of the results from the psychiatric and social functioning history timeline and the comprehensive assessment.

(e) The primary team member and individual treatment team members shall be assigned by the team leader in collaboration with the psychiatric care provider by the time of the first treatment planning meeting or 30 days after admission, whichever occurs first.

(f) Individual treatment plans must be developed through the following treatment planning process:

(1) The individual treatment plan shall be developed in collaboration with the client and the client's preferred natural supports, and guardian, if applicable and appropriate. The ACT team shall evaluate, together with each client, the client's needs, strengths, and preferences and develop the individual treatment plan collaboratively. The ACT team shall make every effort to ensure that the client and the client's family and natural supports, with the client's consent, are in attendance at the treatment planning meeting, are involved in ongoing meetings related to treatment, and have the necessary supports to fully participate. The client's participation in the development of the individual treatment plan shall be documented.

(2) The client and the ACT team shall work together to formulate and prioritize the issues, set goals, research approaches and interventions, and establish the plan. The plan is individually tailored so that the treatment, rehabilitation, and support approaches and interventions achieve optimum symptom reduction, help fulfill the personal needs and aspirations of the client, take into account the cultural beliefs and realities of the individual, and improve all the aspects of psychosocial functioning that are important to the client. The process supports strengths, rehabilitation, and recovery.

(3) Each client's individual treatment plan shall identify service needs, strengths and capacities, and barriers, and set specific and measurable short- and long-term goals for each service need. The individual treatment plan must clearly specify the approaches and interventions necessary for the client to achieve the individual goals, when the interventions shall happen, and identify which ACT team member shall carry out the approaches and interventions.

(4) The primary team member and the individual treatment team, together with the client and the client's family and natural supports with the client's consent, are responsible for reviewing and rewriting the treatment goals and individual treatment plan whenever there is a major decision point in the client's course of treatment or at least every six months.

(5) The primary team member shall prepare a summary that thoroughly describes in writing the client's and the individual treatment team's evaluation of the client's progress and goal attainment, the effectiveness of the interventions, and the satisfaction with services since the last individual treatment plan. The client's most recent diagnostic assessment must be included with the treatment plan summary.

(6) The individual treatment plan and review must be approved or acknowledged by the client, the primary team member, the team leader, the psychiatric care provider, and all individual treatment team members. A copy of the approved individual treatment plan must be made available to the client.

Sec. 8. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for assertive community treatment and intensive residential treatment services.** (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); ~~and~~

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(vi) for assertive community treatment, intensive residential treatment services, and adult residential crisis stabilization services, estimated additional direct care staffing compensation costs, subject to review by the commissioner; and

(vii) for intensive residential treatment services and adult residential crisis stabilization services, estimated new capital costs, subject to review by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c). For a rate that was set incorporating the provider's estimated direct care staffing compensation and new capital costs, the commissioner must reconcile the provider's rate with the provider's actual costs from the prior 12 months.

(i) Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the fourth quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(j) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2022, section 256B.0623, subdivision 5, is amended to read:

Subd. 5. **Qualifications of provider staff.** Adult rehabilitative mental health services must be provided by qualified individual provider staff of a certified provider entity. Individual provider staff must be qualified as:

- (1) a mental health professional who is qualified according to section 245I.04, subdivision 2;
- (2) a certified rehabilitation specialist who is qualified according to section 245I.04, subdivision 8;
- (3) a clinical trainee who is qualified according to section 245I.04, subdivision 6;
- (4) a mental health practitioner qualified according to section 245I.04, subdivision 4;
- (5) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10; ~~or~~



(6) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14; or

(7) a licensed occupational therapist, as defined in section 148.6402, subdivision 14.

Sec. 10. Minnesota Statutes 2022, section 256B.0624, subdivision 7, is amended to read:

Subd. 7. **Crisis stabilization services.** (a) Crisis stabilization services must be provided by qualified staff of a crisis stabilization services provider entity and must meet the following standards:

(1) a crisis treatment plan must be developed that meets the criteria in subdivision 11;

(2) staff must be qualified as defined in subdivision 8;

(3) crisis stabilization services must be delivered according to the crisis treatment plan and include face-to-face contact with the recipient by qualified staff for further assessment, help with referrals, updating of the crisis treatment plan, skills training, and collaboration with other service providers in the community; and

(4) if a provider delivers crisis stabilization services while the recipient is absent, the provider must document the reason for delivering services while the recipient is absent.

(b) If crisis stabilization services are provided in a supervised, licensed residential setting that serves no more than four adult residents, and one or more individuals are present at the setting to receive residential crisis stabilization, the residential staff must include, for at least eight hours per day, at least one mental health professional, clinical trainee, certified rehabilitation specialist, or mental health practitioner. The commissioner shall establish a statewide per diem rate for crisis stabilization services provided under this paragraph to medical assistance enrollees. The rate for a provider shall not exceed the rate charged by that provider for the same service to other payers. Payment shall not be made to more than one entity for each individual for services provided under this paragraph on a given day. The commissioner shall set rates prospectively for the annual rate period. The commissioner shall require providers to submit annual cost reports on a uniform cost reporting form and shall use submitted cost reports to inform the rate-setting process. The commissioner shall recalculate the statewide per diem every year.

(c) For crisis stabilization services provided in a supervised, licensed residential setting that serves more than four adult residents, the commissioner must set prospective rates for the annual rate period using the same methodology described under section 256B.0622, subdivision 8, for intensive residential treatment services.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness and children with severe emotional disturbance. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

(c) Medical assistance and MinnesotaCare payment for mental health case management shall be made on a monthly basis. In order to receive payment for an eligible child, the provider must document at least a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:

(1) at least a face-to-face contact with the adult or the adult's legal representative either in person or by interactive video that meets the requirements of subdivision 20b; or

(2) at least a telephone contact or contact via secure electronic message, if preferred by the adult client, with the adult or the adult's legal representative and document a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the adult or the adult's legal representative within the preceding two months.

(d) Payment for mental health case management provided by county or state staff shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

(f) Payment for mental health case management provided by vendors who contract with a county must be calculated in accordance with section 256B.076, subdivision 2. Payment for mental health case management provided by vendors who contract with a Tribe must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

- (1) the costs of developing and implementing this section; and
- (2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

- (1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or
- (2) the limits and conditions which apply to federal Medicaid funding for this service.

(o) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(p) If the recipient is receiving care in a hospital, nursing facility, or residential setting licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week, mental health targeted case management services must actively support identification of community alternatives for the recipient and discharge planning.

Sec. 12. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with the Office of Senate Counsel, Research and Fiscal Analysis; the House Research Department; and the commissioner of human services, shall prepare legislation for the 2025 legislative session to recodify Minnesota Statutes, section 256B.0622, to move provisions related to assertive community treatment and intensive residential treatment services into separate sections of statute. The revisor shall correct any cross-references made necessary by this recodification.

ARTICLE 3  
CHILDREN'S MENTAL HEALTH SERVICES

Section 1. Minnesota Statutes 2023 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 residential treatment or hospitalization~~, who are already in out-of-home placement in family foster settings as defined in chapter 245A and at risk of change in out-of-home placement or placement in a residential facility or other higher level of care, who have utilized crisis services or emergency room services, or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners; and

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 2. Minnesota Statutes 2023 Supplement, 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;

(3) estimated additional direct care staffing compensation costs, subject to review by the commissioner; and

(4) estimated new capital costs, subject to review by the commissioner.

(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 annually adjust psychiatric residential treatment facility services per diem rates to reflect the change in the Centers for Medicare and Medicaid Services Inpatient Psychiatric Facility Market Basket. The commissioner shall use the indices as forecasted for the midpoint of the prior rate year to the midpoint of the current rate year.

(h) For a rate that was set incorporating the provider's estimated direct care staffing compensation and new capital costs under paragraph (b), the commissioner must reconcile the provider's rate with the provider's actual costs from the prior 12 months.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2022, section 256B.0943, subdivision 3, is amended to read:

Subd. 3. **Determination of client eligibility.** (a) Based on a client's needs identified in a crisis assessment, a hospital's medical history and presentation examination, or a brief diagnostic assessment under section 245I.10, subdivision 5, a license holder may provide a client with any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions.

~~(a)(b)~~ A client's ongoing eligibility to receive children's therapeutic services and supports under this section shall be determined based on a standard diagnostic assessment by a mental health professional or a clinical trainee that is performed within one year before the initial start of service and updated as required under section 245I.10, subdivision 2. The standard diagnostic assessment must:

(1) determine whether a child under age 18 has a diagnosis of emotional disturbance or, if the person is between the ages of 18 and 21, whether the person has a mental illness;

(2) document children's therapeutic services and supports as medically necessary to address an identified disability, functional impairment, and the individual client's needs and goals; and

(3) be used in the development of the individual treatment plan.

~~(b)(c)~~ Notwithstanding paragraph ~~(a)(b)~~, a client may be determined to be eligible for up to five days of day treatment under this section based on a hospital's medical history and presentation examination of the client.

~~(c)(d)~~ Children's therapeutic services and supports include development and rehabilitative services that support a child's developmental treatment needs.

Sec. 4. Minnesota Statutes 2022, section 256B.0943, subdivision 12, is amended to read:

Subd. 12. **Excluded services.** The following services are not eligible for medical assistance payment as children's therapeutic services and supports:

(1) service components of children's therapeutic services and supports simultaneously provided by more than one provider entity unless prior authorization is obtained;

~~(2) treatment by multiple providers within the same agency at the same clock time;~~

~~(3)~~(2) children's therapeutic services and supports provided in violation of medical assistance policy in Minnesota Rules, part 9505.0220;

~~(4)~~(3) mental health behavioral aide services provided by a personal care assistant who is not qualified as a mental health behavioral aide and employed by a certified children's therapeutic services and supports provider entity;

~~(5)~~(4) service components of CTSS that are the responsibility of a residential or program license holder, including foster care providers under the terms of a service agreement or administrative rules governing licensure; and

~~(6)~~(5) adjunctive activities that may be offered by a provider entity but are not otherwise covered by medical assistance, including:

(i) a service that is primarily recreation oriented or that is provided in a setting that is not medically supervised. This includes sports activities, exercise groups, activities such as craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours;

(ii) a social or educational service that does not have or cannot reasonably be expected to have a therapeutic outcome related to the client's emotional disturbance;

(iii) prevention or education programs provided to the community; and

(iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

Sec. 5. Minnesota Statutes 2022, 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 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)~~ (iii) 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; and

(iv) a co-occurring disorder specialist who meets the requirements under section 256B.0622, subdivision 7a, paragraph (a), clause (4), who will provide or facilitate the provision of co-occurring disorder treatment to clients.

(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. 6. Minnesota Statutes 2023 Supplement, section 256B.0947, subdivision 7, is amended to read:

Subd. 7. **Medical assistance payment and rate setting.** (a) Payment for services in this section must be based on one daily encounter rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services, supports, and ancillary activities under this section, staff travel time to provide rehabilitative services under this section, and crisis response services under section 256B.0624.

(b) Payment must not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team shall determine how to distribute the payment among the members.

(c) The commissioner shall establish regional cost-based rates for entities that will bill medical assistance for nonresidential intensive rehabilitative mental health services. In developing these rates, the commissioner shall consider:

- (1) the cost for similar services in the health care trade area;
- (2) actual costs incurred by entities providing the services;
- (3) the intensity and frequency of services to be provided to each client;
- (4) the degree to which clients will receive services other than services under this section; ~~and~~
- (5) the costs of other services that will be separately reimbursed; and

(6) the estimated additional direct care staffing compensation costs for the next rate year as reported by entities providing the service, subject to review by the commissioner.

(d) The rate for a provider must not exceed the rate charged by that provider for the same service to other payers.

(e) Effective for the rate years beginning on and after January 1, 2024, rates must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the fourth quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(f) For a rate that was set incorporating the provider's estimated direct care staffing compensation and new capital costs under paragraph (c), the commissioner must reconcile the provider's rate with the provider's actual costs from the prior 12 months.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; RESPITE CARE ACCESS.**

The commissioner of human services, in coordination with stakeholders, must develop proposals by December 31, 2025, to increase access to licensed respite foster care homes that take into consideration the new rule directing title IV-E agencies to adopt one set of licensing or approval standards for all relative or kinship foster family homes that is different from the licensing or approval standards used for nonrelative or nonkinship foster family homes, as provided by the Federal Register, volume 88, page 66700.

Sec. 8. **DIRECTION TO COMMISSIONER; MEDICAL ASSISTANCE CHILDREN'S RESIDENTIAL MENTAL HEALTH CRISIS STABILIZATION.**

(a) The commissioner of human services must consult with providers, advocates, Tribal Nations, counties, people with lived experience as or with a child in a mental health crisis, and other interested community members to develop a covered benefit under medical assistance to provide residential mental health crisis stabilization for children. The benefit must:

(1) consist of evidence-based promising practices or culturally responsive treatment services for children under the age of 21 experiencing a mental health crisis;

(2) embody an integrative care model that supports individuals experiencing a mental health crisis who may also be experiencing co-occurring conditions;

(3) qualify for federal financial participation; and

(4) include services that support children and families, including but not limited to:

(i) an assessment of the child's immediate needs and factors that led to the mental health crisis;

(ii) individualized care to address immediate needs and restore the child to a precrisis level of functioning;

(iii) 24-hour on-site staff and assistance;

(iv) supportive counseling and clinical services;

(v) skills training and positive support services, as identified in the child's individual crisis stabilization plan;

(vi) referrals to other service providers in the community as needed and to support the child's transition from residential crisis stabilization services;

(vii) development of an individualized and culturally responsive crisis response action plan; and

(viii) assistance to access and store medication.

(b) When developing the new benefit, the commissioner must make recommendations for providers to be reimbursed for room and board.

(c) The commissioner must consult with or contract with rate-setting experts to develop a prospective data-based rate methodology for the children's residential mental health crisis stabilization benefit.

(d) No later than October 1, 2025, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance a report detailing for the children's residential mental health crisis stabilization benefit the proposed:

(1) eligibility, clinical and service requirements, provider standards, licensing requirements, and reimbursement rates;

(2) process for community engagement, community input, and crisis models studied in other states;

(3) deadline for the commissioner to submit a state plan amendment to the Centers for Medicare and Medicaid Services; and

(4) draft legislation with the statutory changes necessary to implement the benefit.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

**Sec. 9. DIRECTION TO COMMISSIONER; CHILDREN'S RESIDENTIAL FACILITY RULEMAKING.**

(a) The commissioner of human services must use the expedited rulemaking process and comply with all requirements under Minnesota Statutes, section 14.389, to adopt the amendments required under this section.

(b) The commissioner of human services must amend Minnesota Rules, chapter 2960, to replace all instances of the term "clinical supervision" with the term "treatment supervision."

(c) The commissioner of human services must amend Minnesota Rules, part 2960.0020, to replace all instances of the term "clinical supervisor" with the term "treatment supervisor."

(d) The commissioner of human services must amend Minnesota Rules, part 2960.0020, to add the definition of "licensed prescriber" to mean an individual who is authorized to prescribe legend drugs under Minnesota Statutes, section 151.37.

(e) The commissioner of human services must amend Minnesota Rules, parts 2960.0020 to 2960.0710, to replace all instances of "physician" with "licensed prescriber."

(f) The commissioner of human services must amend Minnesota Rules, part 2960.0620, subpart 1, item B, to allow a license holder to meet requirements by obtaining a copy of the resident's medication management or evaluation treatment plan from the licensed prescriber.

(g) The commissioner of human services must amend Minnesota Rules, part 2960.0620, subpart 5, to:

(1) remove the requirement for the license holder to conduct a psychotropic medication review;

(2) require the license holder to document treatment coordination with the licensed prescriber; and

(3) strike items A to D, and remove the requirements for the license holder to consider and document items A to D at a quarterly review and provide the information in items A and D to the licensed prescriber for review.

(h) The commissioner of human services must amend Minnesota Rules, part 2960.0620, subpart 2, to strike all of the current language and insert the following language: "If a resident is prescribed a psychotropic medication, the license holder must monitor for side effects of the medication. Within 24 hours of admission, a registered nurse or licensed prescriber must assess the resident for and document any current side effects and document instructions for

how frequently the license holder must monitor for side effects of the psychotropic medications the resident is taking. When a resident begins taking a new psychotropic medication or stops taking a psychotropic medication, the license holder must monitor for side effects according to the instructions of the registered nurse or licensed prescriber. The license holder must monitor for side effects using standardized checklists, rating scales, or other tools according to the instructions of the registered nurse or licensed prescriber. The license holder must provide the results of the checklist, rating scale, or other tool to the licensed prescriber for review."

(i) The commissioner of human services must amend Minnesota Rules, part 2960.0630, subpart 2, to allow license holders to use the ancillary meeting process under Minnesota Statutes, section 245I.23, subdivision 14, paragraph (c), if a staff member cannot participate in a weekly clinical supervision session.

(j) The commissioner of human services must amend Minnesota Rules, part 2960.0630, subpart 3, to strike item D.

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

Sec. 10. **REPEALER.**

Minnesota Rules, part 2960.0620, subpart 3, is repealed.

#### ARTICLE 4 SUBSTANCE USE DISORDER SERVICES

Section 1. **[144.2256] CERTIFIED BIRTH RECORD FOR PERSONS ELIGIBLE FOR MEDICAL ASSISTANCE.**

Subdivision 1. **Application; birth record.** A subject of a birth record who is eligible for medical assistance according to chapter 256B and who has been treated for a substance use disorder within the last 12 months may apply to the state registrar or a local issuance office for a certified birth record according to this section. The state registrar or local issuance office shall issue a certified birth record, or statement of no vital record found, to a subject of a birth record who submits:

(1) a completed application signed by the subject of the birth record;

(2) a statement of eligibility from an employee of a human services agency or treatment provider licensed under chapter 245G that receives public funding to provide services to people with substance use disorders. The statement must verify the subject of the birth record is eligible for medical assistance according to chapter 256B and has been treated for a substance use disorder in the last 12 months. The statement must comply with the requirements in subdivision 2; and

(3) identification in the form of:

(i) a document of identity listed in Minnesota Rules, part 4601.2600, subpart 8, or, at the discretion of the state registrar or local issuance office, Minnesota Rules, part 4601.2600, subpart 9;

(ii) a statement that complies with Minnesota Rules, part 4601.2600, subparts 6 and 7; or

(iii) a statement of identity provided by the employee of a human services agency or treatment provider that receives public funding to provide services to people with substance use disorders who verified eligibility. The statement must comply with Minnesota Rules, part 4601.2600, subpart 7.

**Subd. 2. Statement of eligibility.** A statement of eligibility must be from an employee of a human services agency or treatment provider that receives public funding to provide services to people with substance use disorders and must verify the subject of the birth record is eligible for medical assistance according to chapter 256B and has been treated for a substance use disorder within the last 12 months. The statement of eligibility must include:

(1) the employee's first name, middle name, if any, and last name; home or business address; telephone number, if any; and email address, if any;

(2) the name of the human services agency or treatment provider that receives public funding to provide services to people with substance use disorders that employs the person making the eligibility statement;

(3) the first name, middle name, if any, and last name of the subject of the birth record;

(4) a copy of the individual's employment identification or verification of employment linking the employee to the human services agency or treatment provider that provided treatment; and

(5) a statement specifying the relationship of the individual providing the eligibility statement to the subject of the birth record.

**Subd. 3. Data practices.** Data listed under subdivision 1, clauses (2) and (3), are private data on individuals.

Sec. 2. Minnesota Statutes 2022, section 144.226, is amended by adding a subdivision to read:

**Subd. 9. Birth record fees waived for persons treated for substance use disorders.** A subject of a birth record who is eligible for medical assistance according to chapter 256B and who has been treated for a substance use disorder within the last 12 months must not be charged any of the fees specified in this section for a certified birth record or statement of no vital record found under section 144.2256.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 148F.025, subdivision 2, is amended to read:

**Subd. 2. Education requirements for licensure.** An applicant for licensure must submit evidence satisfactory to the board that the applicant has:

(1) received a bachelor's or master's degree from an accredited school or educational program; and

(2) received 18 semester credits or 270 clock hours of academic course work and 880 clock hours of supervised alcohol and drug counseling practicum from an accredited school or education program. The course work and practicum do not have to be part of the bachelor's degree earned under clause (1). The academic course work must be in the following areas:

(i) an overview of the transdisciplinary foundations of alcohol and drug counseling, including theories of chemical dependency, the continuum of care, and the process of change;

(ii) pharmacology of substance abuse disorders and the dynamics of addiction, including substance use disorder treatment with medications for opioid use disorder;

(iii) professional and ethical responsibilities;

(iv) multicultural aspects of chemical dependency;

(v) co-occurring disorders; and

(vi) the core functions defined in section 148F.01, subdivision 10.

Sec. 4. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 8a. **Clinical trainee.** "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6, working under the supervision of a mental health professional.

Sec. 5. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 17a. **Mental health professional.** "Mental health professional" means a staff person who is qualified under section 245I.04, subdivision 2.

Sec. 6. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 17b. **Qualified professional.** "Qualified professional" means a licensed alcohol and drug counselor; mental health professional; registered nurse who has completed at least 12 hours of training in diagnosing and treating addiction, co-occurring disorders, or substance use disorder; or clinical trainee working under the supervision of a mental health professional.

Sec. 7. Minnesota Statutes 2023 Supplement, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** A comprehensive assessment of the client's substance use disorder must be administered face-to-face by ~~an alcohol and drug counselor~~ a qualified professional within five calendar days from the day of service initiation for a residential program or by the end of the fifth day on which a treatment service is provided in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation. If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified ~~staff member's~~ professional's dated signature. If the client received a comprehensive assessment that authorized the treatment service, ~~an alcohol and drug counselor~~ a qualified professional may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. An alcohol and drug counselor must sign and date the comprehensive assessment review and update.

Sec. 8. Minnesota Statutes 2023 Supplement, section 245G.06, subdivision 1, is amended to read:

Subdivision 1. **General.** Each client must have a person-centered individual treatment plan developed by ~~an alcohol and drug counselor~~ a qualified professional within ten days from the day of service initiation for a residential program, by the end of the tenth day on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program, not to exceed 30 days. Opioid treatment programs must complete the individual treatment plan within 21 days from the day of service initiation. The number of days to complete the individual treatment plan excludes the day of service initiation. The individual treatment plan must be signed by the client and the ~~alcohol and drug counselor~~ qualified professional and document the client's involvement in the development of the plan. The individual treatment plan is developed upon the qualified ~~staff member's~~ professional's dated signature. Treatment planning must include ongoing assessment of client needs. An individual treatment plan must be updated based on new information gathered about the client's condition, the client's level of participation, and on whether methods identified have the intended effect. A change to the plan must be signed by the client and the ~~alcohol and drug counselor~~ qualified professional. If the client chooses to have family or others involved in treatment services, the client's individual treatment plan must include how the family or others will be involved in the client's treatment. If a client is receiving treatment services or an assessment via telehealth and the ~~alcohol and drug counselor~~ qualified professional documents the reason the client's signature cannot be obtained, the ~~alcohol and drug counselor~~ qualified professional may document the client's verbal approval or electronic written approval of the treatment plan or change to the treatment plan in lieu of the client's signature.

Sec. 9. Minnesota Statutes 2023 Supplement, section 245G.06, subdivision 3, is amended to read:

Subd. 3. **Treatment plan review.** A treatment plan review must be completed by the ~~alcohol and drug counselor~~ qualified professional responsible for the client's treatment plan. The review must indicate the span of time covered by the review and must:

(1) document client goals addressed since the last treatment plan review and whether the identified methods continue to be effective;

(2) document monitoring of any physical and mental health problems and include toxicology results for alcohol and substance use, when available;

(3) document the participation of others involved in the individual's treatment planning, including when services are offered to the client's family or significant others;

(4) if changes to the treatment plan are determined to be necessary, document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change;

(5) include a review and evaluation of the individual abuse prevention plan according to section 245A.65; and

(6) document any referrals made since the previous treatment plan review.

Sec. 10. Minnesota Statutes 2023 Supplement, section 245G.06, subdivision 3a, is amended to read:

Subd. 3a. **Frequency of treatment plan reviews.** (a) A license holder must ensure that the ~~alcohol and drug counselor~~ qualified professional responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file, according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22:

(1) a treatment plan review must be completed weekly for the ten weeks following completion of the treatment plan; and

(2) monthly thereafter.

Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), clause (2), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days. Treatment plan reviews must be completed more frequently when clinical needs warrant.

Sec. 11. Minnesota Statutes 2023 Supplement, section 245G.06, subdivision 4, is amended to read:

Subd. 4. **Service discharge summary.** (a) ~~An alcohol and drug counselor~~ A qualified professional must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section 254B.04, subdivision 4, and include the following information:

- (1) the client's issues, strengths, and needs while participating in treatment, including services provided;
- (2) the client's progress toward achieving each goal identified in the individual treatment plan;
- (3) a risk rating and description for each of the ASAM six dimensions;

(4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);

(5) the client's living arrangements at service termination;

(6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and

(7) service termination diagnosis.

Sec. 12. Minnesota Statutes 2022, section 245G.07, subdivision 3, is amended to read:

Subd. 3. ~~Counselors~~ **Qualified professionals.** All treatment services, except peer recovery support services and treatment coordination, must be provided by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5, or any other qualified professional, as defined in section 245G.01, subdivision 17b, unless the individual providing the service is specifically qualified according to the accepted credential required to provide the service. The commissioner shall maintain a current list of professionals qualified to provide treatment services.

Sec. 13. Minnesota Statutes 2022, section 245G.07, subdivision 3a, is amended to read:

Subd. 3a. **Use of guest speakers.** (a) The license holder may allow a guest speaker to present information to clients as part of a treatment service provided by ~~an alcohol and drug counselor~~ a qualified professional, according to the requirements of this subdivision.

(b) ~~An alcohol and drug counselor~~ A qualified professional must visually observe and listen to the presentation of information by a guest speaker the entire time the guest speaker presents information to the clients. ~~The alcohol and drug counselor~~ qualified professional is responsible for all information the guest speaker presents to the clients.

(c) The presentation of information by a guest speaker constitutes a direct contact service, as defined in section 245C.02, subdivision 11.

(d) The license holder must provide the guest speaker with all training required for staff members. If the guest speaker provides direct contact services one day a month or less, the license holder must only provide the guest speaker with orientation training on the following subjects before the guest speaker provides direct contact services:

- (1) mandatory reporting of maltreatment, as specified in sections 245A.65, 626.557, and 626.5572 and chapter 260E;



- (2) applicable client confidentiality rules and regulations;
- (3) ethical standards for client interactions; and
- (4) emergency procedures.

Sec. 14. Minnesota Statutes 2022, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

- (1) is skilled in the process of identifying and assessing a wide range of client needs;
- (2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;
- (3) has successfully completed ~~30 hours of classroom instruction on treatment coordination for an individual with substance use disorder~~ specific training on substance use and co-occurring disorders that is consistent with national evidence-based practices; and

(4) ~~has either~~ meets one of the following criteria:

(i) ~~has~~ has a bachelor's degree in one of the behavioral sciences or related fields and at least 1,000 hours of supervised experience working with individuals with substance use disorder; ~~or~~

(ii) is qualified as a mental health practitioner under section 245I.04, subdivision 4; or

~~(ii)~~ (iii) has a current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders; ~~and.~~

~~(5) has at least 2,000 hours of supervised experience working with individuals with substance use disorder.~~

(b) A treatment coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor, or a mental health professional who has substance use treatment and assessments within the scope of their practice, on a monthly basis.

Sec. 15. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 256J;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

(i) Notwithstanding paragraph (a), persons enrolled in MinnesotaCare are eligible for room and board services under section 254B.05, subdivision 1a, paragraph (e).

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

## ARTICLE 5 HOUSING SUPPORTS

Section 1. Minnesota Statutes 2023 Supplement, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to provide for single adults, childless couples, or children as defined in section 256D.02, subdivision 2b, ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The standard of assistance for an assistance unit consisting of a recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian, or consisting of a childless couple, is \$350 per month effective October 1, 2024, and must be adjusted by a percentage equal to the change in the consumer price index as of January 1 every year, beginning October 1, 2025.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is \$350 per month effective October 1, ~~2023~~ 2024, and must be adjusted by a percentage equal to the change in the consumer price index as of January 1 every year, beginning October 1, 2025. Benefits received by a responsible relative of the assistance unit under the Supplemental Security Income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the Social Security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods must follow the provisions under section 256P.06.

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

Sec. 2. Minnesota Statutes 2022, section 256I.04, subdivision 2f, is amended to read:

Subd. 2f. **Required services.** (a) In ~~licensed and registered~~ authorized settings under subdivision 2a, providers shall ensure that participants have at a minimum:

- (1) food preparation and service for three nutritional meals a day on site;
- (2) a bed, clothing storage, linen, bedding, laundering, and laundry supplies or service;
- (3) housekeeping, including cleaning and lavatory supplies or service; and
- (4) maintenance and operation of the building and grounds, including heat, water, garbage removal, electricity, telephone for the site, cooling, supplies, and parts and tools to repair and maintain equipment and facilities.

(b) In addition, when providers serve participants described in subdivision 1, paragraph (c), the providers are required to assist the participants in applying for continuing housing support payments before the end of the eligibility period.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04, subdivision 3, the agency may negotiate a payment not to exceed \$494.91 for other services necessary to provide room and board if the residence is licensed by or registered by the Department of Health, or licensed by the Department of Human Services to provide services in addition to room and board, and if the provider of services is not also concurrently receiving funding for services for a recipient in the residence under the following programs or funding sources: (1) home and community-based waiver services under chapter 256S or section 256B.0913, 256B.092, or 256B.49; (2) personal care assistance under section 256B.0659; (3) community first services and supports under section 256B.85; or (4) services for adults with mental illness grants under section 245.73. If funding is available for other necessary services through a home and community-based waiver under chapter 256S, or section 256B.0913, 256B.092, or 256B.49; personal care assistance services under section 256B.0659; community first services and supports under

section 256B.85; or services for adults with mental illness grants under section 245.73, then the housing support rate is limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may the supplementary service rate exceed \$494.91. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds.

~~(b) The commissioner is authorized to make cost neutral transfers from the housing support fund for beds under this section to other funding programs administered by the department after consultation with the agency in which the affected beds are located. The commissioner may also make cost neutral transfers from the housing support fund to agencies for beds permanently removed from the housing support census under a plan submitted by the agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.~~

~~(e)~~(b) Agencies must not negotiate supplementary service rates with providers of housing support that are licensed as board and lodging with special services and that do not encourage a policy of sobriety on their premises and make referrals to available community services for volunteer and employment opportunities for residents.

Sec. 4. Minnesota Statutes 2023 Supplement, section 256I.05, subdivision 11, is amended to read:

Subd. 11. ~~Transfer of emergency shelter funds~~ **Cost-neutral transfers from the housing support fund.** (a) The commissioner is authorized to make cost-neutral transfers from the housing support fund for beds under this section to other funding programs administered by the department after consultation with the agency in which the affected beds are located.

(b) The commissioner may also make cost-neutral transfers from the housing support fund to agencies for beds removed from the housing support census under a plan submitted by the agency and approved by the commissioner.

~~(a)~~(c) The commissioner shall make a cost-neutral transfer of funding from the housing support fund to the agency for emergency shelter beds removed from the housing support census under a ~~biennial~~ plan submitted by the agency and approved by the commissioner. Plans submitted under this paragraph must include anticipated and actual outcomes for persons experiencing homelessness in emergency shelters.

~~The plan~~ (d) Plans submitted under paragraph (b) or (c) must describe: (1) anticipated and actual outcomes for persons experiencing homelessness in emergency shelters; (2) improved efficiencies in administration; (3)(2) requirements for individual eligibility; and (4)(3) plans for quality assurance monitoring and quality assurance outcomes. The commissioner shall review the agency plan plans to monitor implementation and outcomes at least biennially, and more frequently if the commissioner deems necessary.

~~(b) The~~ (e) Funding under paragraph ~~(a)~~ (b), (c), or (d) may be used for the provision of room and board or supplemental services according to section 256I.03, subdivisions 14a and 14b. Providers must meet the requirements of section 256I.04, subdivisions 2a to 2f. Funding must be allocated annually, and the room and board portion of the allocation shall be adjusted according to the percentage change in the housing support room and board rate. ~~The room and board portion of the allocation shall be determined at the time of transfer.~~ The commissioner or agency may return beds to the housing support fund with 180 days' notice, including financial reconciliation.

Sec. 5. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 256D.21, as Minnesota Statutes, section 261.004.

Sec. 6. **REPEALER.**

Minnesota Statutes 2022, sections 256D.19, subdivisions 1 and 2; 256D.20, subdivisions 1, 2, 3, and 4; and 256D.23, subdivisions 1, 2, and 3, are repealed.

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

ARTICLE 6  
MISCELLANEOUS

Section 1. **[144.88] MENTAL HEALTH AND SUBSTANCE USE DISORDER EDUCATION CENTER.**

Subdivision 1. **Establishment.** The Mental Health and Substance Use Disorder Education Center is established in the Department of Health. The purposes of the center are to increase the number of professionals, practitioners, and peers working in mental health and substance use disorder treatment; increase the diversity of professionals, practitioners, and peers working in mental health and substance use disorder treatment; and facilitate a culturally informed and responsive mental health and substance use disorder treatment workforce.

Subd. 2. **Activities.** The Mental Health and Substance Use Disorder Education Center must:

(1) analyze the geographic and demographic availability of licensed mental health and substance use disorder treatment professionals, identify gaps, and prioritize the need for additional licensed professionals by type, location, and demographics;

(2) create a program that exposes high school and college students to careers in the mental health and substance use disorder fields;

(3) create a website for individuals considering becoming a mental health provider that clearly labels the steps necessary to achieve licensure and certification in the various mental health fields and lists resources and links for more information;

(4) create a job board for organizations seeking employees to provide mental health and substance use disorder treatment, services, and supports;

(5) track the number of students at the undergraduate and graduate levels who are graduating from programs in Minnesota that could facilitate a career as a mental health or substance use disorder treatment practitioner or professional and work with Minnesota colleges and universities to support the students in obtaining licensure;

(6) identify barriers to mental health professional licensure and make recommendations to address the barriers;

(7) establish learning collaborative partnerships with mental health and substance use disorder treatment providers, schools, criminal justice agencies, and others;

(8) promote and expand loan forgiveness programs, funding for professionals to become supervisors, funding to pay for supervision, and funding for pathways to licensure;

(9) identify barriers to using loan forgiveness programs and develop recommendations to address the barriers;

(10) work to expand Medicaid graduate medical education to other mental health professionals;

(11) identify current sites for internships and practicums and assess the need for additional sites;

(12) develop training to increase the knowledge about mental health and substance use disorders for other health care professionals, including but not limited to community health workers, pediatricians, primary care physicians, physician assistants, and nurses; and

(13) support training for integrated mental health and primary care in rural areas.

Subd. 3. **Reports.** Beginning January 1, 2025, the commissioner of health shall submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance and policy summarizing the center's activities and progress in addressing the mental health and substance use disorder treatment workforce shortage.

Sec. 2. Minnesota Statutes 2022, section 245.4663, subdivision 2, is amended to read:

Subd. 2. **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 underrepresented communities as defined in section 148E.010, subdivision 20; or

(3) provide services to people in a city or township that is not within the seven-county metropolitan area as defined in section 473.121, subdivision 2, and is not the city of Duluth, Mankato, Moorhead, Rochester, or St. Cloud.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same

number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

- (1) pediatric services;
  - (2) behavioral health services;
  - (3) trauma services as defined by the National Uniform Billing Committee;
  - (4) transplant services;
  - (5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;
  - (6) outlier admissions;
  - (7) low-volume providers; and
  - (8) services provided by small rural hospitals that are not critical access hospitals.
- (f) Hospital payment rates established under paragraph (c) must incorporate the following:
- (1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;
  - (2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;
  - (3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and
  - (4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.
- (g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available, except that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.



(k) Effective for discharges occurring on or after January 1, 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific to each hospital that qualifies for a medical education and research cost distribution under section 62J.692, subdivision 4, paragraph (a).

(l) Effective for discharges occurring on or after January 1, 2025, the commissioner shall increase payments for inpatient mental health services provided by hospitals paid under the DRG methodology by increasing the adjustment for mental health services under paragraph (e).

(m) Effective for discharges occurring on or after January 1, 2025, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increase provided under paragraph (l). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates for inpatient mental health services provided by hospitals paid under the DRG methodology. The commissioner must monitor the effect of this rate increase on enrollee access to inpatient mental health services. 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 paragraph. 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 paragraph.

Sec. 4. **[256B.0617] MENTAL HEALTH SERVICES PROVIDER CERTIFICATION.**

(a) The commissioner of human services shall establish an initial provider entity application and certification and recertification processes to determine whether a provider entity has administrative and clinical infrastructures that meet the certification requirements. This process shall apply to providers of the following services:

- (1) assertive community treatment under section 256B.0622, subdivision 3a;
- (2) children's intensive behavioral health services under section 256B.0946; and
- (3) intensive nonresidential rehabilitative mental health services under section 256B.0947.

(b) The commissioner shall recertify a provider entity every three years using the individual provider's certification anniversary or the calendar year end. The commissioner may approve a recertification extension in the interest of sustaining services when a certain date for recertification is identified.

(c) The commissioner shall establish a process for decertification of a provider entity and shall require corrective action, medical assistance repayment, or decertification of a provider entity that no longer meets the requirements in this section or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification process.

(d) The commissioner must provide the following to provider entities for the certification, recertification, and decertification processes:

- (1) a structured listing of required provider certification criteria;
- (2) a formal written letter with a determination of certification, recertification, or decertification signed by the commissioner or the appropriate division director; and
- (3) a formal written communication outlining the process for necessary corrective action and follow-up by the commissioner signed by the commissioner or the appropriate division director, if applicable.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and the commissioner of human services must implement all requirements of this section by September 1, 2024.

Sec. 5. Minnesota Statutes 2023 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) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis 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 CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the 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 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 when an eligible CCBHC 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) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be 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 two 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. For CCBHCs certified after September 31, 2020, and before January 1, 2021, the commissioner shall rebase rates according to this clause beginning for dates of service provided on January 1, 2024;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(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 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 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 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 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.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersedes eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

Sec. 6. Minnesota Statutes 2022, section 256B.0757, subdivision 4a, is amended to read:

Subd. 4a. **Behavioral health home services provider requirements.** A behavioral health home services provider must:

- (1) be an enrolled Minnesota Health Care Programs provider;
- (2) provide a medical assistance covered primary care or behavioral health service;
- (3) utilize an electronic health record;
- (4) utilize an electronic patient registry that contains data elements required by the commissioner;
- (5) demonstrate the organization's capacity to administer screenings approved by the commissioner for substance use disorder or alcohol and tobacco use;
- (6) demonstrate the organization's capacity to refer an individual to resources appropriate to the individual's screening results;
- (7) have policies and procedures to track referrals to ensure that the referral met the individual's needs;
- (8) conduct a brief needs assessment when an individual begins receiving behavioral health home services. The brief needs assessment must be completed with input from the individual and the individual's identified supports. The brief needs assessment must address the individual's immediate safety and transportation needs and potential barriers to participating in behavioral health home services;
- (9) conduct a health wellness assessment within 60 days after intake that contains all required elements identified by the commissioner;
- (10) conduct a health action plan that contains all required elements identified by the commissioner. The plan must be completed within 90 days after intake and must be updated at least once every six months, or more frequently if significant changes to an individual's needs or goals occur;
- (11) agree to cooperate with and participate in the state's monitoring and evaluation of behavioral health home services; and
- (12) obtain the individual's ~~written~~ consent to begin receiving behavioral health home services using a form approved by the commissioner.

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

Sec. 7. Minnesota Statutes 2022, section 256B.0757, subdivision 4d, is amended to read:

Subd. 4d. **Behavioral health home services delivery standards.** (a) A behavioral health home services provider must meet the following service delivery standards:

- (1) establish and maintain processes to support the coordination of an individual's primary care, behavioral health, and dental care;

(2) maintain a team-based model of care, including regular coordination and communication between behavioral health home services team members;

(3) use evidence-based practices that recognize and are tailored to the medical, social, economic, behavioral health, functional impairment, cultural, and environmental factors affecting the individual's health and health care choices;

(4) use person-centered planning practices to ensure the individual's health action plan accurately reflects the individual's preferences, goals, resources, and optimal outcomes for the individual and the individual's identified supports;

(5) use the patient registry to identify individuals and population subgroups requiring specific levels or types of care and provide or refer the individual to needed treatment, intervention, or services;

(6) ~~utilize the Department of Human Services Partner Portal to~~ identify past and current treatment or services and identify potential gaps in care using a tool approved by the commissioner;

(7) deliver services consistent with the standards for frequency and face-to-face contact required by the commissioner;

(8) ensure that a diagnostic assessment is completed for each individual receiving behavioral health home services within six months of the start of behavioral health home services;

(9) deliver services in locations and settings that meet the needs of the individual;

(10) provide a central point of contact to ensure that individuals and the individual's identified supports can successfully navigate the array of services that impact the individual's health and well-being;

(11) have capacity to assess an individual's readiness for change and the individual's capacity to integrate new health care or community supports into the individual's life;

(12) offer or facilitate the provision of wellness and prevention education on evidenced-based curriculums specific to the prevention and management of common chronic conditions;

(13) help an individual set up and prepare for medical, behavioral health, social service, or community support appointments, including accompanying the individual to appointments as appropriate, and providing follow-up with the individual after these appointments;

(14) offer or facilitate the provision of health coaching related to chronic disease management and how to navigate complex systems of care to the individual, the individual's family, and identified supports;

(15) connect an individual, the individual's family, and identified supports to appropriate support services that help the individual overcome access or service barriers, increase self-sufficiency skills, and improve overall health;

(16) provide effective referrals and timely access to services; and

(17) establish a continuous quality improvement process for providing behavioral health home services.

(b) The behavioral health home services provider must also create a plan, in partnership with the individual and the individual's identified supports, to support the individual after discharge from a hospital, residential treatment program, or other setting. The plan must include protocols for:

(1) maintaining contact between the behavioral health home services team member, the individual, and the individual's identified supports during and after discharge;

- (2) linking the individual to new resources as needed;
  - (3) reestablishing the individual's existing services and community and social supports; and
  - (4) following up with appropriate entities to transfer or obtain the individual's service records as necessary for continued care.
- (c) If the individual is enrolled in a managed care plan, a behavioral health home services provider must:
- (1) notify the behavioral health home services contact designated by the managed care plan within 30 days of when the individual begins behavioral health home services; and
  - (2) adhere to the managed care plan communication and coordination requirements described in the behavioral health home services manual.
- (d) Before terminating behavioral health home services, the behavioral health home services provider must:
- (1) provide a 60-day notice of termination of behavioral health home services to all individuals receiving behavioral health home services, the commissioner, and managed care plans, if applicable; and
  - (2) refer individuals receiving behavioral health home services to a new behavioral health home services provider.

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

Sec. 8. Minnesota Statutes 2022, section 256B.0757, subdivision 5, is amended to read:

Subd. 5. **Payments for health home services.** The commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3, other than behavioral health home services, to each eligible individual under subdivision 2 that selects the health home as a provider.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2022, section 256B.0757, is amended by adding a subdivision to read:

Subd. 5a. **Payments for behavioral health home services.** (a) Notwithstanding subdivision 5, the commissioner shall determine and implement a single statewide reimbursement rate for behavioral health home services under this section. The rate must be no less than \$408 per member per month. The commissioner must adjust the statewide reimbursement rate annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

(b) The commissioner must review and update the behavioral health home service rate under paragraph (a) at least every four years. The updated rate must account for the average hours required for behavioral health home team members spent providing services and the Department of Labor prevailing wage for required behavioral health home team members. The updated rate must ensure that behavioral health home services rates are sufficient to allow providers to meet required certifications, training, and practice transformation standards, staff qualification requirements, and service delivery standards.

**EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2023 Supplement, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. **Physician and professional services 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)(a)~~ Effective for services rendered on or after January 1, 2000, through December 31, 2024, 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.

~~(e)(b)~~ Effective for services rendered on or after July 1, 2009, through December 31, 2024, 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 registered 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)(c)~~ Effective for services rendered on or after July 1, 2010, through December 31, 2024, 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 registered 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)(d)~~ Effective for services rendered on or after September 1, 2014, through December 31, 2024, 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.

~~(e)~~(e) 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.

~~(f)~~(f) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

~~(g)~~(g) The commissioner may reimburse physicians and other licensed professionals for costs incurred to pay the fee for testing newborns who are medical assistance enrollees for heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when the sample is collected outside of an inpatient hospital or freestanding birth center and the cost is not recognized by another payment source.

Sec. 11. Minnesota Statutes 2022, section 256B.76, subdivision 6, is amended to read:

Subd. 6. **Medicare relative value units.** ~~Effective for services rendered on or after January 1, 2007, the commissioner shall make payments for physician and professional services based on the Medicare relative value units (RVU's). This change shall be budget neutral and the cost of implementing RVU's will be incorporated in the established conversion factor.~~ (a) Effective for physician and professional services included in the Medicare Physician Fee Schedule for mental health services, the commissioner shall make payments at rates equal to 100 percent of the corresponding rates in the Medicare Physician Fee Schedule. Payment rates set under this paragraph must use Medicare relative value units (RVUs) and conversion factors equal to those in the Medicare Physician Fee Schedule to implement the resource-based relative value scale.

(b) The commissioner shall revise fee-for-service payment methodologies under this section upon the issuance of a Medicare Physician Fee Schedule final rule by the Centers for Medicare and Medicaid Services to ensure the payment rates under this subdivision are equal to the corresponding rates in the final rule.

(c) All mental health services performed in a primary care or mental health care health professional shortage area, medically underserved area, or medically underserved population, as maintained and updated by the United States Department of Health and Human Services, are eligible for a ten percent bonus payment. Such services are eligible for a bonus based upon the performance of the service in a health professional shortage area if the provider maintains an office in a health professional shortage area.

(d) Effective for services rendered on or after January 1, 2025, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increases provided under this subdivision. Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to the providers corresponding to the rate increases. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. 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 paragraph. 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 paragraph.



Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.761, is amended to read:

**256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.

(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to behavioral health services providers. The commissioner must monitor the

effect of this rate increase on enrollee access to behavioral health services. 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.

(g) Effective for mental health services under this section billed and coded under Healthcare Common Procedure Coding System H, S, and T codes, the payment rates shall be increased as necessary to align with the Medicare Physician Fee Schedule.

Sec. 13. **MENTAL HEALTH SERVICES FORMULA-BASED ALLOCATION.**

The commissioner of human services shall consult with the commissioner of management and budget, counties, Tribes, mental health providers, and advocacy organizations to develop recommendations for moving from the children's and adult mental health grant funding structure to a formula-based allocation structure for mental health services. The recommendations must consider formula-based allocations for grants for respite care, school-linked behavioral health, mobile crisis teams, and first episode of psychosis programs.

ARTICLE 7  
APPROPRIATIONS

Section 1. Laws 2021, First Special Session chapter 7, article 17, section 12, as amended by Laws 2022, chapter 98, article 15, section 13, Laws 2022, chapter 99, article 1, section 43, and Laws 2023, chapter 70, article 20, section 18, is amended to read:

Sec. 12. **ADULT AND CHILDREN'S MOBILE TRANSITION UNITS.**

(a) This act includes \$1,572,000 in fiscal year 2022 and \$0 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 or to the least restrictive level of care from inpatient psychiatric settings, emergency departments, inpatient hospitalization, juvenile detention facilities, residential treatment facilities, and child and adolescent behavioral health hospitals. Any unexpended 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~~ \$2,500,000 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.~~

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

Sec. 2. Laws 2023, chapter 70, article 20, section 2, subdivision 29, is amended to read:

Subd. 29. <b>Grant Programs; Adult Mental Health Grants</b>	132,327,000	121,270,000
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(a) **Mobile crisis grants to Tribal Nations.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for mobile crisis grants under Minnesota Statutes section 245.4661, subdivision 9, paragraph (b), clause (15), to Tribal Nations.

(b) **Mental health provider supervision grant program.** \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the mental health provider supervision grant program under Minnesota Statutes, section 245.4663.

(c) **Minnesota State University, Mankato community behavioral health center.** \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for a grant to the Center for Rural Behavioral Health at Minnesota State University, Mankato to establish a community behavioral health center and training clinic. The community behavioral health center must provide comprehensive, culturally specific, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder treatment services in Blue Earth County and the surrounding region to individuals of all ages, regardless of an individual's ability to pay or place of residence. The community behavioral health center and training clinic must also provide training and workforce development opportunities to students enrolled in the university's training programs in the fields of social work, counseling and student personnel, alcohol and drug studies, psychology, and nursing. Upon request, the commissioner must make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health. This is a onetime appropriation and is available until June 30, 2027.

(d) **White Earth Nation; adult mental health initiative.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for adult mental health initiative grants to the White Earth Nation. This is a onetime appropriation.

(e) **Mobile crisis grants.** \$8,472,000 in fiscal year 2024 and ~~\$8,380,000~~ \$8,472,000 in fiscal year 2025 are for the mobile crisis grants under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15). This ~~is a onetime~~ appropriation ~~and~~ is available until June 30, 2027. This funding is added to the base.

(f) **Base level adjustment.** The general fund base is \$121,980,000 in fiscal year 2026 and \$121,980,000 in fiscal year 2027.

### Sec. 3. **APPROPRIATION; SOMALI MENTAL HEALTH PILOT PROJECT.**

(a) \$900,000 in fiscal year 2024 and \$900,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for a grant to the Intercultural Mutual Assistance Association for a pilot project in the city of Rochester to provide mental health education and support services to Somali students and mothers. The Intercultural Mutual Assistance Association shall partner with the Rochester Math and Science Academy and the Somali American Social Service Association to implement the pilot project.

(b) As part of the pilot project, the Intercultural Mutual Assistance Association and its partners shall:

(1) expand a dialectical behavioral therapy skills in schools pilot program for 20 or more additional students attending the Rochester Math and Science Academy and offer the program annually;

(2) develop and provide an educational program at the Rochester Math and Science Academy to build resiliency skills and improve students' social and emotional development; and

(3) establish a discussion group for mothers of students attending the Rochester Math and Science Academy to promote physical and emotional wellness.

(c) Grant funds may be used for pilot program development and implementation, staffing, training, and administrative costs.

(d) By January 15, 2025, the Intercultural Mutual Assistance Association must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health detailing the results of the pilot project. This is a onetime appropriation.

Sec. 4. **APPROPRIATION; ENGAGEMENT SERVICES PILOT GRANTS.**

\$2,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for engagement services pilot grants under Minnesota Statutes, section 253B.042. This funding is added to the base.

Sec. 5. **APPROPRIATION; PROTECTED TRANSPORT START-UP GRANTS.**

\$500,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to provide start-up grants to nonemergency medical transportation providers to configure vehicles to meet protected transport requirements. This funding is added to the base.

Sec. 6. **APPROPRIATION; RESPITE CARE SERVICES.**

(a) \$5,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for respite care services under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (3).

(b) Of this appropriation, \$1,000,000 in fiscal year 2025 is for grants to private child-placing agencies, as defined in Minnesota Rules, chapter 9545, to conduct recruitment and support licensing activities that are specific to increasing the availability of licensed foster homes to provide respite care services.

Sec. 7. **APPROPRIATION; IN-HOME CHILDREN'S MENTAL HEALTH INFRASTRUCTURE GRANTS.**

(a) \$5,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for infrastructure grants to develop family-centered in-home mental health services that include children's intensive behavioral health services under Minnesota Statutes, section 256B.0946; intensive rehabilitative mental health services under Minnesota Statutes, section 256B.0947; services under Minnesota Statutes, section 256B.0943, that are provided in the home; and high-fidelity wrap around and collaborative intensive bridging services eligible for grants under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (17).

(b) Grant funding may be used for start-up costs, including but not limited to initial hiring for specialized roles, staff training, technical assistance, and ancillary service costs required to establish and support the launch of these intensive mental health team models.

Sec. 8. **APPROPRIATION; CHILDREN'S RESIDENTIAL TREATMENT PROGRAMS.**

\$2,500,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for a grant to an organization that provides children's residential treatment for mental health and substance use disorder to modify and sustain its children's residential treatment programs in Minnesota. Grant funds must be used to

implement a planned consolidation of existing children's residential treatment programs and to create a specialized children's residential treatment program campus for children and youth with complex, high-acuity behavioral health treatment needs. This is a onetime appropriation."

Delete the title and insert:

"A bill for an act relating to behavioral health; modifying provisions related to mental and behavioral health care, including service standards, adult and child mental health services grants, substance use disorder services, supportive housing, and provider certification and reimbursement; appropriating money; requiring reports; amending Minnesota Statutes 2022, sections 144.226, by adding a subdivision; 148F.025, subdivision 2; 245.462, subdivision 6; 245.4663, subdivision 2; 245G.01, by adding subdivisions; 245G.07, subdivisions 3, 3a; 245G.11, subdivision 7; 245I.02, subdivisions 17, 19; 245I.04, subdivision 6; 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20, subdivision 4; 245I.23, subdivision 14; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision 5; 256B.0624, subdivision 7; 256B.0625, subdivision 20; 256B.0757, subdivisions 4a, 4d, 5, by adding a subdivision; 256B.0943, subdivisions 3, 12; 256B.0947, subdivision 5; 256B.76, subdivision 6; 256I.04, subdivision 2f; Minnesota Statutes 2023 Supplement, sections 245.4889, subdivision 1; 245G.05, subdivision 1; 245G.06, subdivisions 1, 3, 3a, 4; 254B.04, subdivision 1a; 256.969, subdivision 2b; 256B.0622, subdivisions 7b, 8; 256B.0625, subdivision 5m; 256B.0941, subdivision 3; 256B.0947, subdivision 7; 256B.76, subdivision 1; 256B.761; 256D.01, subdivision 1a; 256I.05, subdivisions 1a, 11; Laws 2021, First Special Session chapter 7, article 17, section 12, as amended; Laws 2023, chapter 70, article 20, section 2, subdivision 29; proposing coding for new law in Minnesota Statutes, chapters 144; 253B; 256B; repealing Minnesota Statutes 2022, sections 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4; 256D.23, subdivisions 1, 2, 3; Minnesota Rules, part 2960.0620, subpart 3."

With the recommendation that when so amended the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3566, A bill for an act relating to solid waste; establishing program to collect and recycle electronic waste; creating accounts; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 115A.1310; 115A.1312; 115A.1314; 115A.1318; 115A.1320; 115A.1322; 115A.1324; 115A.1326; 115A.1330; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 2022, section 115A.1316, subdivisions 1, 2, 3.

Reported the same back with the following amendments:

Page 29, line 14, delete "from a covered entity"

Page 29, after line 19, insert:

"(2) a cellphone."

Renumber the clauses in sequence

Page 31, line 15, delete "Except as provided in paragraph (b)."

Page 31, delete lines 18 to 20

Reletter the paragraphs in sequence

Page 35, line 1, delete the colon

Page 35, delete lines 2 to 4

Page 35, line 5, delete "(2)"

Page 35, line 6, after "specifying" insert ": (1)"

Page 35, line 7, delete the period and insert "; and"

Page 35, after line 7, insert:

"(2) the names, locations, and type of facilities to which material from electronics recyclables are to be sent for final disposition."

Page 35, line 15, delete "the"

Page 35, delete line 16 and insert "collectors"

Page 37, delete section 21

Renumber the sections in sequence

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. 3567, A bill for an act relating to children; enacting the Uniform Parentage Act; proposing coding for new law as Minnesota Statutes, chapter 257E; repealing Minnesota Statutes 2022, sections 257.51; 257.52; 257.53; 257.54; 257.541; 257.55; 257.56; 257.57; 257.58; 257.59; 257.60; 257.61; 257.62, subdivisions 1, 2, 3, 5, 6; 257.63; 257.64; 257.65; 257.651; 257.66; 257.67; 257.68; 257.69; 257.70; 257.71; 257.72; 257.73; 257.74.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## **"DEFINITIONS**

Section 1. **[257E.10] DEFINITIONS.**

**Subdivision 1. Definitions.** For purposes of this chapter, the following terms have the meanings given.

**Subd. 2. Assisted reproduction.** "Assisted reproduction" means a method of causing pregnancy other than sexual intercourse. The term includes:

**(1) intrauterine, intracervical, or vaginal insemination;**

(2) the donation of gametes;

(3) the donation of embryos;

(4) in vitro fertilization and transfer of embryos; and

(5) intracytoplasmic sperm injection.

**Subd. 3. Birth.** "Birth" includes stillbirth.

**Subd. 4. Determination of parentage.** "Determination of parentage" means the establishment of a parent-child relationship by a judicial or administrative proceeding or signing of a valid acknowledgment of parentage under the laws of the state.

**Subd. 5. Donor.** "Donor" means an individual who provides gametes intended for use in assisted reproduction, whether or not for consideration. The term does not include:

(1) an individual who gives birth to a child conceived by assisted reproduction, except as otherwise provided in sections 257E.30 to 257E.39; or

(2) a parent using assisted reproduction under sections 257E.20 to 257E.27 or an intended parent under a gestational surrogacy agreement under sections 257E.30 to 257E.39.

**Subd. 6. Gamete.** "Gamete" means a sperm or an egg.

**Subd. 7. Genetic testing.** "Genetic testing" means an analysis of genetic markers to identify or exclude a genetic relationship.

**Subd. 8. Gestational surrogate.** "Gestational surrogate" means an individual who is not an intended parent and who agrees to become pregnant through assisted reproduction using gametes that are not their own, under a gestational surrogacy agreement as provided in this chapter.

**Subd. 9. Intended parent.** "Intended parent" means an individual, married or unmarried, who manifests an intent to be legally bound as a parent of a child conceived by assisted reproduction.

**Subd. 10. Parent.** "Parent" means an individual who is the legal parent of a child under the laws of the state.

**Subd. 11. Parentage; parent-child relationship.** "Parentage" or "parent-child relationship" means the legal relationship between a child and a parent of the child.

**Subd. 12. Presumed parent.** "Presumed parent" means an individual who under sections 257.51 to 257.74 is presumed to be a parent of a child, unless the presumption is overcome in a judicial proceeding, a valid denial of parentage is made under this chapter, or a court adjudicates the individual to be a parent.

**Subd. 13. Surrogacy agreement.** "Surrogacy agreement" means an agreement between one or more intended parents and an individual who is not an intended parent in which the individual agrees to become pregnant through assisted reproduction and that provides that each intended parent is a parent of a child conceived under the agreement.

**Subd. 14. Transfer.** "Transfer" means a procedure for assisted reproduction by which an embryo or sperm is placed in the body of the individual who will give birth to the child.

## ASSISTED REPRODUCTION WITHOUT SURROGACY

### Sec. 2. [257E.20] SCOPE.

Sections 257E.20 to 257E.27 do not apply to the birth of a child conceived by sexual intercourse or assisted reproduction under a surrogacy agreement under sections 257E.30 to 257E.39.

### Sec. 3. [257E.21] PARENTAL STATUS OF DONOR.

A donor is not a parent of a child conceived by assisted reproduction.

### Sec. 4. [257E.22] PARENTAGE OF CHILD OF ASSISTED REPRODUCTION.

An individual who consents under section 257E.23 to assisted reproduction by another individual with the intent to be a parent of a child conceived by the assisted reproduction is a parent of the child.

### Sec. 5. [257E.23] CONSENT TO ASSISTED REPRODUCTION.

(a) Except as otherwise provided in paragraph (b), the consent described in section 257E.22 must be in a record signed by the individual giving birth to a child conceived by assisted reproduction and an individual who intends to be a parent of the child.

(b) Failure to consent in a record as required by paragraph (a), before, on, or after the birth of the child, does not preclude the court from finding consent to parentage if:

(1) the individual giving birth to a child or the individual proves by clear and convincing evidence the existence of an express agreement entered into before conception that the individual and the individual giving birth to the child intended they both would be parents of the child; or

(2) the individual giving birth to a child and the individual for the first two years of the child's life, including any period of temporary absence, resided together in the same household with the child and both openly held out the child as the individual's child, unless the individual dies or becomes incapacitated before the child attains two years of age or the child dies before the child attains two years of age, in which case the court may find consent under this paragraph to parentage if a party proves by clear and convincing evidence that the individual giving birth to the child and the individual intended to reside together in the same household with the child and both intended the individual would openly hold out the child as the individual's child, but the individual was prevented from carrying out that intent by death or incapacity.

### Sec. 6. [257E.24] SPOUSE'S DISPUTE OF PARENTAGE; LIMITATIONS.

(a) Except as otherwise provided in paragraph (b), an individual who, at the time of a child's birth, is the spouse of the individual who gave birth to the child by assisted reproduction may not challenge the individual's parentage of the child unless:

(1) not later than two years after the birth of the child, the individual commences a proceeding to adjudicate the individual's parentage of the child; and

(2) the court finds the individual did not consent to the assisted reproduction, before, on, or after birth of the child, or withdrew consent under section 257E.26.

(b) A proceeding to adjudicate a spouse's parentage of a child born by assisted reproduction may be commenced at any time if the court determines:

(1) the spouse neither provided a gamete for, nor consented to, the assisted reproduction;



(2) the spouse and the individual who gave birth to the child have not cohabited since the probable time of assisted reproduction; and

(3) the spouse never openly held out the child as the spouse's child.

(c) This section applies to a spouse's dispute of parentage even if the spouse's marriage is declared invalid after assisted reproduction occurs.

Sec. 7. **[257E.25] EFFECT OF DISSOLUTION.**

If a marriage of an individual who gives birth to a child conceived by assisted reproduction is terminated through divorce or dissolution, subject to legal separation or separate maintenance, is declared invalid, or is annulled before the transfer of gametes or embryos to the individual giving birth to the child, a former spouse of the individual giving birth to the child is not a parent of the child unless the former spouse consented in a record that the former spouse would be a parent of the child if assisted reproduction were to occur after a divorce, dissolution, annulment, declaration of invalidity, legal separation, or separate maintenance, and the former spouse did not withdraw consent under section 257E.26.

Sec. 8. **[257E.26] WITHDRAWAL OF CONSENT.**

(a) An individual who consents under section 257E.23 to assisted reproduction may withdraw consent any time before a transfer that results in a pregnancy by giving notice in a record of the withdrawal of consent to the individual who agreed to give birth to a child conceived by assisted reproduction and to any clinic or health care provider facilitating the assisted reproduction. Failure to give notice to the clinic or health care provider does not affect a determination of parentage under this chapter.

(b) An individual who withdraws consent under paragraph (a) is not a parent of the child under sections 257E.20 to 257E.27.

Sec. 9. **[257E.27] PARENTAL STATUS OF DECEASED INDIVIDUAL.**

(a) If an individual who intends to be a parent of a child conceived by assisted reproduction dies during the period between the transfer of a gamete or embryo and the birth of the child, the individual's death does not preclude the establishment of the individual's parentage of the child if the individual otherwise would be a parent of the child under this chapter.

(b) If an individual who consented in a record to assisted reproduction by an individual who agreed to give birth to a child dies before a transfer of gametes or embryos, the deceased individual is a parent of a child conceived by the assisted reproduction only if:

(1) either:

(i) the individual consented in a record that if assisted reproduction were to occur after the death of the individual, the individual would be a parent of the child; or

(ii) the individual's intent to be a parent of a child conceived by assisted reproduction after the individual's death is established by clear and convincing evidence; and

(2) either:

(i) the embryo is in utero not later than 36 months after the individual's death; or

(ii) the child is born not later than 45 months after the individual's death.

## GESTATIONAL SURROGACY AGREEMENTS

### Sec. 10. **[257E.30] PARTIES ELIGIBLE TO ENTER INTO AGREEMENT.**

Subdivision 1. Gestational surrogate. To execute an agreement to act as a gestational surrogate, an individual must:

- (1) have attained 21 years of age;
- (2) previously have given birth to at least one child;
- (3) complete a medical evaluation related to the surrogacy arrangement by a licensed medical doctor;
- (4) complete a mental health consultation by a licensed mental health professional; and
- (5) have independent legal representation of their choice throughout the surrogacy arrangement regarding the terms of the surrogacy agreement and the potential legal consequences of the agreement.

Subd. 2. Intended parent. To execute a surrogacy agreement, each intended parent, whether or not genetically related to the child, must:

- (1) have attained 21 years of age; and
- (2) have independent legal representation of the intended parent's choice throughout the surrogacy arrangement regarding the terms of the surrogacy agreement and the potential legal consequences of the agreement.

### Sec. 11. **[257E.31] GESTATIONAL SURROGACY AGREEMENT REQUIREMENTS.**

Subdivision 1. Procedural requirements. A surrogacy agreement must be executed in compliance with the following rules:

- (1) at least one party must be a resident of this state or, if no party is a resident of this state, at least one procedure under the agreement must occur in this state;
- (2) a surrogate and each intended parent must meet the requirements of section 257E.30;
- (3) each intended parent, the surrogate, and the surrogate's spouse, if any, must be parties to the agreement;
- (4) the agreement must be in a record signed by each party listed in clause (3);
- (5) the surrogate and each intended parent must acknowledge in a record receipt of a copy of the agreement;
- (6) the signature of each party to the agreement must be attested by a notarial officer or witnessed;
- (7) the surrogate and the intended parent or parents must have independent legal representation throughout the surrogacy arrangement regarding the terms of the surrogacy agreement and the potential legal consequences of the agreement and each counsel must be identified in the surrogacy agreement;
- (8) the intended parent or parents must pay for independent legal representation for the surrogate; and
- (9) the agreement must be executed before a procedure occurs related to the surrogacy agreement.

**Subd. 2. Substantive requirements.** A surrogacy agreement must comply with the following requirements:

(1) a surrogate agrees to attempt to become pregnant by means of assisted reproduction;

(2) except as otherwise provided in section 257E.38, the surrogate and the surrogate's spouse or former spouse, if any, have no claim to parentage of a child conceived by assisted reproduction under the agreement;

(3) the surrogate's spouse, if any, must acknowledge and agree to comply with the obligations imposed on the surrogate by the agreement;

(4) except as otherwise provided in section 257E.38, the intended parent or, if there are two intended parents, each one jointly and severally, immediately on birth will be the exclusive parent or parents of the child, regardless of the number of children born or gender or mental or physical condition of each child;

(5) except as otherwise provided in section 257E.38, the intended parent or, if there are two intended parents, each parent jointly and severally, immediately on birth will assume responsibility for the financial support of the child, regardless of the number of children born or gender or mental or physical condition of each child;

(6) the agreement must include information disclosing how each intended parent will cover the surrogacy-related expenses of the surrogate and the medical expenses of the child. If health care coverage is used to cover the medical expenses, the disclosure must include a summary of the health care policy provisions related to coverage for surrogate pregnancy, including any possible liability of the surrogate, third party liability liens, other insurance coverage, and any notice requirement that could affect the coverage or liability of the surrogate. Unless the agreement expressly provides otherwise, the review and disclosure do not constitute legal advice. If the extent of coverage is uncertain, a statement of that fact is sufficient to comply with this clause;

(7) the agreement must permit the surrogate to make all health and welfare decisions regarding themselves and their pregnancy. This chapter does not enlarge or diminish the surrogate's right to terminate the pregnancy; and

(8) the agreement must include information about each party's right under sections 257E.30 to 257E.39 to terminate the surrogacy agreement.

**Subd. 3. Payment and reimbursement.** A surrogacy agreement may provide for:

(1) the payment of consideration and reasonable expenses; and

(2) reimbursement of specific expenses if the agreement is terminated under sections 257E.30 to 257E.39.

**Subd. 4. Nonassignable.** A right created under a surrogacy agreement is not assignable and there is no third-party beneficiary of the agreement other than the child.

Sec. 12. **[257E.32] EFFECT OF SUBSEQUENT CHANGE OF MARITAL STATUS.**

(a) Unless a surrogacy agreement expressly provides otherwise:

(1) the marriage of a surrogate after the agreement is signed by all parties does not affect the validity of the agreement, the surrogate's spouse's consent to the agreement is not required, and the surrogate's spouse is not a presumed parent of a child conceived by assisted reproduction under the agreement; and

(2) the divorce, dissolution, annulment, declaration of invalidity, legal separation, or separate maintenance of the surrogate after the agreement is signed by all parties does not affect the validity of the agreement.

(b) Unless a surrogacy agreement expressly provides otherwise:

(1) the marriage of an intended parent after the agreement is signed by all parties does not affect the validity of a surrogacy agreement, the consent of the spouse of the intended parent is not required, and the spouse of the intended parent is not, based on the agreement, a parent of a child conceived by assisted reproduction under the agreement; and

(2) the divorce, dissolution, annulment, declaration of invalidity, legal separation, or separate maintenance of an intended parent after the agreement is signed by all parties does not affect the validity of the agreement and the intended parents are the parents of the child.

Sec. 13. **[257E.33] INSPECTION OF DOCUMENTS.**

Unless the court orders otherwise, a petition and any other document related to a surrogacy agreement filed with the court under sections 257E.30 to 257E.34 are not open to inspection by any individual other than the parties to the proceeding, a child conceived by assisted reproduction under the agreement, their attorneys, and the relevant state agency. A court may not authorize an individual to inspect a document related to the agreement, unless required by exigent circumstances. The individual seeking to inspect the document may be required to pay the expense of preparing a copy of the document to be inspected.

Sec. 14. **[257E.34] EXCLUSIVE, CONTINUING JURISDICTION.**

During the period after the execution of a surrogacy agreement until 90 days after the birth of a child conceived by assisted reproduction under the agreement, a court of this state conducting a proceeding under this chapter has exclusive, continuing jurisdiction over all matters arising out of the agreement. This section does not give the court jurisdiction over a child custody or child support proceeding if jurisdiction is not otherwise authorized by law of this state other than this chapter.

Sec. 15. **[257E.35] TERMINATION OF GESTATIONAL SURROGACY AGREEMENT.**

(a) A party to a gestational surrogacy agreement may terminate the agreement, at any time before an embryo transfer, by giving notice of termination in a record to all other parties. If an embryo transfer does not result in a pregnancy, a party may terminate the agreement at any time before a subsequent embryo transfer.

(b) Unless a gestational surrogacy agreement provides otherwise, upon a termination of the agreement under paragraph (a), the parties are released from the agreement, except that each intended parent remains responsible for expenses that are reimbursable under the agreement and incurred by the gestational surrogate through the date of termination.

(c) Except in a case involving fraud, neither a gestational surrogate nor the surrogate's spouse or former spouse, if any, is liable to the intended parent or parents for a penalty or liquidated damages for terminating a gestational surrogacy agreement under this section.

Sec. 16. **[257E.36] PARENTAGE UNDER GESTATIONAL SURROGACY AGREEMENT.**

(a) Except as otherwise provided in paragraph (c) or section 257E.37, paragraph (b), or 257E.40, on birth of a child conceived by assisted reproduction under a gestational surrogacy agreement, each intended parent is, by operation of law, a parent of the child.

(b) Except as otherwise provided in paragraph (c) or section 257E.39, neither a gestational surrogate nor the surrogate's spouse or former spouse, if any, is a parent of the child.

(c) If a child is alleged to be a genetic child of the individual who agreed to be a gestational surrogate, the court shall order genetic testing of the child. If the child is a genetic child of the individual who agreed to be a gestational surrogate, parentage must be determined based on sections 257.51 to 257.74.

(d) Except as otherwise provided in paragraph (c) or section 257E.37, paragraph (b), or 257E.39, if, due to a clinical or laboratory error, a child conceived by assisted reproduction under a gestational surrogacy agreement is not genetically related to an intended parent or a donor who donated to the intended parent or parents, each intended parent and not the gestational surrogate and the surrogate's spouse or former spouse, if any, is a parent of the child, subject to any other claim of parentage.

Sec. 17. **[257E.37] PARENTAGE OF DECEASED INTENDED PARENT.**

(a) Section 257E.36 applies to an intended parent even if the intended parent died during the period between the transfer of a gamete or embryo and the birth of the child.

(b) Except as otherwise provided in section 257E.39, an intended parent is not a parent of a child conceived by assisted reproduction under a gestational surrogacy agreement if the intended parent dies before the transfer of a gamete or embryo unless:

(1) the agreement provides otherwise; and

(2) the transfer of a gamete or embryo occurs not later than 36 months after the death of the intended parent or the birth of the child occurs not later than 45 months after the death of the intended parent.

Sec. 18. **[257E.38] ORDER OF PARENTAGE.**

(a) Except as otherwise provided in section 257E.36, paragraph (c), or 257E.39, before, on, or after the birth of a child conceived by assisted reproduction under a gestational surrogacy agreement, a party to the agreement may commence a proceeding in the district court for an order or a judgment:

(1) declaring that each intended parent is a parent of the child and ordering that parental rights and duties vest immediately on the birth of the child exclusively in each intended parent;

(2) declaring that the gestational surrogate and the surrogate's spouse or former spouse, if any, are not the parents of the child;

(3) designating the content of the birth record in accordance with applicable law and directing the Office of Vital Records to designate each intended parent as a parent of the child;

(4) to protect the privacy of the child and the parties, declaring that the court record is not open to inspection except as authorized under section 257E.33;

(5) if necessary, that the child be surrendered to the intended parent or parents; and

(6) for other relief the court determines necessary and proper.

(b) The court may issue an order or judgment under paragraph (a) before the birth of the child. The court shall stay enforcement of the order or judgment until the birth of the child.

(c) Neither this state nor the Office of Vital Records is a necessary party to a proceeding under paragraph (a).

Sec. 19. **[257E.39] EFFECT OF AGREEMENT.**

(a) A gestational surrogacy agreement that complies with sections 257E.30 and 257E.31 is enforceable.

(b) If a child was conceived by assisted reproduction under a gestational surrogacy agreement that does not comply with sections 257E.30 and 257E.31, the court shall determine the rights and duties of the parties to the agreement consistent with the intent of the parties at the time of the execution of the agreement. Each party to the agreement and any individual who at the time of the execution of the agreement was a spouse of a party to the agreement has standing to maintain a proceeding to adjudicate an issue related to the enforcement of the agreement.

(c) Except as expressly provided in a gestational surrogacy agreement or paragraph (d) or (e), if the agreement is breached by the gestational surrogate or one or more intended parents, the nonbreaching party is entitled to the remedies available at law or in equity.

(d) Specific performance is not a remedy available for breach by a gestational surrogate of a provision in the agreement that the gestational surrogate be impregnated, terminate or not terminate a pregnancy, or submit to medical procedures.

(e) Except as otherwise provided in paragraph (d), if an intended parent is determined to be a parent of the child, specific performance is a remedy available for:

(1) a breach of the agreement by a gestational surrogate which prevents the intended parent from exercising immediately on birth of the child the full rights of parentage; or

(2) a breach by the intended parent which prevents the intended parent's acceptance, immediately upon the birth of the child conceived by assisted reproduction under the agreement, of the duties of parentage.

#### **INFORMATION ABOUT DONOR**

##### **Sec. 20. [257E.50] DEFINITIONS.**

For the purposes of sections 257E.51 to 257E.55:

(1) "identifying information" means:

(i) the full name of a donor;

(ii) the date of birth of the donor; and

(iii) the permanent and, if different, current address, telephone number, and email address of the donor at the time of the donation; and

(2) "medical history" means information regarding any:

(i) present relevant chronic illness of a donor;

(ii) past relevant chronic illness of the donor; and

(iii) social, genetic, and family history pertaining to the health of the donor.

##### **Sec. 21. [257E.51] APPLICABILITY.**

Sections 257E.51 to 257E.55 apply only to gametes collected on or after the effective date of this chapter.

##### **Sec. 22. [257E.52] COLLECTION OF INFORMATION.**

(a) A gamete bank or fertility clinic licensed in this state shall collect from a donor the donor's identifying information and medical history at the time of the donation.

(b) A gamete bank or fertility clinic licensed in this state that receives gametes of a donor collected by another gamete bank or fertility clinic shall collect the name, address, telephone number, and email address of the gamete bank or fertility clinic from which it received the gametes.

(c) A gamete bank or fertility clinic licensed in this state shall disclose the information collected under paragraphs (a) and (b) as provided under section 257E.54.

Sec. 23. **[257E.53] DONOR DISCLOSURE; RECORD.**

(a) A gamete bank or fertility clinic licensed in this state that collects gametes from a donor shall provide the donor with information about the donor's choice regarding identity disclosure and obtain a declaration from the donor regarding identity disclosure consistent with paragraph (b).

(b) A gamete bank or fertility clinic licensed in this state shall give a donor the choice to sign a declaration, attested by a notarial officer or witnessed, that either:

(1) states that the donor agrees to disclose the donor's identity to a child conceived by assisted reproduction with the donor's gametes upon request once the child attains 18 years of age; or

(2) states that the donor does not presently agree to disclose the donor's identity to the child.

(c) A gamete bank or fertility clinic licensed in this state shall permit a donor who has signed a declaration under paragraph (b), clause (2), to withdraw the declaration at any time by signing a declaration under paragraph (b), clause (1).

Sec. 24. **[257E.54] DISCLOSURE OF IDENTIFYING INFORMATION AND MEDICAL HISTORY.**

(a) Upon the request of a child conceived by assisted reproduction who attains 18 years of age, a gamete bank or fertility clinic licensed in this state that collected the gametes used in the assisted reproduction shall provide the child with the name, date of birth, and medical history of the donor who provided the gamete, unless the donor signed and did not withdraw a declaration under section 257E.53, paragraph (b), clause (2).

(b) Regardless of whether a child has made a request under paragraph (a), upon the request of a child conceived by assisted reproduction who attains 18 years of age, or, if the child is a minor, of a parent or guardian of the child, a gamete bank or fertility clinic licensed in this state that collected the gametes used in the assisted reproduction shall provide the child or, if the child is a minor, the parent or guardian of the child, access to nonidentifying medical history of the donor.

(c) Upon the request of a child conceived by assisted reproduction who attains 18 years of age, or, if the child is a minor, of a parent or guardian of the child, a gamete bank or fertility clinic licensed in this state that received the gametes used in the assisted reproduction from another gamete bank or fertility clinic shall disclose to the child or, if the child is a minor, the parent or guardian of the child, the name, address, telephone number, and email address of the gamete bank or fertility clinic from which it received the gametes.

Sec. 25. **[257E.55] RECORDKEEPING.**

(a) A gamete bank or fertility clinic licensed in this state that collects gametes for use in assisted reproduction shall maintain identifying information and medical history about each gamete donor. The gamete bank or fertility clinic shall maintain records of gamete screening and testing and comply with reporting requirements, in accordance with federal law and the applicable law of this state other than this chapter.

(b) A gamete bank or fertility clinic licensed in this state that receives gametes from another gamete bank or fertility clinic shall maintain the name, address, telephone number, and email address of the gamete bank or fertility clinic from which it received the gametes.

Sec. 26. **REPEALER.**

Minnesota Statutes 2022, section 257.56, is repealed."

Delete the title and insert:

"A bill for an act relating to civil law; updating rights and responsibilities relating to assisted reproduction; creating requirements for surrogacy agreements; providing recordkeeping and information sharing for genetic donation; proposing coding for new law as Minnesota Statutes, chapter 257E; repealing Minnesota Statutes 2022, section 257.56."

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

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 3591, A bill for an act relating to housing; amending provisions relating to residential housing leases; providing for landlord and tenant rights and obligations; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, subdivisions 5, 14, by adding a subdivision; 504B.101; 504B.111; 504B.115, subdivision 1; 504B.116; 504B.118; 504B.131; 504B.141; 504B.145; 504B.151, subdivision 1; 504B.161, subdivisions 2, 4, by adding subdivisions; 504B.173, subdivision 4; 504B.175, subdivision 4; 504B.177; 504B.178, subdivisions 7, 10; 504B.181, by adding a subdivision; 504B.185, subdivision 2, by adding a subdivision; 504B.195, subdivisions 1, 5, by adding a subdivision; 504B.204; 504B.205, subdivision 5; 504B.231; 504B.261; 504B.265, by adding a subdivision; 504B.271, subdivision 2; 504B.285, by adding a subdivision; 504B.315; 504B.391, subdivision 1; 504B.395, subdivisions 1, 4; Minnesota Statutes 2023 Supplement, sections 504B.161, subdivision 1; 504B.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
TENANTS' RIGHTS

Section 1. Minnesota Statutes 2023 Supplement, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** (a) ~~Except for clause (6),~~ The court shall, without motion by any party except for clauses (6) and (7), order expungement of an eviction case:

(1) commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(i) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(ii) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case;



- (2) if the defendant prevailed on the merits;
- (3) if the ~~court dismissed the plaintiff's~~ complaint is dismissed for any reason;
- (4) if the parties to the action have agreed to an expungement;
- (5) three years after the eviction was ordered; ~~or~~
- (6) upon motion of a defendant, if an eviction action has been filed in violation of section 504B.206, subdivision 3a; or
- (7) upon motion of a defendant, if the case is settled and the defendant fulfills the terms of the settlement.

(b) If a tenant brings a motion for the expungement of an eviction, the court shall order the expungement of an eviction case that was commenced on the grounds of a violation of section 504B.171 or any other claim of breach regardless of when the original eviction was ordered, if the tenant could receive an automatic expungement under section 609A.055, or if the breach was based solely on the possession of marijuana or tetrahydrocannabinols.

Sec. 2. Minnesota Statutes 2023 Supplement, section 504B.144, is amended to read:

**504B.144 EARLY RENEWAL OF LEASE.**

A landlord ~~must wait until six months from the expiration of the current lease before requiring a tenant to renew the lease~~ may not require a tenant to renew a lease sooner than six months prior to the expiration of the current lease, if the lease is for a period of time longer than ten months. Nothing prevents a landlord from waiting until closer to the expiration of a lease to ask a tenant to renew the lease. Any provision, whether oral or written, of any lease or other agreement whereby any provision of this section is waived by a tenant is contrary to public policy and void.

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

Sec. 3. Minnesota Statutes 2022, section 504B.177, is amended to read:

**504B.177 LATE FEES.**

(a) A landlord of a residential building may not charge a late fee if the rent is paid after the due date, unless the tenant and landlord have agreed in writing that a late fee may be imposed. The agreement must specify when the late fee will be imposed. In no case may the late fee exceed eight percent of the overdue rent payment. Any late fee charged or collected is not considered to be either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date, earlier than the date contained in the written or oral lease by which, if the rent is paid, the tenant earns a discount.

(b) Notwithstanding paragraph (a), if a federal statute, regulation, or handbook permitting late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then the landlord may publish and implement a late payment fee schedule that complies with the federal statute, regulation, or handbook.

(c) A late fee charged by a landlord who has entered into a housing assistance payments contract with the federal, state, or local government must be calculated and assessed only on the portion of rent payable by the tenant. For the purposes of this paragraph, "housing assistance payments contract" means programs described in United States Code, title 42, sections 1437f and 1485, as well as other programs under which the landlord contracts to receive rent from the tenant and also to receive payment from the government.

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

Sec. 4. Minnesota Statutes 2022, section 504B.205, subdivision 2, is amended to read:

Subd. 2. **Emergency calls permitted.** (a) A landlord may not:

(1) bar or limit a residential tenant's right to call for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) impose a penalty on a residential tenant for calling for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises.

(b) A residential tenant may not waive and a landlord may not require the residential tenant to waive the residential tenant's right to call for police or emergency assistance.

Sec. 5. Minnesota Statutes 2022, section 504B.205, subdivision 3, is amended to read:

Subd. 3. **Local preemption.** This section preempts any inconsistent local ordinance or rule including, without limitation, any ordinance or rule that:

(1) requires an eviction after a specified number of calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) provides that calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises, may be used to penalize or charge a fee to a landlord.

This subdivision shall not otherwise preempt any local ordinance or rule that penalizes a landlord for, or requires a landlord to abate, conduct on the premises that constitutes a nuisance or other disorderly conduct as defined by local ordinance or rule.

Sec. 6. Minnesota Statutes 2022, section 504B.205, subdivision 6, is amended to read:

Subd. 6. **Attorney general authority.** The attorney general has authority under section 8.31 to investigate and prosecute violations of this section, including situations involving local ordinances.

Sec. 7. Minnesota Statutes 2022, section 504B.206, subdivision 1, is amended to read:

Subdivision 1. **Right to terminate; procedure.** (a) A tenant to a residential lease may terminate a lease agreement in the manner provided in this section without penalty or liability, if the tenant or another authorized occupant fears imminent violence after being subjected to:

(1) domestic abuse, as that term is defined under section 518B.01, subdivision 2;

(2) criminal sexual conduct under sections 609.342 to 609.3451;

(3) sexual extortion under section 609.3458; or

(4) harassment under section 609.749.

(b) The tenant must provide signed and dated advance written notice to the landlord:

(1) stating the tenant fears imminent violence from a person as indicated in a qualifying document against the tenant or an authorized occupant if the tenant or authorized occupant remains in the leased premises;

(2) stating that the tenant needs to terminate the tenancy;

(3) providing the date by on which the ~~tenant will vacate~~ lease will terminate; and

(4) providing written instructions for the disposition of any remaining personal property in accordance with section 504B.271.

(c) The written notice must be delivered before the termination of the tenancy by mail, ~~fax, or~~ in person, or by a form of written communication the plaintiff regularly uses to communicate with the landlord, and be accompanied by a qualifying document. The tenancy terminates for the tenant who exercises the right granted under this subdivision, including the right of possession of the premises, on the date provided in the notice required under paragraph (b). Vacation of the premises under this section by the tenant prior to the date provided in the notice does not constitute termination of the tenancy for the purposes of this section.

(d) The landlord may request that the tenant disclose the name of the perpetrator and, if a request is made, inform the tenant that the landlord seeks disclosure to protect other tenants in the building. The tenant may decline to provide the name of the perpetrator for safety reasons. Disclosure shall not be a precondition of terminating the lease.

~~(e) The tenancy terminates, including the right of possession of the premises, as provided in subdivision 3.~~

Sec. 8. Minnesota Statutes 2022, section 504B.206, subdivision 2, is amended to read:

Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

(1) any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph (b);

(2) any information contained in the qualifying document;

(3) the address or location to which the tenant has relocated; or

(4) the status of the tenant as a victim of violence.

(b) The information referenced in paragraph (a) must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

(c) A landlord who violates this section is liable to the tenant for statutory damages of \$2,000, plus reasonable attorney fees and costs.

Sec. 9. Minnesota Statutes 2022, section 504B.206, subdivision 3, is amended to read:

Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole tenant and is terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates. The tenant ~~forfeits~~ relinquishes all claims for the return of the security deposit under section 504B.178 and is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. In a sole tenancy, the tenancy terminates on the date specified in the notice provided to the landlord as required under subdivision 1.

(b) In a tenancy with multiple tenants, one of whom is terminating the lease under subdivision 1, any lease governing all remaining tenants is terminated at the later of the end of the month or the end of the rent interval in which one tenant terminates the lease under subdivision 1. All tenants are responsible for the rent payment for the full month in which the tenancy terminates. Upon termination, all tenants ~~forfeit~~ relinquish all claims for the return

of the security deposit under section 504B.178 and are relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. Any tenant whose tenancy was terminated under this paragraph may reapply to enter into a new lease with the landlord.

(c) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section.

(d) Except as provided in section 504B.285, subdivision 1, paragraph (b), a landlord may not commence an eviction action against a tenant who has terminated a lease as provided in this section.

Sec. 10. Minnesota Statutes 2022, section 504B.206, subdivision 6, is amended to read:

Subd. 6. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "court official" means a judge, referee, court administrator, prosecutor, probation officer, or victim's advocate, whether employed by or under contract with the court, who is authorized to act on behalf of the court;

(2) "qualified third party" means a person, acting in an official capacity, who has ~~had in person contact with~~ provided professional services to the tenant and is:

(i) a licensed health care professional operating within the scope of the license;

(ii) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l); or

(iii) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k);

(3) "qualifying document" means:

(i) a valid order for protection issued under chapter 518B;

(ii) a no contact order currently in effect, issued under section 629.75 or chapter 609;

(iii) a writing produced and signed by a court official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known;

(iv) a writing produced and signed by a city, county, state, or tribal law enforcement official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known; or

(v) a statement by a qualified third party, in the following form:

#### STATEMENT BY QUALIFIED THIRD PARTY

I, ..... (name of qualified third party), do hereby verify as follows:

1. I am a licensed health care professional, domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k), who has ~~had in person contact with~~ provided professional services to ..... (name of victim(s)).

2. I have a reasonable basis to believe ..... (name of victim(s)) is a victim/are victims of domestic abuse, criminal sexual conduct, sexual extortion, or harassment and fear(s) imminent violence against the individual or authorized occupant if the individual remains (the individuals remain) in the leased premises.

3. I understand that the person(s) listed above may use this document as a basis for gaining a release from the lease.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone)

(Date)

Sec. 11. Minnesota Statutes 2023 Supplement, section 504B.266, subdivision 2, is amended to read:

Subd. 2. **Termination of lease upon infirmity of tenant.** (a) A tenant or the authorized representative of the tenant may terminate the lease prior to the expiration of the lease in the manner provided in subdivision 3 if the tenant has or, if there is more than one tenant, all one of the tenants have has, been found by a medical professional to need to move into a medical care facility and:

(1) require assistance with instrumental activities of daily living or personal activities of daily living due to medical reasons or a disability;

(2) meet one of the nursing facility level of care criteria under section 144.0724, subdivision 11; or

(3) have a disability or functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of a mental illness.

(b) When a tenant requires an accessible unit as defined in section 363A.40, subdivision 1, and the landlord can provide an accessible unit in the same complex where the tenant currently resides that is available within two months of the request, then the provisions of this section do not apply and the tenant may not terminate the lease.

Sec. 12. Minnesota Statutes 2023 Supplement, section 504B.268, subdivision 1, is amended to read:

Subdivision 1. **Right to counsel.** A defendant in ~~public~~ housing subsidized by the United States Department of Housing and Urban Development under Section 9 of the United States Housing Act of 1937 or the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 673, subject to an eviction action under sections 504B.281 to 504B.371 alleging breach of lease under section 504B.171 or 504B.285 who is financially unable to obtain counsel has the right to counsel appointed by the court. The complaint required by section 504B.321 shall include the notice on the first page of the complaint in bold 12-point type: "If financially unable to obtain counsel, the defendant has the right to a court-appointed attorney." At the initial hearing, the court shall ask the defendant if the defendant wants court-appointed counsel and shall explain what such appointed counsel can accomplish for the defendant.

Sec. 13. Minnesota Statutes 2022, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment;

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property; or

(iii) after the expiration of the time for redemption on a real estate tax judgment sale;

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

(b) A landlord may not commence an eviction action against a tenant or authorized occupant solely on the basis that the tenant or authorized occupant has been the victim of any of the acts listed in section 504B.206, subdivision 1, paragraph (a). A landlord may not commence an eviction action against a residential tenant who has terminated a lease as provided in section 504B.206. Nothing in this paragraph should be construed to prohibit an eviction action based on a breach of the lease or where a tenant has provided the written notice under section 504B.206, subdivision 1, but failed to vacate on or before the date provided in that notice. A landlord violating this paragraph is liable to the tenant for reasonable attorney fees and costs incurred by the tenant for obtaining an expungement as provided under section 484.014, subdivision 3.

Sec. 14. Minnesota Statutes 2023 Supplement, section 504B.331, is amended to read:

**504B.331 SUMMONS AND COMPLAINT; HOW SERVED.**

Subdivision 1. **Definition.** For purposes of this section, "plaintiff" includes the plaintiff's attorney, employees of the plaintiff's attorney, or any other agent of the plaintiff.

Subd. 2. **Generally.** (a) The summons and complaint must be served at least seven days before the date of the court appearance specified in section 504B.321, in the manner provided for service of a summons in a civil action in district court.

(b) The plaintiff must make a good faith attempt to communicate to the defendant that an eviction hearing has been scheduled. The communication must have a time and date stamp, and include the date, time, and place of the hearing specified in the summons. The communication must be delivered by means of electronic written communication that the plaintiff regularly uses to communicate with the defendant or to the last known electronic address the plaintiff has used to communicate with the defendant, unless the parties do not communicate via any form of electronic written communication. The plaintiff must substantially comply with this paragraph.

Subd. 3. **Personal or substitute service.** (a) If the defendant can be found in the county, the summons and complaint must be served in the manner provided for service of a civil action in district court.

(b) If the defendant cannot be found in the county, the summons and complaint may be served at least seven days before the date of the court appearance by:

(1) leaving a copy at the defendant's last usual place of abode with a person of suitable age and discretion residing there; or

(2) if the defendant had no place of abode, by leaving a copy at the property described in the complaint with a person of suitable age and discretion occupying the premises.

~~(c) Failure of the sheriff to serve the defendant is prima facie proof that the defendant cannot be found in the county.~~

~~(d) Where the defendant cannot be found in the county~~

Subd. 4. **Service by mail and posting.** ~~(a) If attempts at personal or substitute service are unsuccessful, service of the summons and complaint may be made upon the defendant by posting the summons in a conspicuous place on the property for not less than one week if: mail and posting.~~

~~(1) the property described in the complaint is:~~

~~(i) nonresidential and no person actually occupies the property; or~~

~~(ii) residential and service has been attempted at least twice on different days, with at least one of the attempts having been made between the hours of 6:00 p.m. and 10:00 p.m.; and~~

~~(2) the plaintiff or the plaintiff's attorney has signed and filed with the court an affidavit stating that:~~

~~(i) the defendant cannot be found, or that the plaintiff or the plaintiff's attorney believes that the defendant is not in the state;~~

~~(ii) a copy of the summons has been mailed to the defendant at the defendant's last known address if any is known to the plaintiff; or~~

~~(iii) the plaintiff or plaintiff's attorney has communicated to the defendant that an eviction hearing has been scheduled, including the date, time, and place of the hearing specified in the summons, by at least one form of written communication the plaintiff regularly uses to communicate with the defendant that have a date and time stamp.~~

~~(e) If the defendant or the defendant's attorney does not appear in court on the date of the appearance, the trial shall proceed.~~

~~(b) If service by mail and posting is used, the following steps must occur no later than seven days before the date of the court appearance specified in section 504B.321:~~

~~(1) the plaintiff must mail a copy of the summons and complaint to the defendant at the defendant's last known address;~~

~~(2) for residential evictions only, there must be at least two attempts at personal service. The personal service attempts must occur on different days at the last known address of the defendant and be done in the manner provided for service of a summons and complaint in a civil action in district court. At least one of the attempts must be made between the hours of 6:00 p.m. and 10:00 p.m. Failure to serve the defendant, after the plaintiff complies with this paragraph, is prima facie proof that attempts at personal or substitute service were unsuccessful;~~

~~(3) the summons and complaint must be posted on the entry to the defendant's individual unit. If the defendant occupies a multiunit building, the summons and complaint must be posted on the door of the defendant's individual unit; and~~

~~(4) at least three days before the first appearance, the plaintiff or plaintiff's attorney must cause to be filed with the court affidavits stating:~~

~~(i) the defendant cannot be found in the county, or that the plaintiff believes that the defendant is not in the state;~~

~~(ii) a copy of the summons and complaint has been mailed to the defendant at the defendant's last known address at least seven days before the date of the court appearance specified in section 504B.321;~~

(iii) the date and manner by which the plaintiff attempted to communicate to the defendant that an eviction hearing has been scheduled, including the date, time, and place of the hearing specified in the summons and complaint, by at least one form of electronic written communication that has a date and time stamp and that the plaintiff regularly uses to communicate with the defendant, or that there is no such form of written communication;

(iv) if applicable, how the requirements of subdivision 3, paragraph (b), clause (2), were met, including the dates and times of the attempts at service; and

(v) the date and time the summons and complaint were posted on the entry to the defendant's individual unit.

**EFFECTIVE DATE.** This section is effective August 1, 2024, for all summons and complaints served on or after that date.

Sec. 15. Minnesota Statutes 2023 Supplement, section 504B.345, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) If the court or jury finds for the plaintiff, the court shall immediately enter judgment that the plaintiff shall have recovery of the premises, and shall tax the costs against the defendant. The court shall issue execution in favor of the plaintiff for the costs and also immediately issue a writ of recovery of premises and order to vacate.

(b) The court shall give priority in issuing a writ of recovery of premises and order to vacate for an eviction action brought under section 504B.171 or on the basis that the tenant is causing a nuisance or seriously endangers the safety of other residents, their property, or the landlord's property.

(c) If the court or jury finds for the defendant, then the court:

(1) shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution in favor of the defendant; and

(2) shall expunge the records relating to the action under the provisions of section 484.014 or under the court's inherent authority at the time judgment is entered or after that time upon motion of the defendant.

(d) Except in actions brought: (1) ~~under section 504B.291;~~ (2) under section 504B.171; or (3) (2) on the basis that the residential tenant engages in behavior that seriously endangers the safety of other residents, or intentionally and seriously damages the property of the landlord or a tenant, the court shall stay the writ of recovery of premises and order to vacate for a reasonable period, not to exceed seven days.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to summons and complaints served on or after that date.

ARTICLE 2  
TENANT SCREENING

Section 1. **[504B.117] INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER.**

A landlord must provide on a rental application the option for a prospective tenant to submit an individual taxpayer identification number or a Social Security number as follows:

"SSN or ITIN: \_\_\_\_\_."

A landlord must not deny a rental application solely because the prospective tenant provided an individual taxpayer identification number. Nothing in this section prevents a landlord from denying an application if the consumer credit report attached to an individual taxpayer identification number is insufficient.



Sec. 2. Minnesota Statutes 2022, section 504B.173, is amended by adding a subdivision to read:

**Subd. 3a. Denial based on pending cases.** (a) No landlord may deny a rental application based on any of the following:

(1) a pending eviction action;

(2) any court file that is not public, has been expunged, or has been destroyed; or

(3) any eviction action that has not resulted in a writ of recovery of premises and order to vacate, as that term is defined in section 504B.001, subdivision 15.

(b) There shall be a rebuttable presumption that a landlord is in violation of this section if it is established that the landlord:

(1) reviewed court records relating to a potential tenant and the records met the criteria described in paragraph (a); and

(2) after reviewing the record or records, subsequently refuses to rent or offer a lease to the potential tenant.

Sec. 3. Minnesota Statutes 2022, section 504B.173, subdivision 4, is amended to read:

Subd. 4. **Remedies.** (a) In addition to any other remedies, a landlord who violates ~~this section~~ subdivisions 1 to 3 is liable to the applicant for the applicant screening fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy. A landlord who violates subdivision 3a is liable to the applicant for the applicant screening fee plus a civil penalty of up to \$1,000, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.

(b) A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to \$500, civil court filing costs, and reasonable attorney fees.

Sec. 4. Minnesota Statutes 2022, section 504B.241, subdivision 4, is amended to read:

Subd. 4. **Court file information.** (a) If a residential tenant screening service includes information from a court file on an individual in a residential tenant report, the report must provide the full name and date of birth of the individual in any case where the court file includes the individual's full name and date of birth, and the outcome of the court proceeding must be accurately recorded in the residential tenant report including the specific basis of the court's decision, when available. ~~If a tenant screening service knows that a court file has been expunged, the tenant screening service shall delete any reference to that file in any data maintained or disseminated by the screening service.~~

(b) Every residential tenant screening service has an affirmative duty to update and verify the current status of court files by accessing the Minnesota Court Records Online no more than 24 hours prior to issuing a residential tenant screening report.

(c) Whenever the court supplies information from a court file on an individual, in whatever form, the court shall include the full name and date of birth of the individual, if that is indicated on the court file or summary, and information on the outcome of the court proceeding, including the specific basis of the court's decision, coded as provided in subdivision 5 for the type of action, when it becomes available.

(d) The residential tenant screening service is not liable under section 504B.245 if the residential tenant screening service reports complete and accurate information as provided by the court, consistent with paragraph (b).

Sec. 5. Minnesota Statutes 2022, section 504B.245, is amended to read:

**504B.245 TENANT REPORT; REMEDIES.**

~~The remedies provided in section 8.31 apply to a violation of section 504B.241. In addition to the remedies otherwise provided by law, any person injured by a violation of section 504B.241 may bring a civil action against a residential tenant screening service or landlord in compliance with the provisions of the Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq., is considered to be in compliance with section 504B.241. and recover the greater of \$1,000 or actual damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. The attorney general has the authority to investigate and prosecute violations of section 504B.241.~~

ARTICLE 3  
CONSTRUCTION AND REPAIRS FOR RESIDENTIAL RENTALS

Section 1. **[504B.153] NEW CONSTRUCTION DELAYS; TENANT REMEDIES.**

Subdivision 1. **Definition; new construction.** For purposes of this section, "new construction" means a new building, rehabilitation, modification, reconstruction, any physical changes altering the use or occupancy of the dwelling units, or an addition to a building.

Subd. 2. **Requirements if landlord cannot deliver occupancy.** (a) If a landlord is informed by a builder or otherwise knows that a new construction for rental occupancy will not be available for occupancy by the move-in date established in the lease agreement, the landlord must, within seven days and prior to the move-in date, notify every tenant affected and offer the following choices to the tenant to be accepted at the tenant's option:

(1) alternative housing provided by the landlord that is reasonably equivalent in size, amenities, and location to the unit described in the lease agreement, unless otherwise agreed upon by the tenant, until the unit may be lawfully inhabited;

(2) payment from the landlord to the tenant, equivalent to the cost of rent established in the lease agreement, to mitigate the costs of alternative housing secured by the tenant until the unit described in the lease agreement may be lawfully inhabited; or

(3) termination of the lease agreement and a return to the tenant of all amounts paid to the landlord, including any rent, deposit, and other payments incurred in entering the lease agreement.

(b) If a tenant exercises options under paragraph (a), clause (1) or (2), the landlord must provide the tenant with reimbursements related to security deposits, application fees, parking fees, pet fees, and any other fees reasonably associated with securing alternative housing.

(c) Tenants exercising options under paragraph (a), clause (1) or (2), may terminate their lease agreement under paragraph (a), clause (3), if the new construction for rental occupancy is not available for tenant occupancy within 90 days of the move-in date established in the lease agreement.

Subd. 3. **Waiver.** Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Subd. 4. **Remedies.** (a) A violation by the landlord of subdivision 2 is a violation of section 504B.375. A tenant aggrieved by a violation by the landlord of subdivision 2 may elect the following remedy:

(1) recovery under section 504B.231; or

(2) recover the greater of one month's rent, \$1,000, or actual damages, plus reasonable attorney fees and court costs.

(b) The remedies available under this section are in addition to any other remedies available at equity or law.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all leases entered into on or after that date.

**Sec. 2. [504B.386] TENANT RIGHT TO REPAIR TO REMEDY VIOLATION.**

(a) In lieu of a rent escrow action under section 504B.381, 504B.385, or 504B.395, a tenant may pay for the repairs in a residential rental unit after a 14-day notice and an opportunity to repair has been provided to the landlord consistent with paragraph (b). The tenant may subtract the cost of the repairs from the tenant's future rent.

(b) Fourteen days prior to a tenant contracting for repairs and paying for a repair to the residential rental unit, the tenant must:

(1) provide a written notice to the landlord at the address where the tenant sends rent provided under section 504B.181; and

(2) notify the landlord of the repair that is needed and of the tenant's intent to deduct the cost of the repair from the tenant's rent via phone call, email, text message, or online portal, whichever means of communication is normally used by the tenant to communicate with the landlord.

(c) For a violation as defined in section 504B.001, subdivision 14, clause (1), the residential tenant must provide a copy of the written notice of the code violation as provided in section 504B.185, subdivision 2, if an inspection has occurred. If no inspection has occurred, the tenant must provide an explanation of the repair that is needed and an estimate to fix the repair to the landlord. The residential tenant may not make repairs until the time granted by the inspector has expired without satisfactory repairs being made, unless the residential tenant alleges that the time granted is excessive pursuant to section 504B.385. The tenant must inform the landlord of the tenant's intent to use the tenant's future rent to pay for the repairs when the notice is provided.

(d) For a violation as defined in section 504B.001, subdivision 14, clause (2) or (3), the residential tenant must give written notice to the landlord specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid provided under section 504B.181, subdivision 1. The tenant must also notify the landlord of the repair that is needed and of the tenant's intent to deduct the cost of the repair from the tenant's rent via phone call, email, text message, or online portal, whichever means of communication is normally used by the tenant to communicate with the landlord. The tenant must inform the landlord of the tenant's intent to use future rent to pay for the repair. If the landlord has not provided the tenant with a scheduled repair date or the violation is not corrected within seven days, the residential tenant may contract for repairs with a professional who is unrelated to the tenant, is trained to perform the work for which the estimate is being prepared, and complies with all licensing, certification, or registration requirements of this state that apply to the performance of the work. Any deductions made by a tenant under this section are limited to an amount equal to two rent payments for two months within a 12-month period.

(e) A tenant may contract for repairs under the same process in this section for necessary repairs in a common area of a residential building if the repair is necessary for the safety and operation of the building for tenants.

(f) A tenant may repair or replace an appliance under this section. An appliance purchased by the tenant is the property of the landlord when the tenant is reimbursed for the cost of the appliance.

(g) The tenant must provide an invoice or payment receipt to the landlord when subtracting the amount paid for repairs from the rent. The tenant may reduce the rent for each rental payment owed until the total amount of the repair has been paid. When a deduction of rent is not possible, a tenant shall still be reimbursed by the landlord for costs associated with violations consistent with the provisions of this section.

(h) This remedy shall not be available to the tenant more than twice in a two-month period.

ARTICLE 4  
TENANT ORGANIZING FOR RESIDENTIAL RENTALS

Section 1. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 13a. **Tenant association.** "Tenant association" means a group of tenants from two or more rental units that are owned or operated by the same landlord who form or maintain an organization, whether incorporated or unincorporated, to improve housing conditions, amenities, community life, or the contractual position of the member tenants.

Sec. 2. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 13b. **Tenant organizer.** "Tenant organizer" means a tenant or another who assists residential tenants in establishing and operating a tenant association and is not an employee or representative of the current or prospective landlord, property owner, manager, or agent of the landlord.

Sec. 3. **[504B.212] TENANT RIGHT TO ORGANIZE; TENANT ASSOCIATIONS.**

Subdivision 1. **Tenant's right to organize.** (a) Residential tenants of a residential building have the right to establish and operate a tenant association for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development. Owners of residential rental units and their agents must allow residential tenants and tenant organizers to conduct activities related to the establishment or organization of a residential tenant organization, including but not limited to:

(1) distributing information or leaflets in the common areas of the residential building, including bulletin or community boards;

(2) distributing information or leaflets to individual units in a residential building;

(3) initiating contact with tenants through mail, telephone, or electronically;

(4) initiating contact with tenant units to offer information on tenant organizations or survey tenants on interest in tenant associations;

(5) assisting tenants in participating in tenant association activities; and

(6) convening tenant association meetings in a space at the residential building.

(b) A tenant association using the rights provided in this chapter must adopt bylaws or an operating agreement related to the internal governance of the tenant association.

(c) A tenant association must be completely independent of owners, management, and their representatives. To preserve the independence of the tenant association, management representatives from the owner of a residential tenant building may not attend meetings unless invited by the tenant association to specific meetings to discuss a specific issue.

(d) A tenant organizer who is not a residential tenant of the landlord must be accompanied in the residential building by a tenant who resides in the building.

(e) No landlord shall prohibit or adopt any rule prohibiting residential tenants or nonresident tenant organizers from peacefully organizing, assembling, canvassing, leafleting, or otherwise exercising within the building their right of free expression for noncommercial purposes. A landlord may not require tenants and tenant organizers to obtain prior permission to engage in protected activities. A landlord may not adopt and enforce rules that set unreasonable limits as to time, place, and manner of the meetings or communication with tenants in the building.

Subd. 2. **Retaliation prohibited.** (a) A landlord may not increase rent, decrease services, alter an existing rental agreement, file a legal action against a tenant, contact federal or state law enforcement related to a tenant's immigration status, or seek to recover possession or threaten any such action in whole or in part in retaliation after a tenant:

(1) reports a code violation to a government agency, elected official, or other government official responsible for the enforcement of a building, housing, health, or safety code;

(2) reports a building, housing, health, or safety code violation, or a violation of this chapter, to a community organization or the news media;

(3) seeks the assistance of a community organization or others, including but not limited to a media or news organization, for assistance with a code violation or a violation of this chapter;

(4) makes a request that the landlord of a residential building make repairs to the premises as required by this chapter, or remedy a building or health code, other regulation, or uphold portions of the residential rental agreement;

(5) joins or attempts to join a tenant association or similar organization; or

(6) testifies in any court or administrative proceeding concerning the condition of the premises or exercised any right or remedy provided by law.

(b) In any proceeding in which retaliation is alleged, the burden of proof shall be on the landlord, if the landlord's alleged retaliatory action was within 90 days of the tenant engaging in any of the activities identified in this subdivision. If the challenged action began more than 90 days after the resident engaged in the protected activity, the tenant claiming the landlord is retaliating has the burden of proof.

Subd. 3. **Penalties.** If a landlord, an agent, or other person acting under the landlord's direction or control unlawfully and in bad faith violates this section, the tenant may recover from the landlord up to \$1,000 per occurrence and reasonable attorney fees.

## ARTICLE 5 COURT REMEDIES; RESIDENTIAL RENTALS

Section 1. Minnesota Statutes 2022, section 504B.001, subdivision 5, is amended to read:

Subd. 5. **Housing-related neighborhood organization.** "Housing-related neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that:

~~(1) designates in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and~~

~~(2) is formed in part for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.~~

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a residential tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of one of the residential tenants of a majority of the occupied units.

Sec. 2. Minnesota Statutes 2022, section 504B.001, subdivision 14, is amended to read:

Subd. 14. **Violation.** "Violation" means:

(1) a violation of any state, county or city health, safety, housing, building, fire prevention, or housing maintenance code applicable to the building;

(2) a violation of ~~any of the covenants set forth in section 504B.161, subdivision 1, clause (1) or (2), or in section 504B.171, subdivision 1~~ this chapter; or

(3) a violation of any federal, state, county, or city laws protecting tenants from discrimination;

(4) a violation of any applicable tenant rights and landlord obligations for public and subsidized tenancies under local, state, or federal law; or

~~(3)~~(5) a violation of an oral or written agreement, lease, or contract for the rental of a dwelling in a building.

Sec. 3. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 16. **Abandonment.** (a) "Abandonment of tenancy" means the intentional and voluntary absolute relinquishment of premises by the residential tenant.

(b) "Abandonment of personal property" means a residential tenant leaving some of the tenant's personal property on the premises after permanently vacating the property.

Sec. 4. Minnesota Statutes 2022, section 504B.101, is amended to read:

#### **504B.101 DISTRESS FOR RENT.**

The remedy of distress for rent is abolished. The requirements of this section may not be waived or modified by the parties to a residential lease. Any provision, whether oral or written, of a lease or other agreement by which any provision of this section is waived by a tenant is contrary to public policy and void. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 5. Minnesota Statutes 2022, section 504B.111, is amended to read:

#### **504B.111 WRITTEN LEASE REQUIRED; PENALTY.**

(a) A landlord of a residential building with 12 or more residential units must have a written lease for each unit rented to a residential tenant. The written lease must identify the specific unit the residential tenant will occupy before the residential tenant signs the lease. Notwithstanding any other state law or city ordinance to the contrary, a landlord may ask for the tenant's full name and date of birth on the lease and application. A landlord who fails to provide a lease, as required under this section, is guilty of a petty misdemeanor.

(b) The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 6. Minnesota Statutes 2022, section 504B.115, subdivision 1, is amended to read:

Subdivision 1. **Copy of written lease to tenant.** Where there is a written lease, a landlord must give a copy to a tenant occupying a dwelling unit whose signature appears on the lease agreement. The landlord may obtain a signed and dated receipt, either as a separate document or an acknowledgment included in the lease agreement itself, from the tenant acknowledging that the tenant has received a copy of the lease. This signed receipt or acknowledgment is

prima facie evidence that the tenant has received a copy of the lease. The landlord must provide the copy of the lease agreement within 14 days of the tenant's written request. The tenant shall recover from the landlord actual and consequential damages or \$250, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 7. Minnesota Statutes 2022, section 504B.116, is amended to read:

**504B.116 PRORATED RENT REQUIRED.**

(a) When a lease term for a residential unit ends on a date before the last day of the final month, the amount of rent to be paid for the final month owed for the final month of rent must be prorated at the average daily rate for that month so that the tenant only pays for the actual number of days that occupancy is allowed. This provision applies to all leases, including leases requiring the last month of rent to be paid in advance. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

(b) For purposes of this section, prorated rent must be calculated using the actual number of calendar days for the calendar month in which the lease expires.

Sec. 8. Minnesota Statutes 2022, section 504B.118, is amended to read:

**504B.118 RECEIPT FOR RENT PAID IN CASH.**

A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$250, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 9. Minnesota Statutes 2022, section 504B.131, is amended to read:

**504B.131 RENT LIABILITY; UNINHABITABLE BUILDINGS.**

A tenant or occupant of a building that is destroyed or becomes uninhabitable or unfit for occupancy through no fault or neglect of the tenant or occupant may vacate and surrender such a building. A tenant or occupant may expressly agree otherwise except as prohibited by section 504B.161. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 10. Minnesota Statutes 2022, section 504B.141, is amended to read:

**504B.141 URBAN REAL ESTATE; HOLDING OVER.**

When a tenant of urban real estate, or any interest therein, holds over and retains possession after expiration of the lease without the landlord's express agreement, no tenancy for any period other than the shortest interval between the times of payment of rent under the terms of the expired lease shall be implied. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$250, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 11. Minnesota Statutes 2022, section 504B.145, is amended to read:

**504B.145 RESTRICTION ON AUTOMATIC RENEWALS OF LEASES.**

Subdivision 1. **Automatic renewal.** Notwithstanding the provisions of any residential lease, in order to enforce any automatic renewal clause of a lease of an original term of two months or more which states, in effect, that the term shall be deemed renewed for a specified additional period of time of two months or more unless the tenant gives notice to the landlord of an intention to quit the premises at the expiration of the term due to expire, the landlord must give notice to the tenant as provided in this section. The notice must be in writing and direct the tenant's attention to the automatic renewal provision of the lease. the notice must be served personally or mailed by certified mail at least 15 days, but not more than 30 days prior to the time that the tenant is required to furnish notice of an intention to quit.

Subd. 2. **Penalty.** If the landlord does not comply with the notice requirements of this section, the tenant may choose to terminate the lease on the last day of the lease without further notice unless a new agreement is reached by the parties.

Subd. 3. **Waiver prohibited.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 12. Minnesota Statutes 2022, section 504B.151, subdivision 1, is amended to read:

Subdivision 1. **Limitation on lease and notice to tenant.** (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, or summons and complaint under chapter 581, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

- (1) the contract for deed has been reinstated or paid in full;
- (2) the mortgage default has been cured and the mortgage reinstated;
- (3) the mortgage has been satisfied;
- (4) the property has been redeemed from a foreclosure sale; or
- (5) a receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.015, subdivision 8.

(d) A landlord who violates the requirements in this subdivision is liable to the lessee for a civil penalty of \$500. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section, unless the landlord falls under the exception in subdivision 2. The remedy provided under this paragraph is in addition to and shall not limit other rights or remedies available to landlords and tenants.



Sec. 13. **[504B.153] TENANT ABANDONMENT OF DWELLING.**

**Subdivision 1. Abandonment.** (a) If a residential tenant abandons a dwelling unit during the lease term, the landlord shall make reasonable efforts to rent it at a fair rental value. If the landlord rents the dwelling unit for a term beginning before the expiration of the rental agreement, the agreement is terminated on the date the new tenancy begins. The rental agreement is terminated by the landlord on the date the landlord has notice of the abandonment if the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental value or if the landlord accepts the abandonment as a surrender. The tenant shall not be liable for rent after the termination of the tenancy.

(b) If the rental agreement was for a periodic tenancy or tenancy at will, the maximum rent liability for the tenant is the notice period required to end the lease from the date the landlord has notice of the abandonment.

**Subd. 2. Waiver prohibited.** Any waiver of the rights provided by this section shall be void and unenforceable.

Sec. 14. Minnesota Statutes 2023 Supplement, section 504B.161, subdivision 1, is amended to read:

**Subdivision 1. Requirements.** ~~(a)~~ In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use as advertised or promised by the landlord or licensor, or otherwise intended by the parties;

(2) to keep the premises and all common areas in reasonable repair during the term of the lease or license, including services and conditions listed in section 504B.381, subdivision 1, and extermination of insects, rodents, vermin, or other pests on the premises, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises and all common areas reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost;

(4) to maintain the premises and all common areas in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing, where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(5) to supply or furnish heat at a minimum temperature of 68 degrees Fahrenheit from October 1 through April 30, unless a utility company requires and instructs the heat to be reduced.

~~(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.~~

Sec. 15. Minnesota Statutes 2022, section 504B.161, subdivision 2, is amended to read:

**Subd. 2. Tenant maintenance.** The landlord or licensor may agree with the tenant or licensee that the tenant or licensee is to perform specified repairs or maintenance, including snow removal and maintenance of the lawn and premises, but only if the agreement is supported by adequate consideration and the consideration is specifically set forth in a conspicuous writing. No such agreement, however, may waive the provisions of subdivision 1 or relieve the landlord or licensor of the duty to maintain common areas of the premises.

Sec. 16. Minnesota Statutes 2022, section 504B.161, subdivision 4, is amended to read:

Subd. 4. **Covenants are in addition.** The covenants contained in this section are in addition to any covenants or conditions imposed by law or ordinance or by the terms of the lease or license and do not limit other rights or remedies which may be available to the residential tenant and landlord.

Sec. 17. Minnesota Statutes 2022, section 504B.161, is amended by adding a subdivision to read:

Subd. 7. **Remedies.** If a landlord is in violation of this section, the tenant shall be entitled to:

(1) actual and consequential damages, based on rent abatement for impairment of use and enjoyment of the property for the period of the violation under section 541.05, subdivision 1, and consequential damages, or \$500, whichever is greater;

(2) in the case of a residential building or residential unit that has been condemned for city or county housing code or rental licensing violations, actual and consequential damages, based on the total rent for the period of the violation under section 541.05, subdivision 1, and consequential damages, or \$500, whichever is greater;

(3) in the case of violation of subdivision 2, actual and consequential damages, based on adequate consideration for services performed by the tenant for the period of the violation under section 541.05, subdivision 1, and consequential damages, or \$500, whichever is greater;

(4) actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section;

(5) correction of violations by the landlord;

(6) at the tenant's option, full rescission of the lease and recovery of any damage deposit, less any amount retained under section 504B.178;

(7) costs, disbursements, and reasonable attorney fees related to enforcement of this section; and

(8) at the tenant's option, collection of awards under this subdivision as a credit against current and future rents from the landlord.

Sec. 18. Minnesota Statutes 2022, section 504B.161, is amended by adding a subdivision to read:

Subd. 8. **Enforcement.** A residential tenant may enforce the provisions of this section in actions under sections 504B.281 to 504B.371, 504B.381, 504B.385, and 504B.395 to 504B.471, and other civil actions.

Sec. 19. Minnesota Statutes 2022, section 504B.161, is amended by adding a subdivision to read:

Subd. 9. **Waiver prohibited.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Sec. 20. Minnesota Statutes 2022, section 504B.175, subdivision 4, is amended to read:

Subd. 4. **Remedies.** ~~In addition to any other remedies, a landlord who violates this section is liable to the payor of the prelease deposit for the amount of the deposit paid, plus one half of that amount as a penalty. A landlord who enters into a rental agreement with a tenant is not liable under this section unless the landlord failed to comply with subdivision 3. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void~~

and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section, and, at the tenant's option, full rescission of the lease and recovery of any damage deposit less any amount retained under section 504B.178.

Sec. 21. Minnesota Statutes 2022, section 504B.178, subdivision 7, is amended to read:

Subd. 7. **Bad faith retention.** The bad faith retention by a landlord of a deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed ~~\$500~~ \$750 for each deposit in addition to the damages provided in subdivision 4 and reasonable attorney fees. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 22. Minnesota Statutes 2022, section 504B.181, is amended by adding a subdivision to read:

Subd. 7. **Waiver prohibited.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 23. Minnesota Statutes 2022, section 504B.185, subdivision 2, is amended to read:

Subd. 2. **Notice.** (a) After the local authority has inspected the residential building under subdivision 1, the inspector shall inform the landlord or the landlord's agent and the residential tenant or housing-related neighborhood organization in writing of any code violations discovered and a reasonable deadline for correcting violations.

(b) ~~A reasonable period of time must be allowed in which to~~ The landlord shall correct the violations by the deadline given by the local authority.

Sec. 24. Minnesota Statutes 2022, section 504B.185, is amended by adding a subdivision to read:

Subd. 3. **Remedies.** Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 25. Minnesota Statutes 2022, section 504B.195, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to tenant.** ~~(a) Except as provided in subdivision 3,~~ A landlord, agent, or person acting under the landlord's direction or control shall provide a copy of all ~~outstanding~~ inspection orders ~~for which a citation has been issued,~~ issued in the previous 12 months pertaining to a rental unit or common area, specifying code violations issued under section 504B.185, that the housing inspector identifies as requiring notice ~~because the violations threaten the health or safety of the tenant,~~ all notices of rental license denials, violations, suspensions, and terminations, and all outstanding condemnation orders and declarations that the premises are unfit for human habitation to:

(1) a tenant, either by delivery or by United States mail, postage prepaid, within 72 hours after issuance of the citation;

(2) a person before signing a lease or paying rent or a security deposit to begin a new tenancy; and

(3) a person prior to obtaining new ownership of the property subject to the order or declaration. The housing inspector shall indicate on the inspection order whether the violation threatens the health or safety of a tenant or prospective tenant.

~~(b) If an inspection order, for which a citation has been issued, does not involve code violations that threaten the health or safety of the tenants, the landlord, agent, or person acting under the landlord's control shall post a summary of the inspection order in a conspicuous place in each building affected by the inspection order, along with a notice that the inspection order will be made available by the landlord for review, upon a request of a tenant or prospective tenant. The landlord shall provide a copy of the inspection order for review by a tenant or a prospective tenant as required under this subdivision.~~

Sec. 26. Minnesota Statutes 2022, section 504B.195, is amended by adding a subdivision to read:

Subd. 2a. **Damages.** The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 27. Minnesota Statutes 2022, section 504B.195, subdivision 5, is amended to read:

Subd. 5. **Remedies additional.** The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void. A violation of this section violates section 504B.161.

Sec. 28. Minnesota Statutes 2022, section 504B.204, is amended to read:

#### **504B.204 ACTION FOR RENTAL OF CONDEMNED RESIDENTIAL PREMISES.**

(a) A landlord, agent, or person acting under the landlord's direction or control may not accept rent or a security deposit for residential rental property from a tenant after the leased premises have been (1) condemned or declared unfit for human habitation, (2) ordered to be vacated due to violations of a housing, health, or fire code or rental licensing ordinance by the applicable federal, state, or local authority, if the tenancy commenced after the premises were condemned or declared unfit for human habitation, or (3) ordered to be vacated pursuant to a government taking. If a landlord, agent, or a person acting under the landlord's direction or control violates this section, the landlord is liable to the tenant for actual damages and an amount equal to three times the amount of all money collected from the tenant after date of condemnation or declaration, plus costs and attorney fees. A violation of this section violates section 504B.161. This section shall be liberally construed for the protection of tenants.

(b) The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Sec. 29. Minnesota Statutes 2022, section 504B.205, subdivision 5, is amended to read:

Subd. 5. **Residential tenant remedies.** ~~A residential tenant may bring a civil action for a violation of this section and recover from the landlord \$250 or actual damages, whichever is greater, and reasonable attorney's fees. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section. A violation of this section violates section 504B.161. This section shall be liberally construed for the protection of tenants.~~

Sec. 30. Minnesota Statutes 2022, section 504B.231, is amended to read:

#### **504B.231 DAMAGES FOR OUSTER.**

(a) If a landlord, an agent, or other person acting under the landlord's direction or control unlawfully and in bad faith removes, excludes, or forcibly keeps out a tenant from residential premises, the tenant ~~may~~ shall recover from the landlord actual and consequential damages, the greater of treble, actual, and consequential damages or \$500, whichever is greater, \$1,000, and reasonable attorney's attorney fees, and at the tenant's option, full rescission of the

lease and recovery of any damage deposit less any amount retained under section 504B.178. A landlord may not charge or collect rent for a month where the landlord has violated this section. A violation of this section by the landlord is a violation of section 504B.161.

(b) The remedies provided in this section are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void. The provisions of this section also apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired. This section shall be liberally construed for the protection of tenants.

Sec. 31. Minnesota Statutes 2022, section 504B.265, is amended by adding a subdivision to read:

Subd. 5. Remedies. The personal representative of the tenant's estate shall recover from the landlord actual and consequential damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this section.

Sec. 32. Minnesota Statutes 2022, section 504B.271, subdivision 2, is amended to read:

Subd. 2. ~~Landlord's punitive Damages.~~ If a landlord, an agent, or other person acting under the landlord's direction or control, in possession of a tenant's personal property, fails to allow the tenant to retake possession of the property within 24 hours after written demand by the tenant or the tenant's duly authorized representative or within 48 hours, exclusive of weekends and holidays, after written demand by the tenant or a duly authorized representative when the landlord, the landlord's agent or person acting under the landlord's direction or control has removed and stored the personal property in accordance with subdivision 1 in a location other than the premises, the tenant shall recover from the landlord ~~punitive damages in an amount not to exceed twice the actual damages or \$1,000, whichever is greater,~~ in addition to actual damages, actual and consequential damages or \$1,000, whichever is greater, and reasonable ~~attorney's~~ attorney fees.

In determining the amount of punitive damages the court shall consider (1) the nature and value of the property; (2) the effect the deprivation of the property has had on the tenant; (3) if the landlord, an agent, or other person acting under the landlord's direction or control unlawfully took possession of the tenant's property; and (4) if the landlord, an agent, or other person under the landlord's direction or control acted in bad faith in failing to allow the tenant to retake possession of the property.

The provisions of this subdivision do not apply to personal property which has been sold or otherwise disposed of by the landlord in accordance with subdivision 1, or to landlords who are housing authorities, created, or authorized to be created by sections 469.001 to 469.047, and their agents and employees, in possession of a tenant's personal property, except that housing authorities must allow the tenant to retake possession of the property in accordance with this subdivision.

Sec. 33. ~~504B.276~~ LIMITATION ON CLAIM PRECLUSION.

A failure by a tenant to litigate an available claim or defense in any proceeding under sections 504B.281 to 504B.471 does not preclude the tenant from raising or litigating that claim or a claim arising out of the same transaction or occurrence in a separate proceeding.

Sec. 34. Minnesota Statutes 2022, section 504B.285, is amended by adding a subdivision to read:

Subd. 3a. Damages. The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of subdivisions 2 and 3.

Sec. 35. Minnesota Statutes 2022, section 504B.315, is amended to read:

**504B.315 RESTRICTIONS ON EVICTION DUE TO FAMILIAL STATUS.**

(a) As used in this section, "familial status" has the meaning given it in section 363A.03, subdivision 18.

(b) No residential tenant of residential premises may be evicted, denied a continuing tenancy, or denied a renewal of a lease on the basis of familial status commenced during the tenancy unless one year has elapsed from the commencement of the familial status and the landlord has given the tenant six months prior notice in writing, except in case of nonpayment of rent, damage to the premises, disturbance of other tenants, or other material breach of the lease.

(c) The tenant shall recover from the landlord actual and consequential damages or \$1,000, whichever is greater, and reasonable attorney fees, for a violation of this section. The remedy provided under this section is in addition to and shall not limit other rights or remedies available to tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

Sec. 36. Minnesota Statutes 2023 Supplement, section 504B.375, subdivision 1, is amended to read:

Subdivision 1. **Unlawful exclusion or removal.** (a) This section applies to actual or constructive removal or exclusion of a residential tenant which may include the termination of utilities or the removal of doors, windows, or locks. A residential tenant to whom this section applies may recover possession of the premises as described in paragraphs (b) to (e).

(b) The residential tenant shall present a verified petition to the district court of the judicial district of the county in which the premises are located that:

(1) describes the premises and the landlord;

(2) specifically states the facts and grounds that demonstrate that the exclusion or removal was unlawful, including a statement that no writ of recovery of the premises and order to vacate has been issued under section 504B.345 in favor of the landlord and against the residential tenant and executed in accordance with section 504B.365; and

(3) asks for possession.

(c) If it clearly appears from the specific grounds and facts stated in the verified petition or by separate affidavit of the residential tenant or the residential tenant's attorney or agent that the exclusion or removal was unlawful, the court shall immediately order that the residential tenant have possession of the premises.

(d) The residential tenant shall furnish security, if any, that the court finds is appropriate under the circumstances for payment of all costs and damages the landlord may sustain if the order is subsequently found to have been obtained wrongfully. In determining the appropriateness of security, the court shall consider the residential tenant's ability to afford monetary security.

(e) The court shall direct the order to the sheriff of the county in which the premises are located and the sheriff shall execute the order immediately by making a demand for possession on the landlord, if found, or the landlord's agent or other person in charge of the premises. If the landlord fails to comply with the demand, the officer shall take whatever assistance may be necessary and immediately place the residential tenant in possession of the premises. If the landlord, the landlord's agent, or other person in control of the premises cannot be found and if there is no person in charge, the officer shall immediately enter into and place the residential tenant in possession of the premises. The officer shall also serve the order and verified petition or affidavit immediately upon the landlord or agent, in the same manner as a summons is required to be served in a civil action in district court.

(f) The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.

(g) Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

Sec. 37. Minnesota Statutes 2022, section 504B.391, subdivision 1, is amended to read:

Subdivision 1. **Noncompliance; fines and damages.** If the court finds that a landlord has willfully failed to comply with a court order to remedy a violation, the court shall fine the landlord and award damages to the tenant according to the following schedule:

- (1) \$250 fine and \$250 in damages for the first failure to comply;
- (2) \$500 fine and \$500 in damages for the second failure to comply with an order regarding the same violation; and
- (3) ~~\$750~~ \$1,000 fine and \$1,000 in damages for the third and each subsequent failure to comply with an order regarding the same violation.

Sec. 38. Minnesota Statutes 2022, section 504B.395, subdivision 1, is amended to read:

Subdivision 1. **Who may bring action.** An action may be brought in district court by:

- (1) a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, is alleged to exist;
- (2) any housing-related neighborhood organization with the written permission of a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, ~~clause (1) or (2)~~, is alleged to exist;
- (3) a housing-related neighborhood organization that has within its geographical area an unoccupied residential building in which a violation, as defined in section 504B.001, subdivision 14, ~~clause (1) or (2)~~, is alleged to exist; or
- (4) a state, county, or local department or authority, charged with the enforcement of codes relating to health, housing, or building maintenance.

Sec. 39. Minnesota Statutes 2022, section 504B.395, subdivision 4, is amended to read:

Subd. 4. **Landlord must be informed.** A landlord must be informed in writing of an alleged violation at least 14 days before an action is brought by:

- (1) a residential tenant of a residential building in which a violation as defined in section 504B.001, subdivision 14, ~~clause (2) or (3)~~ clauses (2) to (5), is alleged to exist; or
- (2) a housing-related neighborhood organization, with the written permission of a residential tenant of a residential building in which a violation, as defined in section 504B.001, subdivision 14, ~~clause (2)~~ clauses (2) to (5), is alleged to exist. The notice requirement may be waived if the court finds that the landlord cannot be located despite diligent efforts.

## ARTICLE 6 DISCRIMINATION POLICY

Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

(a) A landlord must not discriminate against a tenant based on the tenant's use of federal, state, or local government rental assistance; a housing choice voucher program; or another form of public assistance that helps a tenant pay rent. A landlord must not deny a tenant or prospective tenant a viewing or application for a rental unit.

deny them the opportunity to rent a unit, or discriminate against a tenant or prospective tenant who uses rental assistance or a housing choice voucher. A landlord cannot advertise that they will not rent to a tenant who uses rental assistance or a housing choice voucher program.

(b) A violation of this section is an unfair discriminatory practice under section 363A.09, and an individual has all the rights and remedies available under chapter 363A for discrimination that occurs in violation of this section."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for tenant screening; providing for tenant associations; prohibiting discrimination based on housing assistance;"

Correct the title numbers accordingly

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

The report was adopted.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 3614, A bill for an act relating to public safety; correcting statutory citation related to obscene or harassing telephone calls; clarifying reference to minimum term of imprisonment for certain offenders; clarifying organized retail theft; correcting statutory citation reference related to expungement; clarifying eligibility standard applicable to retroactive relief for certain persons convicted of aiding and abetting felony murder; making conforming changes; amending Minnesota Statutes 2023 Supplement, sections 299C.10, subdivision 1; 609.3455, subdivision 5; 609.522, subdivisions 1, 2; 609A.02, subdivision 3; 638.12, subdivision 2; 638.15, subdivision 1; Laws 2023, chapter 52, article 4, section 24, subdivisions 3, 4, 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
CRIME VICTIM POLICY

Section 1. Minnesota Statutes 2022, section 243.05, subdivision 1b, is amended to read:

Subd. 1b. **Victim's rights.** (a) This subdivision applies to parole decisions relating to inmates convicted of first-degree murder who are described in subdivision 1, clauses (a) and (b). As used in this subdivision, "victim" ~~means the murder victim's surviving spouse or next of kin~~ has the meaning given in section 611A.01, paragraph (b).

(b) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's parole 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 paroled at that time. The commissioner must consider the victim's statement when making the parole decision.

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



Sec. 2. Minnesota Statutes 2022, section 244.052, subdivision 3, is amended to read:

Subd. 3. **End-of-confinement review committee.** (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where predatory offenders are confined. The committees shall assess on a case-by-case basis the public risk posed by predatory offenders who are about to be released from confinement.

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) a victim's services professional.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a predatory offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

(1) private medical data under section 13.384 or sections 144.291 to 144.298, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The predatory offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

(d)(i) Except as otherwise provided in items (ii), (iii), and (iv), at least 90 days before a predatory offender is to be released from confinement, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender and the law enforcement agency that was responsible for the charge resulting in confinement shall be notified of the time and place of the committee's meeting. The offender has a right to be present and be heard at the meeting. The law enforcement agency, agent, and victim may provide material in writing that is relevant to the offender's risk level to the chair of the committee.

The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released.

(ii) If an offender is received for confinement in a facility with less than 90 days remaining in the offender's term of confinement, the offender's risk shall be assessed at the first regularly scheduled end of confinement review committee that convenes after the appropriate documentation for the risk assessment is assembled by the committee. The commissioner shall make reasonable efforts to ensure that offender's risk is assessed and a risk level is assigned or reassigned at least 30 days before the offender's release date.

(iii) If the offender is subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, the commissioner of corrections shall convene the appropriate end-of-confinement review committee at least nine months before the offender's minimum term of imprisonment has been served. If the offender is received for confinement in a facility with less than nine months remaining before the offender's minimum term of imprisonment has been served, the committee shall conform its procedures to those outlined in item (ii) to the extent practicable.

(iv) If the offender is granted supervised release, the commissioner of corrections shall notify the appropriate end-of-confinement review committee that it needs to review the offender's previously determined risk level at its next regularly scheduled meeting. The commissioner shall make reasonable efforts to ensure that the offender's earlier risk level determination is reviewed and the risk level is confirmed or reassigned at least 60 days before the offender's release date. The committee shall give the report to the offender and to the law enforcement agency, and the commissioner shall provide notice of the risk level assignment to the victim, if requested, at least 60 days before an offender is released from confinement.

(e) The committee shall assign to risk level I a predatory offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the predatory offender is released from confinement, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. Except for an offender subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, who has not been granted supervised release, the committee shall give the report to the offender and to the law enforcement agency, and the commissioner shall provide notice of the risk level assignment to the victim, if requested, at least 60 days before an offender is released from confinement. If the offender is subject to a mandatory life sentence and has not yet served the entire minimum term of imprisonment, the committee shall give the report to the offender and to the commissioner at least six months before the offender is first eligible for release. If the risk assessment is performed under the circumstances described in paragraph (d), item (ii), the report shall be given to the offender and the law enforcement agency as soon as it is available. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

- (i) the degree of likely force or harm;
- (ii) the degree of likely physical contact; and
- (iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

- (i) the relationship of prior victims to the offender;
  - (ii) the number of prior offenses or victims;
  - (iii) the duration of the offender's prior offense history;
  - (iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and
  - (v) the offender's prior history of other antisocial acts;
- (3) the offender's characteristics. This factor includes consideration of the following:
- (i) the offender's response to prior treatment efforts; and
  - (ii) the offender's history of substance abuse;
- (4) the availability of community supports to the offender. This factor includes consideration of the following:
- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
  - (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;
  - (iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and
  - (iv) the offender's lack of education or employment stability;
- (5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and
- (6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.
- (h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

(i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

(j) Offenders returned to prison as release violators shall not have a right to a subsequent risk reassessment by the end-of-confinement review committee unless substantial evidence indicates that the offender's risk to the public has increased.

(k) If the committee assigns a predatory offender to risk level III, the committee shall determine whether residency restrictions shall be included in the conditions of the offender's release based on the offender's pattern of offending behavior.

Sec. 3. Minnesota Statutes 2022, 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 includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person; 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).

(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.

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

Sec. 4. Minnesota Statutes 2022, section 253D.14, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(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 chapter, and includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person; 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 section 253B.18, that an act or acts constituting a crime occurred.

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

Sec. 5. Minnesota Statutes 2022, section 518B.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means the following, if committed against a family or household member by a family or household member:

(1) physical harm, bodily injury, or assault;

(2) the infliction of fear of imminent physical harm, bodily injury, or assault; or

(3) terroristic threats, within the meaning of section 609.713, subdivision 1; criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, 609.345, or 609.3451; sexual extortion within the meaning of section 609.3458; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) "Family or household members" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

(4) persons who are presently residing together or who have resided together in the past;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time;

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time; and

(7) persons involved in a significant romantic or sexual relationship.

Issuance of an order for protection on the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination.

(c) "Qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

(d) "Custodian" means any person other than the petitioner or respondent who is under a legal obligation to provide care and support for a minor child of a petitioner or who is in fact providing care and support for a minor child of a petitioner. Custodian does not include any person caring for a minor child if the petitioner's parental rights have been terminated.

Sec. 6. Minnesota Statutes 2022, section 518B.01, subdivision 3a, is amended to read:

Subd. 3a. **Filing fee.** The filing fees for an order for protection under this section are waived for the petitioner and respondent. ~~The court administrator, the sheriff of any county in this state, and other law enforcement and corrections officers shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.~~

Sec. 7. Minnesota Statutes 2022, section 518B.01, subdivision 3b, is amended to read:

Subd. 3b. **Information on petitioner's location or residence.** (a) Upon the petitioner's request, information maintained by the court regarding the petitioner's location or residence is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order.

(b) Upon request of the petitioner or a custodian of the petitioner's minor children, information maintained by the court regarding the location or residence of the petitioner's minor children is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the protections, limitations, and requirements in chapter 5B apply and information maintained by the court regarding the location or residence of the petitioner's minor children is not accessible to the public.

Sec. 8. Minnesota Statutes 2022, section 518B.01, subdivision 4, is amended to read:

Subd. 4. **Order for protection.** There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or by a family or household member, a guardian as defined in section 524.1-201, clause (27), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older on behalf of minor family or household members. A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, or a person with whom the minor has a child in common, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether the petitioner has ever had an order for protection in effect against the respondent.

(d) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(e) A petition for relief must state whether the petitioner has any minor children and, if so, must provide the name of any custodian of the minor children and must identify the location or residence of the custodian. If any custodian is a program participant as defined in section 5B.02, paragraph (g), the location or residence of the custodian is the address designated by the secretary of state as the address of the program participant. A petition must not be rejected or denied for failure to identify any custodian.

~~(e)~~ (f) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

~~(f)~~ (g) The court shall advise a petitioner under paragraph ~~(e)~~ (f) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

~~(g)~~ (h) The court shall advise a petitioner under paragraph ~~(e)~~ (f) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

~~(h)~~ (i) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

~~(i)~~ (j) The court shall advise the petitioner of the right to request a hearing under subdivision 7, paragraph (c). If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner and the custodian of any of the petitioner's minor children by mail at least five days before the hearing.

~~(j)~~ (k) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 9. Minnesota Statutes 2022, section 518B.01, subdivision 5, is amended to read:

Subd. 5. **Hearing on application; notice.** (a) Upon receipt of the petition, the court shall order a hearing which shall be held not later than 14 days from the date of the order for hearing unless an ex parte order is issued.

(b) If an ex parte order has been issued under subdivision 7 and the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless:

(1) the court declines to order the requested relief; or

(2) one of the parties requests a hearing.

(c) If an ex parte order has been issued under subdivision 7 and the petitioner seeks relief beyond that specified in subdivision 7, paragraph (a), or if the court declines to order relief requested by the petitioner, a hearing must be held within seven days. Personal service of the ex parte order may be made upon the respondent and any custodian at any time up to 12 hours prior to the time set for the hearing, provided that the respondent at the hearing may request a continuance of up to five days if served fewer than five days prior to the hearing which continuance shall be granted unless there are compelling reasons not to.

(d) If an ex parte order has been issued only granting relief under subdivision 7, paragraph (a), and the respondent requests a hearing, the hearing shall be held within ten days of the court's receipt of the respondent's request. Service of the notice of hearing must be made upon the petitioner and any custodian not less than five days prior to the hearing. The court shall serve the notice of hearing upon the petitioner and any custodian by mail in the manner provided in the Rules of Civil Procedure for pleadings subsequent to a complaint and motions and shall also mail notice of the date and time of the hearing to the respondent. In the event that service cannot be completed in time to give the respondent ~~or~~ petitioner, or any custodian the minimum notice required under this subdivision, the court may set a new hearing date no more than five days later.

(e) If for good cause shown either party is unable to proceed at the initial hearing and requests a continuance and the court finds that a continuance is appropriate, the hearing may be continued. Unless otherwise agreed by the parties and approved by the court, the continuance shall be for no more than five days. If the court grants the requested continuance, the court shall also issue a written order continuing all provisions of the ex parte order pending the issuance of an order after the hearing.

(f) Notwithstanding the preceding provisions of this subdivision, service on the respondent may be made by one week published notice, as provided under section 645.11, provided the petitioner files with the court an affidavit stating that an attempt at personal service made by a sheriff or other law enforcement or corrections officer was unsuccessful because the respondent is avoiding service by concealment or otherwise, and that a copy of the petition and notice of hearing has been mailed to the respondent at the respondent's residence or that the residence is not known to the petitioner. Service under this paragraph is complete seven days after publication. The court shall set a new hearing date if necessary to allow the respondent the five-day minimum notice required under paragraph (d).

Sec. 10. Minnesota Statutes 2022, section 518B.01, subdivision 6a, is amended to read:

Subd. 6a. **Subsequent orders and extensions.** (a) Upon application, notice to all parties, notice to any custodian, and hearing, the court may extend the relief granted in an existing order for protection or, if a petitioner's order for protection is no longer in effect when an application for subsequent relief is made, grant a new order. If the petitioner seeks only the relief under subdivision 7, paragraph (a), a hearing is not required unless the court declines to order the requested relief or the respondent requests a hearing. If a hearing is required, subdivisions 5 and 7 apply to service of the application, notice to the parties and any custodian, and time for the hearing.

(b) The court may extend the terms of an existing order or, if an order is no longer in effect, grant a new order upon a showing that:

(1) the respondent has violated a prior or existing order for protection;

(2) the petitioner is reasonably in fear of physical harm from the respondent;

(3) the respondent has engaged in the act of harassment within the meaning of section 609.749, subdivision 2; or

(4) the respondent is incarcerated and about to be released, or has recently been released from incarceration.



A petitioner does not need to show that physical harm is imminent to obtain an extension or a subsequent order under this subdivision.

(c) Relief granted by the order for protection may be for a period of up to 50 years, if the court finds:

(1) the respondent has violated a prior or existing order for protection on two or more occasions; or

(2) the petitioner has had two or more orders for protection in effect against the same respondent.

An order issued under this paragraph may restrain the abusing party from committing acts of domestic abuse; or prohibit the abusing party from having any contact with the petitioner, whether in person, by telephone, mail or electronic mail or messaging, through electronic devices, through a third party, or by any other means.

Sec. 11. Minnesota Statutes 2022, section 518B.01, subdivision 7, is amended to read:

Subd. 7. **Ex parte order.** (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte order for protection and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other, including a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order, except by further order of the court;

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment;

(4) ordering the abusing party to have no contact with the petitioner whether in person, by telephone, mail, email, through electronic devices, or through a third party;

(5) continuing all currently available insurance coverage without change in coverage or beneficiary designation;

(6) directing the care, possession, or control of a pet or companion animal owned, possessed, or kept by a party or a child of a party; and

(7) directing the respondent to refrain from physically abusing or injuring any pet or companion animal, without legal justification, known to be owned, possessed, kept, or held by either party or a minor child residing in the residence or household of either party as an indirect means of intentionally threatening the safety of such person.

(b) A finding by the court that there is a basis for issuing an ex parte order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(c) Subject to paragraph (d), an ex parte order for protection shall be effective for a fixed period set by the court, as provided in subdivision 6, paragraph (b), or until modified or vacated by the court pursuant to a hearing. When signed by a referee, the ex parte order becomes effective upon the referee's signature. Upon request, a hearing, as provided by this section, shall be set. Except as provided in paragraph (d), the respondent shall be personally served forthwith a copy of the ex parte order along with a copy of the petition and, if requested by the petitioner, notice of the date set for the hearing. Any custodian must be served with a copy of the ex parte order. Service on a custodian may be made by personal service or by certified mail. If the petitioner does not request a hearing, an order served

on a respondent under this subdivision must include a notice advising the respondent of the right to request a hearing, must be accompanied by a form that can be used by the respondent to request a hearing and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(d) Service of the ex parte order on the respondent may be made by published notice, as provided under subdivision 5, provided that the petitioner files the affidavit required under that subdivision. If personal service is not made or the affidavit is not filed within 14 days of issuance of the ex parte order, the order expires. If the petitioner does not request a hearing, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing and notice described in paragraph (c). Unless personal service is completed, if service by published notice is not completed within 28 days of issuance of the ex parte order, the order expires. Notice that an order has expired under this paragraph must be sent to any custodian.

(e) If the petitioner seeks relief under subdivision 6 other than the relief described in paragraph (a), the petitioner must request a hearing to obtain the additional relief.

(f) Nothing in this subdivision affects the right of a party to seek modification of an order under subdivision 11.

Sec. 12. Minnesota Statutes 2022, section 518B.01, subdivision 8, is amended to read:

Subd. 8. **Service; alternate service; publication; notice.** (a) The petition and any order issued under this section other than orders for dismissal shall be served on the respondent personally, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that an order for protection will be issued, the order may be served on the respondent electronically or by first class mail, as ordered by the court. Orders for dismissal may be served on the respondent personally or by certified mail. In lieu of personal service of an order for protection, a law enforcement officer may serve a ~~person~~ respondent with a short-form notification as provided in subdivision 8a. The petition and any order issued under this section may be served on any custodian personally or by certified mail.

(b) When service is made out of this state and in the United States, it may be proved by the affidavit of the person making the service. When service is made outside the United States, it may be proved by the affidavit of the person making the service, taken before and certified by any United States minister, charge d'affaires, commissioner, consul, or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in the other country, including all deputies or other representatives of the officer authorized to perform their duties; or before an office authorized to administer an oath with the certificate of an officer of a court of record of the country in which the affidavit is taken as to the identity and authority of the officer taking the affidavit.

(c) If personal service cannot be made on a respondent, the court may order service of the petition and any order issued under this section by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(d) A petition and any order issued under this section, including the short-form notification, must include a notice to the respondent that if an order for protection is issued to protect the petitioner or a child of the parties, upon request of the petitioner in any parenting time proceeding, the court shall consider the order for protection in making a decision regarding parenting time.

Sec. 13. Minnesota Statutes 2022, section 518B.01, subdivision 8a, is amended to read:

Subd. 8a. **Short-form notification.** (a) In lieu of personal service of an order for protection under subdivision 8, a law enforcement officer may serve a ~~person~~ respondent with a short-form notification. The short-form notification must include the following clauses: the respondent's name; the respondent's date of birth, if known; the petitioner's name; the names of other protected parties; the date and county in which the ex parte order for protection or order for protection was filed; the court file number; the hearing date and time, if known; the conditions that apply to the respondent, either in checklist form or handwritten; and the name of the judge who signed the order.

The short-form notification must be in bold print in the following form:

The order for protection is now enforceable. You must report to your nearest sheriff office or county court to obtain a copy of the order for protection. You are subject to arrest and may be charged with a misdemeanor, gross misdemeanor, or felony if you violate any of the terms of the order for protection or this short-form notification.

(b) Upon verification of the identity of the respondent and the existence of an unserved order for protection against the respondent, a law enforcement officer may detain the respondent for a reasonable time necessary to complete and serve the short-form notification.

(c) When service is made by short-form notification, it may be proved by the affidavit of the law enforcement officer making the service.

(d) For service under this section only, service upon an individual may occur at any time, including Sundays, and legal holidays.

(e) The superintendent of the Bureau of Criminal Apprehension shall provide the short form to law enforcement agencies.

(f) This section does not apply to service of an order for protection on any custodian.

Sec. 14. Minnesota Statutes 2022, section 518B.01, subdivision 9, is amended to read:

Subd. 9. **Assistance of sheriff ~~in service or execution;~~ possession of dwelling or residence.** When an order is issued under this section upon request of the petitioner, the court shall order the sheriff to accompany the petitioner and assist in placing the petitioner in possession of the dwelling or residence, ~~or otherwise assist in execution or service of the order of protection. If the application for relief is brought in a county in which the respondent is not present, the sheriff shall forward the pleadings necessary for service upon the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.~~

Sec. 15. Minnesota Statutes 2022, section 518B.01, subdivision 9a, is amended to read:

Subd. 9a. **Personal service by others; procedures; cost; reasonable efforts and cooperation required.** (a) Where personal service is required under this section, service must comply with subdivision 8 and rule 4.03 of the Rules of Civil Procedure.

(b) Upon request of the petitioner or order of the court, the sheriff of any county in this state in which a respondent resides or is present must execute or serve any petition, ex parte order, notice of hearing, order for protection, and any other order of a court on the respondent. If the application for relief is brought in a county in which the respondent is not present, the sheriff of the county where the application for relief was brought shall forward the pleadings necessary for service upon the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.

(c) Peace officers licensed by the state of Minnesota and corrections officers, including, but not limited to, probation officers, court services officers, parole officers, and employees of jails or correctional facilities, may serve an order for protection on a respondent or any custodian and must, to the extent possible, provide any sheriff, law enforcement officer, or other peace officer attempting to effectuate service with relevant information regarding where a respondent may be found, such as the respondent's residence, the respondent's place of employment or schooling, or other locations frequented by the respondent.

(d) The court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer shall perform the duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement officer, peace officer, or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.

(e) A sheriff, law enforcement officer, or any other peace officer must make reasonable efforts to locate a respondent to effectuate service. Reasonable efforts may include:

(1) a search of any information that is publicly available;

(2) a search of any government data in a database to which the sheriff, law enforcement officer, or other peace officer has access, provided the data is classified as public data on individuals as defined in section 13.02, subdivision 15, or is otherwise available to criminal justice agencies, as defined in section 13.02, subdivision 3a; and

(3) communication with any court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer.

(f) A sheriff, law enforcement officer, or any other peace officer who serves a respondent who the sheriff or officer knows is on supervised probation or supervised release with an ex parte order, order for protection, or short-form notification must provide a copy of the served order or notification to the respondent's probation officer, supervised release or conditional release agent, or parole officer.

Sec. 16. Minnesota Statutes 2022, section 518B.01, subdivision 11, is amended to read:

Subd. 11. **Modifying or vacating order.** (a) Upon application, notice to all parties, notice to any custodian, and hearing, the court may modify the terms of an existing order for protection.

(b) If the court orders relief under subdivision 6a, paragraph (c), the respondent named in the order for protection may request to have the order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order during that time. Application for relief under this subdivision must be made in the county in which the order for protection was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the order for protection not less than 30 days before the date of the hearing. Notice of the request and hearing may be made on any custodian personally or by certified mail. At the hearing, the respondent named in the order for protection has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting or extending the order for protection no longer apply and are unlikely to occur. If

the court finds that the respondent named in the order for protection has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the order for protection has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the order for protection until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the order for protection and may be served on any custodian personally or by certified mail.

Sec. 17. Minnesota Statutes 2022, section 518B.01, is amended by adding a subdivision to read:

**Subd. 11a. Notice to custodian; Safe at Home participants; failure not a bar to enforcement.** (a) A custodian who is a program participant as defined in section 5B.02, paragraph (g), may direct the court to use the address designated by the secretary of state as the address of the program participant. Section 5B.03, subdivision 1, clause (3), applies to service of any notice, order, or other document required to be served under this section. The protections, limitations, and requirements in chapter 5B apply to any information regarding a custodian who is a program participant.

(b) Failure to serve a custodian with a petition, order for protection, dismissal, or any other order must not prevent any order from taking effect or otherwise invalidate any order issued pursuant to this section. In the event that service of a notice of a hearing is not completed on any custodian at least 24 hours prior to the time set for the hearing, the court may set a new hearing date no more than five days later.

Sec. 18. Minnesota Statutes 2022, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after

the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of section 626.557 and chapter 260E.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of section 626.557 and chapter 260E.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A domestic abuse advocate ~~may shall not, without the consent of the victim, be compelled allowed to disclose any opinion or information received from or about the victim without the consent of the victim unless ordered by the court which the advocate acquired in attending the victim in a professional capacity. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the relationship between the victim and domestic abuse advocate, and the services if disclosure occurs.~~ Nothing in this paragraph exempts domestic abuse advocates from compliance with the provisions of section 626.557 and chapter 260E.

For the purposes of this section, "domestic abuse advocate" means an employee or supervised volunteer from a community-based ~~battered women's shelter and~~ domestic abuse program eligible to receive grants under section 611A.32; that provides information, advocacy, crisis intervention, emergency shelter, or support to victims of domestic abuse and who is not employed by or under the direct supervision of a law enforcement agency, a prosecutor's office, or by a city, county, or state agency.

(m) A person cannot be examined as to any communication or document, including work notes, made or used in the course of or because of mediation pursuant to an agreement to mediate or a collaborative law process pursuant to an agreement to participate in collaborative law. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement or a stipulated agreement resulting from the collaborative law process set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation or collaborative law by the common law.

(n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(o) A communication assistant for a telecommunications relay system for persons who have communication disabilities shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 19. Minnesota Statutes 2023 Supplement, section 609.35, is amended to read:

**609.35 COSTS OF MEDICAL EXAMINATION.**

(a) Costs incurred by a hospital or other emergency medical facility or by a physician, sexual assault nurse examiner, forensic nurse, or other licensed health care provider for the examination of a victim of criminal sexual conduct that occurred in the state shall be paid by the state. These costs include, but are not limited to, the cost of the medical forensic examination, associated tests and treatments relating to sexually transmitted infection, and

pregnancy status, including emergency contraception. A hospital, emergency medical facility, or health care provider shall submit the costs for examination and any associated tests and treatment to the Office of Justice Programs for payment. Upon receipt of the costs, the commissioner shall provide payment to the facility or health care provider. Reimbursement for an examination and any associated test and treatments shall not exceed \$1,400. Beginning on January 1, 2024, the maximum amount of an award shall be adjusted annually by the inflation rate.

(b) Nothing in this section shall be construed to limit the duties, responsibilities, or liabilities of any insurer, whether public or private. The hospital or other licensed health care provider performing the examination may seek insurance reimbursement from the victim's insurer only if authorized by the victim. This authorization may only be sought after the examination is performed. When seeking this authorization, the hospital or other licensed health care provider shall inform the victim that if the victim does not authorize this, the state is required by law to pay for the examination and that the victim is in no way liable for these costs or obligated to authorize the reimbursement.

(c) The applicability of this section does not depend upon whether the victim reports the offense to law enforcement or the existence or status of any investigation or prosecution.

(d) Requests for reimbursement and supporting documents are private data on individuals as defined in section 13.02, subdivision 12.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to data requests received before that date if the responsible authority has not yet provided a response.

Sec. 20. Minnesota Statutes 2022, section 609.748, subdivision 3a, is amended to read:

Subd. 3a. ~~**Filing fee; cost of service.** The filing fees for a restraining order under this section are waived for the petitioner and the respondent if the petition alleges acts that would constitute a violation of section 609.749, subdivision 2, 3, 4, or 5, or sections 609.342 to 609.3451. The court administrator and any peace officer in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when a peace officer is unavailable or if service is made by publication.~~

Sec. 21. Minnesota Statutes 2022, section 609.748, subdivision 5, is amended to read:

Subd. 5. **Restraining order.** (a) The court may issue a restraining order that provides any or all of the following:

(1) orders the respondent to cease or avoid the harassment of another person; or

(2) orders the respondent to have no contact with another person.

(b) The court may issue an order under paragraph (a) if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) a peace officer has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the right to request a hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. If the court finds that the petitioner has had two or more previous restraining orders in effect against the same respondent or the



respondent has violated a prior or existing restraining order on two or more occasions, relief granted by the restraining order may be for a period of up to 50 years. In all other cases, relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

(c) An order issued under this subdivision must be personally served upon the respondent, or if the respondent appears remotely for a hearing and is notified at the hearing by the judicial officer that a restraining order will be issued, the order may be served on the respondent electronically or by first class mail, as ordered by the court.

(d) If the court orders relief for a period of up to 50 years under paragraph (a), the respondent named in the restraining order may request to have the restraining order vacated or modified if the order has been in effect for at least five years and the respondent has not violated the order. Application for relief under this paragraph must be made in the county in which the restraining order was issued. Upon receipt of the request, the court shall set a hearing date. Personal service must be made upon the petitioner named in the restraining order not less than 30 days before the date of the hearing. At the hearing, the respondent named in the restraining order has the burden of proving by a preponderance of the evidence that there has been a material change in circumstances and that the reasons upon which the court relied in granting the restraining order no longer apply and are unlikely to occur. If the court finds that the respondent named in the restraining order has met the burden of proof, the court may vacate or modify the order. If the court finds that the respondent named in the restraining order has not met the burden of proof, the court shall deny the request and no request may be made to vacate or modify the restraining order until five years have elapsed from the date of denial. An order vacated or modified under this paragraph must be personally served on the petitioner named in the restraining order.

Sec. 22. Minnesota Statutes 2022, section 609.748, subdivision 5b, is amended to read:

Subd. 5b. **Personal service by others; procedures; cost; reasonable efforts and cooperation required.** (a) Where personal service is required under this section, service must comply with rule 4.03 of the Rules of Civil Procedure.

(b) In addition to peace officers, corrections officers, including but not limited to probation officers, court services officers, parole officers, and employees of jails or correctional facilities, may serve a temporary restraining order or restraining order and must, to the extent possible, provide any sheriff, law enforcement officer, or other peace officer attempting to effectuate service with relevant information regarding where a respondent may be found, such as the respondent's residence, the respondent's place of employment or schooling, or other locations frequented by the respondent.

(c) The court administrator and any peace officer in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when a peace officer is unavailable or if service is made by publication.

(d) A sheriff, law enforcement officer, or any other peace officer must make reasonable efforts to locate a respondent to effectuate service. Reasonable efforts may include:

(1) a search of any information that is publicly available;

(2) a search of any government data in a database to which the sheriff, law enforcement officer, or other peace officer has access, provided the data is classified as public data on individuals as defined in section 13.02, subdivision 15, or is otherwise available to criminal justice agencies, as defined in section 13.02, subdivision 3a; and

(3) communication with any court administrator, the sheriff of any county in this state, and any other law enforcement officer, peace officer, or corrections officer.

(e) A sheriff, law enforcement officer, or any other peace officer who serves a respondent who the sheriff or officer knows is on supervised probation or supervised release with a temporary restraining order, restraining order, or short-form notification must provide a copy of the served order or notification to the respondent's probation officer, supervised release or conditional release agent, or parole officer.

Sec. 23. Minnesota Statutes 2022, section 609.748, is amended by adding a subdivision to read:

Subd. 5c. **Dismissals.** Orders for dismissal of a temporary restraining order or a restraining order may be served personally or by certified mail.

Sec. 24. Minnesota Statutes 2023 Supplement, section 611A.039, subdivision 1, is amended to read:

Subdivision 1. **Notice required.** (a) Except as otherwise provided in subdivision 2, within 15 working days after a conviction, acquittal, or dismissal in a criminal case in which there is an identifiable crime victim, the prosecutor shall make reasonable good faith efforts to provide to each affected crime victim oral or written notice of the final disposition of the case and of the victim rights under section 611A.06. When the court is considering modifying the sentence for a felony or a crime of violence or an attempted crime of violence, the prosecutor shall make a reasonable and good faith effort to notify the victim of the crime. ~~If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian.~~ The notice must include:

- (1) the date and approximate time of the review;
- (2) the location where the review will occur;
- (3) the name and telephone number of a person to contact for additional information; and
- (4) a statement that the victim ~~and victim's family~~ may provide input to the court concerning the sentence modification.

(b) The Office of Justice Programs in the Department of Public Safety shall develop and update a model notice of postconviction rights under this subdivision and section 611A.06.

(c) As used in this section:

(1) "crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes violations of section 609.3458, gross misdemeanor violations of section 609.224, and nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

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

Sec. 25. Minnesota Statutes 2022, section 611A.06, is amended by adding a subdivision to read:

Subd. 2a. **Notice of end-of-confinement review committee process and opportunity to provide input.** If an individual scheduled to be released from imprisonment is subject to an end-of-confinement review under section 244.052, the commissioner of corrections shall make a good faith effort to notify the victim of the end-of-confinement review process and that the victim has a right to submit written input for consideration at the end-of-confinement review hearing. The victim has a continuing right to submit input if the end-of-confinement review committee receives a request to reassess the individual's assigned risk level. These notices shall only be provided to victims who have submitted a written request for this notice to the commissioner of corrections or an electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur before the offender's end-of-confinement review hearing and provide sufficient time for the input to be considered in the end-of-confinement determination.

Sec. 26. Minnesota Statutes 2022, section 611A.212, subdivision 1, is amended to read:

Subdivision 1. **Grants.** The commissioner of public safety shall award grants for statewide organizations to provide subgrants, support, resources, and technical assistance to sexual assault programs that provide sexual assault primary prevention services to prevent initial perpetration or victimization of sexual assault.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 27. Minnesota Statutes 2023 Supplement, section 611A.52, subdivision 5, is amended to read:

Subd. 5. **Collateral source.** "Collateral source" means a source of benefits or advantages for economic loss otherwise reimbursable under sections 611A.51 to 611A.68 which the victim or claimant has received, or which is readily available to the victim, from:

(1) the offender;

(2) the government of the United States or any agency thereof, a state or any of its political subdivisions, or an instrumentality of two or more states, unless the law providing for the benefits or advantages makes them excess or secondary to benefits under sections 611A.51 to 611A.68;

(3) Social Security, Medicare, and Medicaid;

(4) state required temporary nonoccupational disability insurance;

(5) workers' compensation;

(6) wage continuation programs of any employer;

(7) proceeds of a contract of insurance payable to the victim for economic loss sustained because of the crime;

(8) a contract providing prepaid hospital and other health care services, or benefits for disability; or

~~(9) any private source as a voluntary donation or gift; or~~

~~(10) (9) proceeds of a lawsuit brought as a result of the crime.~~

The term does not include a life insurance contract or benefits from any private source provided as a voluntary donation or gift.

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

Sec. 28. Minnesota Statutes 2022, section 611A.73, subdivision 4, is amended to read:

Subd. 4. **Victim.** "~~Victim~~" ~~refers to anyone or the next of kin of anyone who has been or purports to have been subjected to a criminal act, whether a felony, a gross misdemeanor, or misdemeanor~~ has the meaning given in section 611A.01, paragraph (b).

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

Sec. 29. Minnesota Statutes 2022, section 629.72, subdivision 1, is amended to read:

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

(b) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

- (c) "Harass" and "stalking" have the meanings given in section 609.749.
- (d) "Violation of a domestic abuse no contact order" has the meaning given in section 629.75.
- (e) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.
- (f) "Victim" has the meaning in section 611A.01, paragraph (b).

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

Sec. 30. Minnesota Statutes 2022, section 629.72, subdivision 7, is amended to read:

Subd. 7. **Notice to victim regarding bail hearing.** (a) When a person arrested for or a juvenile detained for domestic assault or harassing or stalking is scheduled to be reviewed under subdivision 2 for release from pretrial detention, the court shall make a reasonable good faith effort to notify:

- ~~(1) the victim of the alleged crime;~~
- ~~(2) if the victim is incapacitated or deceased, the victim's family; and~~
- ~~(3) if the victim is a minor, the victim's parent or guardian.~~

(b) The notification must include:

- (1) the date and approximate time of the review;
- (2) the location where the review will occur;
- (3) the name and telephone number of a person that can be contacted for additional information; and
- (4) a statement that the victim ~~and the victim's family~~ may attend the review.

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

Sec. 31. Minnesota Statutes 2022, section 629.725, is amended to read:

**629.725 NOTICE TO VICTIM REGARDING BAIL HEARING OF ARRESTED OR DETAINED PERSON.**

(a) When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is scheduled to be reviewed under section 629.715 for release from pretrial detention, the court shall make a reasonable and good faith effort to notify the victim of the alleged crime. ~~If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian.~~ The notification must include:

- (1) the date and approximate time of the review;
- (2) the location where the review will occur;
- (3) the name and telephone number of a person that can be contacted for additional information; and
- (4) a statement that the victim and the victim's family may attend the review.

(b) As used in this section:

(1) "crime of violence" has the meaning given it in section 624.712, subdivision 5, and also includes:

(1) (i) sections 609.2112, 609.2113, 609.2114, and 609.3458;

(2) (ii) gross misdemeanor violations of section 609.224;

(3) (iii) nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and

(4) (iv) Minnesota Statutes 2012, section 609.21; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

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

Sec. 32. Minnesota Statutes 2022, section 629.73, subdivision 1, is amended to read:

Subdivision 1. **Oral notice.** When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian of the following matters:

(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 or detained person and, where applicable, the victim's right to be present at the court appearance; and

(4) the location and telephone number of at least one area crime victim service provider as designated by the Office of Justice Programs in the Department of Public Safety.

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

Sec. 33. Minnesota Statutes 2022, section 629.73, is amended by adding a subdivision to read:

Subd. 4. **Definition.** As used in this section, "victim" has the meaning given in section 611A.01, paragraph (b).

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

## ARTICLE 2 CRIMINAL JUSTICE REFORM

Section 1. **[260B.009] DNA COLLECTION; PARENTAL CONSENT, COURT ORDER, OR WARRANT REQUIRED.**

(a) As used in this section, "DNA analysis" has the meaning given in section 299C.155.

(b) A biological specimen for the purpose of DNA analysis must not be taken from a minor without the consent of the minor's parent or custodian, a court order, or a warrant.

(c) A minor whose biological specimen is collected in violation of paragraph (b) may move the court to suppress the use, as evidence, of the results of the DNA analysis and for destruction of the biological specimen.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to biological specimens collected on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, section 299C.105, subdivision 1, is amended to read:

Subdivision 1. **Required collection of biological specimen for DNA testing.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken biological specimens for the purpose of DNA analysis as defined in section 299C.155, of the following:

(1) ~~persons who have appeared in court and have had a judicial probable cause determination on a charge of committing,~~ or persons having been convicted of or attempting to commit, any of the following:

(i) murder under section 609.185, 609.19, or 609.195;

(ii) manslaughter under section 609.20 or 609.205;

(iii) assault under section 609.221, 609.222, or 609.223;

(iv) robbery under section 609.24, aggravated robbery under section 609.245, or carjacking under section 609.247;

(v) kidnapping under section 609.25;

(vi) false imprisonment under section 609.255;

(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;

(viii) incest under section 609.365;

(ix) burglary under section 609.582, subdivision 1; or

(x) indecent exposure under section 617.23, subdivision 3;

(2) persons sentenced as patterned sex offenders under section 609.3455, subdivision 3a; or

(3) ~~juveniles who have appeared in court and have had a judicial probable cause determination on a charge of committing,~~ or juveniles having been adjudicated delinquent for committing or attempting to commit, any of the following:

(i) murder under section 609.185, 609.19, or 609.195;

(ii) manslaughter under section 609.20 or 609.205;

(iii) assault under section 609.221, 609.222, or 609.223;

(iv) robbery under section 609.24, aggravated robbery under section 609.245, or carjacking under section 609.247;

(v) kidnapping under section 609.25;

(vi) false imprisonment under section 609.255;

(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;

(viii) incest under section 609.365;

(ix) burglary under section 609.582, subdivision 1; or

(x) indecent exposure under section 617.23, subdivision 3.

(b) Unless the superintendent of the bureau requires a shorter period, within 72 hours the biological specimen required under paragraph (a) must be forwarded to the bureau in such a manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers shall attempt to ensure that the biological specimen is taken on a person described in paragraph (a).

Sec. 3. Minnesota Statutes 2022, 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 provides facts necessary to sustain one or more legally cognizable claims for postconviction relief, if such evidence 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, and 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.

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises.

Sec. 4. Minnesota Statutes 2022, section 590.03, is amended to read:

#### **590.03 PLEADINGS AND PRACTICE AFTER FILING A POSTCONVICTION PETITION.**

Within ~~20~~ 45 days after the filing of the petition pursuant to section 590.01 or within such time as the judge to whom the matter has been assigned may fix, the county attorney, or the attorney general, on behalf of the state, shall respond to the petition by answer or motion which shall be filed with the court administrator of district court and

served on the petitioner if unrepresented or on the petitioner's attorney. No further pleadings are necessary except as the court may order. The court may at any time prior to its decision on the merits permit a withdrawal of the petition, may permit amendments thereto, and to the answer. The court shall liberally construe the petition and any amendments thereto and shall look to the substance thereof and waive any irregularities or defects in form.

Sec. 5. Minnesota Statutes 2022, section 604A.05, subdivision 1, is amended to read:

Subdivision 1. **Person seeking medical providing assistance; immunity from prosecution.** A person acting in good faith who seeks medical assistance for or acts in concert with a person seeking medical assistance for another person who is experiencing a drug-related overdose may not be charged or prosecuted for the possession, sharing, or use of a controlled substance under section 152.023, subdivision 2, ~~clauses (4) and (6);~~ 152.024; or 152.025, ~~or possession of drug paraphernalia.~~ A person qualifies for the immunities provided in this subdivision only if:

(1) the evidence for the charge or prosecution was obtained as a result of the person's seeking medical assistance for or acting in concert with a person seeking medical assistance for another person; and

(2) the person seeks medical assistance for or acts in concert with a person seeking medical assistance for another person who is in need of medical assistance for an immediate health or safety concern, provided that the person ~~who seeks the medical assistance is the first person to seek the assistance,~~ provides a name and contact information, remains on the scene until assistance arrives or is provided, and cooperates with the authorities.

Good faith does not include seeking medical assistance during the course of the execution of an arrest warrant or search warrant or a lawful search.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to acts committed on or after that date.

Sec. 6. Minnesota Statutes 2023 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) Except as provided in paragraph (b), if the conviction is for a felony, the stay shall be for not more than five years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is less.

(b) If the conviction is for a felony ~~described in violation of,~~ or a felony-level attempt or conspiracy to violate, section 609.19; 609.195; 609.20; 609.2112; 609.2113, subdivision 2; 609.2662; 609.2663; 609.2664; 609.268; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3458; or 609.749; or a felony-level attempt or conspiracy to violate section 609.185 or 609.2661, the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(c) If the conviction is for a gross misdemeanor violation of section 169A.20, 609.2113, subdivision 3, or 609.3451, the stay shall be for not more than four years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(d) If the conviction is for a gross misdemeanor not specified in paragraph (c), the stay shall be for not more than two years.

(e) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.



(f) If the conviction is for a misdemeanor not specified in paragraph (e), the stay shall be for not more than one year.

(g) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph (h), or the defendant has already been discharged.

(h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (g), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

- (1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and
- (2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

(i) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (g), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

- (1) the defendant has failed to complete court-ordered treatment successfully; and
- (2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to sentences announced on or after that date.

Sec. 7. Minnesota Statutes 2023 Supplement, section 609.3455, subdivision 5, is amended to read:

Subd. 5. **Life sentences; minimum term of imprisonment.** At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release. If the offender was under 18 years of age at the time of the commission of the offense, the minimum term of imprisonment specified by the court shall not exceed the applicable minimum term of imprisonment described in section 244.05, subdivision 4b.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 609A.015, subdivision 3, is amended to read:

Subd. 3. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

- (1) was convicted of a qualifying offense;
- (2) has not been convicted of a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:
  - (i) during the applicable waiting period immediately following discharge of the disposition or sentence for the crime; or

(ii) during the applicable waiting period immediately preceding a subsequent review performed pursuant to subdivision 5, paragraph (a); and

(3) is not charged with an offense, other than an offense that would be a petty misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting period or at the time of a subsequent review.

(b) As used in this subdivision, "qualifying offense" means a conviction 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 609.746 (interference with privacy);

(vi) section 609.748 (violation of a harassment restraining order);

(vii) section 609.78 (interference with emergency call);

(viii) section 609.79 (obscene or harassing phone calls);

(ix) section 617.23 (indecent exposure); or

(x) section 629.75 (violation of domestic abuse no contact order);

(3) any gross misdemeanor offense other than:

(i) section 169.13, subdivision 1, if the person causes great bodily harm or death to another (reckless driving resulting in great bodily harm or death);

~~(i)~~ (ii) section 169A.25 (second-degree driving while impaired);

~~(ii)~~ (iii) section 169A.26 (third-degree driving while impaired);

~~(iii)~~ (iv) section 518B.01, subdivision 14 (violation of an order for protection);

~~(iv)~~ (v) section 609.2113, subdivision 3 (criminal vehicular operation);

~~(v)~~ (vi) section 609.2231 (assault in the fourth degree);

~~(vi)~~ (vii) section 609.224 (assault in the fifth degree);

~~(vii)~~ (viii) section 609.2242 (domestic assault);

~~(viii)~~ (ix) section 609.233 (criminal neglect);

- ~~(ix)~~ (x) section 609.3451 (criminal sexual conduct in the fifth degree);
- ~~(x)~~ (xi) section 609.377 (malicious punishment of child);
- ~~(xi)~~ (xii) section 609.485 (escape from custody);
- ~~(xii)~~ (xiii) section 609.498 (tampering with witness);
- ~~(xiii)~~ (xiv) section 609.582, subdivision 4 (burglary in the fourth degree);
- ~~(xiv)~~ (xv) section 609.746 (interference with privacy);
- ~~(xv)~~ (xvi) section 609.748 (violation of a harassment restraining order);
- ~~(xvi)~~ (xvii) section 609.749 (harassment; stalking);
- ~~(xvii)~~ (xviii) section 609.78 (interference with emergency call);
- ~~(xviii)~~ (xix) section 617.23 (indecent exposure);
- ~~(xix)~~ (xx) section 617.261 (nonconsensual dissemination of private sexual images); or
- ~~(xx)~~ (xxi) section 629.75 (violation of domestic abuse no contact order); or
- (4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other than:
  - (i) section 152.023, subdivision 2 (possession of a controlled substance in the third degree);
  - (ii) 152.024, subdivision 2 (possession of a controlled substance in the fourth degree);
  - (iii) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness); ~~or~~
  - (iv) section 609.582, subdivision 3, paragraph (a) (burglary in the third degree; other than trespass); or
  - (v) section 609.746, subdivision 1, paragraph ~~(e)~~ (g) (interference with privacy; subsequent violation or minor victim).
- (c) As used in this subdivision, "applicable waiting period" means:
  - (1) if the offense was a petty misdemeanor, two years since discharge of the sentence;
  - (2) if the offense was a misdemeanor, two years since discharge of the sentence for the crime;
  - (3) if the offense was a gross misdemeanor, three years since discharge of the sentence for the crime;
  - (4) if the offense was a felony violation of section 152.025, four years since the discharge of the sentence for the crime; and
  - (5) if the offense was any other felony, five years since discharge of the sentence for the crime.
- (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.

(e) The service requirements in section 609A.03, subdivision 8, do not apply to any expungements ordered under this subdivision.

(f) An expungement order does not apply to records held by the commissioners of health and human services.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 9. Minnesota Statutes 2023 Supplement, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings.** (a) A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner. For the purposes of this chapter, an action or proceeding is resolved in favor of the petitioner, if the petitioner received an order under section 590.11 determining that the petitioner is eligible for compensation based on exoneration;

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication;

(3) the petitioner was convicted of a petty misdemeanor or misdemeanor or the sentence imposed was within the limits provided by law for a misdemeanor and the petitioner has not been convicted of a new crime for at least two years since discharge of the sentence for the crime;

(4) the petitioner was convicted of a gross misdemeanor or the sentence imposed was within the limits provided by law for a gross misdemeanor and the petitioner has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(5) the petitioner was convicted of a gross misdemeanor that is deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2, clause (2), and has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(6) the petitioner was convicted of a felony violation of section 152.025 and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime;

(7) the petitioner was convicted of a felony that is deemed to be for a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, clause (2), and has not been convicted of a new crime for at least:

(i) four years since discharge of the sentence for the crime if the conviction was for an offense listed in paragraph (b); or

(ii) five years since discharge of the sentence for the crime if the conviction was for any other offense; or

(8) the petitioner was convicted of a felony violation of an offense listed in paragraph (b), and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime.

(b) Paragraph (a), clause ~~(7)~~ (8), applies to the following offenses:

(1) section 35.824 (altering livestock certificate);

(2) section 62A.41 (insurance regulations);

- (3) section 86B.865, subdivision 1 (certification for title on watercraft);
- (4) section 152.023, subdivision 2 (possession of a controlled substance in the third degree); 152.024, subdivision 2 (possession of a controlled substance in the fourth degree); 152.025 (controlled substance in the fifth degree); or 152.097 (sale of simulated controlled substance);
- (5) section 168A.30, subdivision 1 (certificate of title false information); or 169.09, subdivision 14, paragraph (a), clause (2) (accident resulting in great bodily harm);
- (6) chapter 201; 203B; or 204C (voting violations);
- (7) section 228.45; 228.47; 228.49; 228.50; or 228.51 (false bill of lading);
- (8) section 256.984 (false declaration in assistance application);
- (9) section 296A.23, subdivision 2 (willful evasion of fuel tax);
- (10) section 297D.09, subdivision 1 (failure to affix stamp on scheduled substances);
- (11) section 297G.19 (liquor taxation); or 340A.701 (unlawful acts involving liquor);
- (12) section 325F.743 (precious metal dealers); or 325F.755, subdivision 7 (prize notices and solicitations);
- (13) section 346.155, subdivision 10 (failure to control regulated animal);
- (14) section 349.2127; or 349.22 (gambling regulations);
- (15) section 588.20 (contempt);
- (16) section 609.27, subdivision 1, clauses (2) to (5) (coercion);
- (17) section 609.31 (leaving state to evade establishment of paternity);
- (18) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness);
- (19) section 609.49 (failure to appear in court);
- (20) section 609.52, subdivision 2, when sentenced pursuant to section 609.52, subdivision 3, clause (3)(a) (theft of \$5,000 or less) or 609.52, subdivision 3a, clause (1) (theft of \$1,000 or less with risk of bodily harm); or any other offense sentenced pursuant to section 609.52, subdivision 3, clause (3)(a);
- (21) section 609.521 (possession of shoplifting gear);
- (22) section 609.525 (bringing stolen goods into state);
- (23) section 609.526, subdivision 2, clause (2) (metal dealer receiving stolen goods);
- (24) section 609.527, subdivision 5b (possession or use of scanning device or reencoder); 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check); or 609.529 (mail theft);
- (25) section 609.53 (receiving stolen goods);

- (26) section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over \$500);
- (27) section 609.54, clause (1) (embezzlement of public funds \$2,500 or less);
- (28) section 609.551 (rustling and livestock theft);
- (29) section 609.5641, subdivision 1a, paragraph (a) (wildfire arson);
- (30) section 609.576, subdivision 1, clause (3), item (iii) (negligent fires);
- (31) section 609.582, subdivision 3 (burglary in the third degree);
- (32) section 609.59 (possession of burglary or theft tools);
- (33) section 609.595, subdivision 1, clauses (3) to (5), and subdivision 1a, paragraph (a) (criminal damage to property);
- (34) section 609.597, subdivision 3, clause (3) (assaulting or harming police horse);
- (35) section 609.625 (aggravated forgery); 609.63 (forgery); 609.631, subdivision 4, clause (3)(a) (check forgery and offering forged check, \$2,500 or less); 609.635 (obtaining signature by false pretense); 609.64 (recording, filing forged instrument); or 609.645 (fraudulent statements);
- (36) section 609.65, clause (1) (false certification by notary); or 609.651, subdivision 4, paragraph (a) (lottery fraud);
- (37) section 609.652 (fraudulent driver's license and identification card);
- (38) section 609.66, subdivision 1a, paragraph (a) (discharge of firearm; silencer); or 609.66, subdivision 1b (furnishing firearm to minor);
- (39) section 609.662, subdivision 2, paragraph (b) (duty to render aid);
- (40) section 609.686, subdivision 2 (tampering with fire alarm);
- (41) section 609.746, subdivision 1, paragraph (g) (interference with privacy; subsequent violation or minor victim);
- (42) section 609.80, subdivision 2 (interference with cable communications system);
- (43) section 609.821, subdivision 2 (financial transaction card fraud);
- (44) section 609.822 (residential mortgage fraud);
- (45) section 609.825, subdivision 2 (bribery of participant or official in contest);
- (46) section 609.855, subdivision 2, paragraph (c), clause (1) (interference with transit operator);
- (47) section 609.88 (computer damage); or 609.89 (computer theft);
- (48) section 609.893, subdivision 2 (telecommunications and information services fraud);
- (49) section 609.894, subdivision 3 or 4 (cellular counterfeiting);

(50) section 609.895, subdivision 3, paragraph (a) or (b) (counterfeited intellectual property);

(51) section 609.896 (movie pirating);

(52) section 624.7132, subdivision 15, paragraph (b) (transfer pistol to minor); 624.714, subdivision 1a (pistol without permit; subsequent violation); or 624.7141, subdivision 2 (transfer of pistol to ineligible person); or

(53) section 624.7181 (rifle or shotgun in public by minor).

Sec. 10. **[627.16] CRIMINAL SEXUAL CONDUCT; MENTALLY INCAPACITATED; ASLEEP OR NOT CONSCIOUS.**

A criminal action arising out of an incident of alleged criminal sexual conduct may be prosecuted either in the county where any element of the alleged sexual penetration or sexual contact was committed or the county where the complainant is found when the complainant is:

(1) mentally incapacitated, as defined in section 609.341, subdivision 7; or

(2) physically helpless, as defined in section 609.341, subdivision 9, as the result of being asleep or not conscious.

Sec. 11. **REPEALER.**

Minnesota Statutes 2022, section 299C.105, subdivision 3, is repealed.

ARTICLE 3  
PUBLIC SAFETY POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 146A.08, subdivision 1, is amended to read:

Subdivision 1. **Prohibited conduct.** (a) The commissioner may impose disciplinary action as described in section 146A.09 against any unlicensed complementary and alternative health care practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(b) Conviction 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, reasonably related to engaging in complementary and alternative health care practices. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(c) Conviction of any crime against a person. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.215; 609.221; 609.222; 609.223; 609.224; 609.2242; 609.23; 609.231; 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.247; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1 or 1b; 609.50, subdivision 1, clause (1); 609.561; 609.562; 609.595; and 609.72, subdivision 3; and Minnesota Statutes 2012, section 609.21.

(d) Failure to comply with the self-reporting requirements of section 146A.03, subdivision 7.

(e) Engaging in sexual contact with a complementary and alternative health care client, engaging in contact that may be reasonably interpreted by a client as sexual, engaging in any verbal behavior that is seductive or sexually demeaning to the client, or engaging in sexual exploitation of a client or former client.

- (f) Advertising that is false, fraudulent, deceptive, or misleading.
- (g) Conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of a complementary and alternative health care client; or any other practice that may create danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.
- (h) Adjudication as mentally incompetent or as a person who is dangerous to self or adjudication pursuant to chapter 253B as chemically dependent, mentally ill, developmentally disabled, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.
- (i) Inability to engage in complementary and alternative health care practices with reasonable safety to complementary and alternative health care clients.
- (j) The habitual overindulgence in the use of or the dependence on intoxicating liquors.
- (k) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.
- (l) Revealing a communication from, or relating to, a complementary and alternative health care client except when otherwise required or permitted by law.
- (m) Failure to comply with a complementary and alternative health care client's request made under sections 144.291 to 144.298 or to furnish a complementary and alternative health care client record or report required by law.
- (n) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the complementary and alternative health care client.
- (o) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.
- (p) Failure to make reports as required by section 146A.03 or cooperate with an investigation of the office.
- (q) Obtaining money, property, or services from a complementary and alternative health care client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.
- (r) Failure to provide a complementary and alternative health care client with a copy of the client bill of rights or violation of any provision of the client bill of rights.
- (s) Violating any order issued by the commissioner.
- (t) Failure to comply with any provision of sections 146A.01 to 146A.11 and the rules adopted under those sections.
- (u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.
- (v) Revocation, suspension, restriction, limitation, or other disciplinary action against any health care license, certificate, registration, or right to practice of the unlicensed complementary and alternative health care practitioner in this or another state or jurisdiction for offenses that would be subject to disciplinary action in this state or failure to report to the office that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction.
- (w) Use of the title "doctor," "Dr.," or "physician" alone or in combination with any other words, letters, or insignia to describe the complementary and alternative health care practices the practitioner provides.



(x) Failure to provide a complementary and alternative health care client with a recommendation that the client see a health care provider who is licensed or registered by a health-related licensing board or the commissioner of health, if there is a reasonable likelihood that the client needs to be seen by a licensed or registered health care provider.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations that occur on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, 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~~ may order it an appropriate law enforcement agency to conduct an inquiry into the complaint's allegations. If directed to complete an investigation, 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. 3. **[219.995] RAILROAD PEACE OFFICERS.**

Subdivision 1. **Chief law enforcement officer.** A railroad that intends to employ railroad peace officers as defined in section 626.84, subdivision 1, paragraph (h), shall appoint a chief law enforcement officer to oversee and take responsibility for all railroad peace officers employed by the railroad. The chief law enforcement officer of a railroad company must be a Minnesota-licensed peace officer. Before appointing a railroad chief law enforcement officer, the railroad must submit a request for license for a license-eligible applicant, or a notice of appointment for an officer already licensed in Minnesota, to the Board of Peace Officer Standards and Training attesting that the appointee has met all education, training, and minimum selection standards in Minnesota Rules, chapter 6700. The appointee may not exercise peace officer powers until the request for license or notification form is received and approved by the board.

Subd. 2. **Railroad; employment of peace officers.** After appointing a railroad chief law enforcement officer, a railroad may employ railroad peace officers to aid and supplement law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees.

Subd. 3. **Responsibilities of railroad company.** A railroad company that employs railroad peace officers must cooperate with the Board of Peace Officer Standards and Training with respect to the board's authority to oversee peace officer licensing. Upon request by the board, a railroad company that employs railroad peace officers must share or produce any public, private, or confidential data that the board has the authority to request from other state and local law enforcement agencies. Failure by the railroad company to comply with the board's exercise of its regulatory and oversight authority may result in implementation of sanctions as described in subdivision 7.

Subd. 4. **Duties of railroad chief law enforcement officer.** A railroad chief law enforcement officer has the same duties and responsibilities as the chief law enforcement officer of any state or local law enforcement agency, including but not limited to appointing and supervising peace officers, ensuring ongoing continuing education of peace officers, maintaining agency and peace officer records, reporting misconduct and policy compliance, and any other duty or responsibility described in chapter 626 or Minnesota Rules, chapter 6700.

Subd. 5. **Authority; limitation.** (a) Except as otherwise provided by this section, a railroad peace officer has all powers and privileges of a licensed peace officer in this state in connection with the prevention, investigation, arrest, or prosecution of an offense occurring on railroad property and involving injury to passengers or employees of a railroad or involving an offense against property owned by or in the care, custody, or control of a railroad. A

railroad peace officer's law enforcement powers shall apply only on railroad property, except that an officer may exercise the authority given to peace officers under section 629.40, subdivisions 2 and 4. If a search warrant is obtained by a railroad peace officer, the officer shall notify the chief of police of an organized full-time police department of the municipality or, if there is no local chief of police, the sheriff or a deputy sheriff of the county in which service of the warrant is to be made, prior to execution.

(b) A railroad must not direct, require, or allow a railroad peace officer to enforce a railroad's rules, policies, or procedures that are unrelated to the commission of a criminal offense, or investigate any matter involving civil litigation by or against a railroad. A railroad company that employs railroad peace officers must adopt or update any applicable policy to be consistent with this paragraph and must provide a copy of the policy to the representatives of any labor organization that represents employees of the railroad, including but not limited to any labor organization subject to the Federal Railway Labor Act. Notwithstanding any law to the contrary, a railroad peace officer who makes a representation of being a peace officer and performs or attempts to perform any of those acts is subject to discipline as if the peace officer violated the standards of conduct set forth in Minnesota Rules, chapter 6700.

Subd. 6. **Licensing.** The Board of Peace Officer Standards and Training shall license railroad peace officers appointed by the railroad's chief law enforcement officer under subdivision 1 who meet the board's standards for peace officer licensure under chapter 626 and Minnesota Rules, chapter 6700. Except as otherwise provided in this section, railroad peace officers are subject to all of the provisions applicable to peace officers under chapter 626 and Minnesota Rules, chapter 6700.

Subd. 7. **Immediate suspension of authority.** At the sole discretion of the Board of Peace Officer Standards and Training, the board may immediately suspend or revoke the license of the chief law enforcement officer of a railroad company for any reason within the board's jurisdiction. If the board suspends or revokes the license of the chief law enforcement officer, the railroad's law enforcement agency shall be deemed disbanded and the licenses of all peace officers on the railroad agency roster will be placed in inactive status. The requirement to place a peace officer's license in inactive status does not apply to a railroad peace officer who also works as a licensed peace officer for a different law enforcement agency in Minnesota, but such an officer must no longer be designated a railroad peace officer. Except as noted in this section, the licenses of railroad peace officers are subject to the requirements, restrictions, and disciplinary procedures that apply to any other licensed peace officer.

Subd. 8. **Compensation; benefits; fees.** (a) A railroad peace officer shall be compensated by the railroad by which the officer is employed.

(b) A railroad peace officer is not entitled to receive any compensation, benefits, or other remuneration provided or required to be provided to other licensed peace officers by this state or any political subdivision or agency of this state.

(c) A railroad peace officer may attend any training course offered to peace officers of this state, provided that railroad peace officers pay reasonable tuition and costs.

Subd. 9. **Railroad liability.** A railroad company employing a railroad peace officer in this state is liable for all acts, errors, and omissions of a railroad peace officer occurring in the course and scope of the peace officer's employment by the railroad and shall indemnify its peace officers for civil damages, penalties, or fines claimed or levied against the officer according to section 181.970. Neither this state nor any political subdivision or agency of the state is liable for any act, error, or omission of a railroad peace officer.

Subd. 10. **Construction.** Nothing in this section shall be construed to limit or in any way restrict the rights, powers, or privileges granted to a peace officer in this state who is not a railroad peace officer.

Sec. 4. Minnesota Statutes 2022, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4;

609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2; 609.498, subdivision 1 or 1b; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

Sec. 5. Minnesota Statutes 2023 Supplement, 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 fingerprints and thumbprints, 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) Fingerprints and thumbprints 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~~ 609.79 (obscene or harassing telephone calls), 617.23 (indecent exposure), or 629.75 (domestic abuse no contact order).

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

Sec. 6. Minnesota Statutes 2022, section 326.338, subdivision 4, is amended to read:

Subd. 4. **Protective agent.** A person who for a fee, reward, or other valuable consideration undertakes any of the following acts is considered to be engaged in the business of protective agent:

(1) providing guards, private patrol, or other security personnel to protect persons or their property or to prevent the theft, unlawful taking of goods, merchandise, or money, or to prevent the misappropriation or concealment of goods, merchandise, money, or other valuable things, or to procure the return of those things;

(2) physically responding to any alarm signal device, burglar alarm, television camera, still camera, or a mechanical or electronic device installed or used to prevent or detect burglary, theft, shoplifting, pilferage, losses, or other security measures;

(3) providing armored car services for the protection of persons or property;

(4) controlling motor traffic on public streets, roads, and highways for the purpose of escorting a funeral procession and oversized loads; ~~or~~

(5) providing management and control of crowds for the purpose of safety and protection; ~~or~~

(6) providing guards or other security personnel to transport prisoners or any other person arrested on a warrant, except that this does not apply to the transport or escort of offenders by staff of the Department of Corrections; the transport of a person by the sheriff of a county to the appropriate adult or juvenile correctional facility as designated by the commissioner of corrections or to and from court in connection with postconviction, habeas corpus, or intrastate mandatory disposition of detainees proceedings; the transfer of a person by emergency medical services personnel; or the transfer of a person by a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

A person covered by this subdivision may perform the traffic-control duties in clause (4) in place of a police officer when a special permit is required, provided that the protective agent is first-aid qualified.

Sec. 7. Minnesota Statutes 2023 Supplement, section 326.3387, subdivision 1, is amended to read:

Subdivision 1. **Basis for action.** (a) The board may revoke or suspend or refuse to issue or reissue a private detective or protective agent license if:

(1) the license holder violates a provision of sections 326.32 to 326.339 or a rule adopted under those sections;

(2) the license holder has engaged in fraud, deceit, or misrepresentation while in the business of private detective or protective agent;

(3) the license holder has made a false statement in an application submitted to the board or in a document required to be submitted to the board;

- (4) the license holder violates an order of the board; or
- (5) the individual or entity previously operated without a license.

(b) The board must revoke or suspend or refuse to issue or reissue a protective agent license if the license holder provides guards or other security personnel to transport prisoners or any other person arrested on a warrant and the board determines that the license holder or any employee or agent of the license holder committed an act in any place that, if committed in Minnesota, would constitute criminal sexual conduct against a person being transported or committed an act in any place that involved the unreasonable use of force on a person being transported.

Sec. 8. Minnesota Statutes 2022, section 326.3388, is amended to read:

**326.3388 ADMINISTRATIVE PENALTIES.**

The board shall, by rule, establish a graduated schedule of administrative penalties for violations of sections 326.32 to 326.339 or the board's rules. The schedule must include minimum and maximum penalties for each violation and be based on and reflect the culpability, frequency, and severity of the violator's actions. The minimum penalty for an act described in section 326.3387, subdivision 1, paragraph (b), must be \$10,000 for each act. The board may impose a penalty from the schedule on a license holder for a violation of sections 326.32 to 326.339 or the rules of the board. The penalty is in addition to any criminal penalty imposed for the same violation. Administrative penalties imposed by the board must be paid to the general fund.

Sec. 9. Minnesota Statutes 2023 Supplement, section 609.1095, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 152.137; 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.247; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.322; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1 or 1b; 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision 1e; 609.687; and 609.855, subdivision 5; any provision of sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is punishable by a felony penalty; or any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or Minnesota Statutes 2012, section 609.21.

Sec. 10. Minnesota Statutes 2023 Supplement, section 609.522, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Pattern of retail theft" means acts committed or directed by the defendant on at least two separate occasions in the preceding six months that would constitute a violation of:

- (1) section 609.52, subdivision 2, paragraph (a), ~~clauses~~ clause (1), (3), ~~and~~ or (4), involving retail merchandise;
- (2) section 609.521;

(3) section 609.53, subdivision 1, involving retail merchandise;

(4) section 609.582 when the building was a retail establishment; or

(5) section 609.59.

(c) "Retail establishment" means the building where a retailer sells retail merchandise.

(d) "Retail merchandise" means all forms of tangible property, without limitation, held out for sale by a retailer.

(e) "Retail theft enterprise" means a group of two or more individuals with a shared goal involving the unauthorized removal of retail merchandise from a retailer. Retail theft enterprise does not require the membership of the enterprise to remain the same or that the same individuals participate in each offense committed by the enterprise.

(f) "Retailer" means a person or entity that sells retail merchandise.

(g) "Value" means the retail market value at the time of the theft or, if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft.

Sec. 11. Minnesota Statutes 2023 Supplement, section 609.522, subdivision 2, is amended to read:

Subd. 2. **Organized retail theft.** A person is guilty of organized retail theft if:

(1) the person is employed by or associated with a retail theft enterprise;

(2) the person has previously engaged in a pattern of retail theft and intentionally commits an act or directs another member of the retail theft enterprise to commit an act involving retail merchandise that would constitute a violation of:

(i) section 609.52, subdivision 2, paragraph (a), ~~clauses~~ clause (1), (3), ~~and~~ or (4); or

(ii) section 609.53, subdivision 1; and

(3) the person or another member of the retail theft enterprise:

(i) resells or intends to resell the stolen retail merchandise;

(ii) advertises or displays any item of the stolen retail merchandise for sale; or

(iii) returns any item of the stolen retail merchandise to a retailer for anything of value.

Sec. 12. **[609.84] SALE OF CALCIFIED HUMAN REMAINS.**

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

(b) "Human remains" means the calcified portion of a dead human body, not including isolated teeth; the cremated remains of a dead human body deposited in a container or discrete feature; or the hydrolyzed remains of a dead human body deposited in a container or discrete feature.

(c) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f).

(d) "Local organization for emergency management" has the meaning given in section 12.03, subdivision 6.

(e) "Search and rescue unit" means an organization, team, or individual authorized by the state or federal government, a Tribal government, or by a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679 whose mission is to locate lost, missing, or trapped persons, victims of natural or other disasters, and human bodies.

Subd. 2. **Sale of calcified human remains prohibited; donation and reimbursement.** (a) Except as provided in paragraph (b), a person is prohibited from selling calcified human remains or offering calcified human remains for sale.

(b) Paragraph (a) shall not be construed to limit the donation of human remains:

(1) to a licensed health care provider, an individual employed by or under contract with a licensed health care provider, a public or private postsecondary educational institution, or an individual employed by or under contract with a public or private postsecondary educational institution, for legitimate medical or scientific purposes or for educational purposes;

(2) to a company registered with the United States Food and Drug Administration or an individual, company, or entity employed by or under contract with a company registered with the United States Food and Drug Administration for legitimate medical or scientific purposes, including but not limited to the development, manufacturing, and research of medical products; or

(3) to a law enforcement agency, search and rescue unit, or local organization for emergency management to conduct search and rescue training or to train dogs to locate dead human bodies.

(c) Paragraph (a) does not apply to the sale or offer for sale of human remains that is incidental to the sale of real property, including undisturbed burial plots, cemeteries, crypts, or other burial features.

(d) Nothing in this section shall be construed to prohibit a person from recovering reasonable expenses for the processing, preservation, quality control, storage, transportation, or final disposition of human remains for the legitimate purposes as described in this section.

Subd. 3. **Penalty.** A person who violates this section is guilty of a felony.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 626.05, subdivision 2, is amended to read:

Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17, means a person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer, agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol and Gambling Enforcement, peace officer of the Commerce Fraud Bureau, University of Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of Corrections Fugitive Apprehension Unit member, ~~or~~ State Patrol trooper as authorized by section 299D.03, or railroad peace officer as authorized by section 219.995 and United States Code, title 49, section 28101.

Sec. 14. Minnesota Statutes 2022, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, ~~and~~ Department of Commerce Fraud Bureau Unit officers, ~~and~~ the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state; ~~and~~

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

Sec. 15. Minnesota Statutes 2022, section 626.8435, subdivision 1, is amended to read:

Subdivision 1. **Establishment and membership.** ~~The Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council is established under the Peace Officer Standards and Training Board. The council consists of the following 15 members:

(1) the superintendent of the Bureau of Criminal Apprehension, or a designee;



- (2) the executive director of the Peace Officer Standards and Training Board, or a designee;
- (3) the executive director of the Minnesota Police and Peace Officers Association, or a designee;
- (4) the executive director of the Minnesota Sheriffs' Association, or a designee;
- (5) the executive director of the Minnesota Chiefs of Police Association, or a designee;
- (6) six community members, of which:
  - (i) four members shall represent the community-specific boards established under sections 15.0145 and 3.922, reflecting one appointment made by each board;
  - (ii) one member shall be a mental health advocate and shall be appointed by the Minnesota chapter of the National Alliance on Mental Illness; and
  - (iii) one member shall be an advocate for victims and shall be appointed by Violence Free Minnesota; and
- (7) four members appointed by the legislature, of which one shall be appointed by the speaker of the house, one by the house minority leader, one by the senate majority leader, and one by the senate minority leader.

The appointing authorities shall make their appointments by September 15, 2020, and shall ensure geographical balance when making appointments.

Sec. 16. **[626.8437] TRAINING IN EXCITED DELIRIUM AND SIMILAR TERMS PROHIBITED.**

**Subdivision 1. Definition.** For the purposes of this chapter, "excited delirium" means a description of a person's state of agitation, excitability, paranoia, extreme aggression, physical violence, and apparent immunity to pain that is not listed in the most current version of the Diagnostic and Statistical Manual of Mental Disorders, or for which there is insufficient scientific evidence or diagnostic criteria to be recognized as a medical condition. Excited delirium includes excited delirium syndrome, hyperactive delirium, agitated delirium, exhaustive mania, and similar terms.

**Subd. 2. No continuing education credits or tuition reimbursement.** (a) The board may not certify a continuing education course that includes training on the detection or use of the term excited delirium.

(b) The board may not grant continuing education credit to a peace officer for a course that includes training on the detection or use of the term excited delirium.

(c) The board may not reimburse a law enforcement agency or a peace officer for a course that includes training on the detection or use of the term excited delirium.

**Subd. 3. Training prohibited.** A law enforcement agency may not provide, directly or through a third party, to a peace officer any course that includes training on the detection or use of excited delirium. This section does not prohibit peace officer training in responding to and the proper care of a person in crisis.

Sec. 17. Minnesota Statutes 2022, section 626.8457, subdivision 3, is amended to read:

**Subd. 3. Report on alleged misconduct; database; report.** (a) A chief law enforcement officer shall report annually to the board summary data regarding the investigation and disposition of cases involving alleged misconduct, indicating the total number of investigations, the total number by each subject matter, the number dismissed as unfounded, and the number dismissed on grounds that the allegation was unsubstantiated.

(b) Beginning July 1, 2021, a chief law enforcement officer, in real time, must submit individual peace officer data classified as public data on individuals, as defined by section 13.02, subdivision 15, or private data on individuals, as defined by section 13.02, subdivision 12, and submitted using encrypted data that the board determines is necessary to:

(1) evaluate the effectiveness of statutorily required training;

(2) assist the ~~Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council in accomplishing the council's duties; and

(3) allow for the board, the ~~Ensuring Police Excellence and Improving Community Relations~~ Public Safety Advisory Council, and the board's complaint investigation committee to identify patterns of behavior that suggest an officer is in crisis or is likely to violate a board-mandated model policy.

(c) The reporting obligation in paragraph (b) is ongoing. A chief law enforcement officer must update data within 30 days of final disposition of a complaint or investigation.

(d) Law enforcement agencies and political subdivisions are prohibited from entering into a confidentiality agreement that would prevent disclosure of the data identified in paragraph (b) to the board. Any such confidentiality agreement is void as to the requirements of this section.

(e) By February 1 of each year, the board shall prepare a report that contains summary data provided under paragraph (b). The board must post the report on its publicly accessible website and provide a copy to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy.

**Sec. 18. GRAND PORTAGE BAND OF LAKE SUPERIOR CHIPPEWA TRIBE; COAST GUARD SERVICES; GRANT PURPOSES EXPANSION.**

In addition to the uses specified in Laws 2023, chapter 52, article 2, section 3, subdivision 3, paragraph (d), the Grand Portage Band of Lake Superior Chippewa may use the grant awarded for equipment, personnel, patrolling, and other related costs of providing coast guard services off the north shore of Lake Superior.

**ARTICLE 4  
PREDATORY OFFENDERS**

Section 1. Minnesota Statutes 2022, section 243.166, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) As used in this section, unless the context clearly indicates otherwise, the following terms have the meanings given them.

(b) "Bureau" means the Bureau of Criminal Apprehension.

(c) "Conservator" has the meaning given in chapter 524.

~~(d)~~ (d) "Corrections agent" means a county or state probation agent or other corrections employee. The term also includes United States Probation and Pretrial Services System employees who work with a person subject to this section.

~~(e)~~ (e) "Dwelling" means the building where the person lives under a formal or informal agreement to do so. However, dwelling does not include a supervised publicly or privately operated shelter or facility designed to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5.

~~(f)~~ (f) "Guardian" has the meaning given in chapter 524.

~~(e)~~ (g) "Incarceration" and "confinement" do not include electronic home monitoring.

~~(f)~~ (h) "Law enforcement authority" or "authority" means the chief of police of a home rule charter or statutory city and the county sheriff of an unincorporated area in that county. An authority must be located in Minnesota.

~~(g)~~ (i) "Motor vehicle" has the meaning given in section 169.011, subdivision 92.

~~(j)~~ (j) "Power of attorney" has the meaning given in chapter 523.

~~(h)~~ (k) "Primary address" means the mailing address of the person's dwelling. If the mailing address is different from the actual location of the dwelling, primary address also includes the physical location of the dwelling described with as much specificity as possible.

~~(i)~~ (l) "School" includes any public or private educational institution, including any secondary school, trade, or professional institution, or institution of higher education, that the person is enrolled in on a full-time or part-time basis.

~~(j)~~ (m) "Secondary address" means the mailing address of any place where the person regularly or occasionally stays overnight when not staying at the person's primary address. If the mailing address is different from the actual location of the place, secondary address also includes the physical location of the place described with as much specificity as possible. However, the location of a supervised publicly or privately operated shelter or facility designated to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5, does not constitute a secondary address.

~~(k)~~ (n) "Treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential substance use disorder treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States.

~~(l)~~ (o) "Work" includes employment that is full time or part time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.

Sec. 2. Minnesota Statutes 2023 Supplement, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3, paragraph (b); or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (h);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of Minnesota Statutes 2020, section 609.2325, subdivision 1, paragraph (b);

~~(ii) false imprisonment in violation of section 609.255, subdivision 2;~~

~~(iii)~~ (ii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

~~(iv)~~ (iii) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

~~(v)~~ (iv) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

~~(vi)~~ (v) using a minor in a sexual performance in violation of section 617.246; or

~~(vii)~~ (vi) possessing or disseminating a pornographic work involving a minor in violation of section 617.247;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to an offense or involving similar circumstances to an offense described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state similar to an offense or involving similar circumstances to an offense described in paragraph (a), clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to:

(1) convictions and delinquency adjudications for a violation of Minnesota Statutes, section 609.255, subdivision 2, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that are not yet final on that date; and

(2) convictions and delinquency adjudications for disseminating a pornographic work involving a minor in violation of Minnesota Statutes, section 617.247, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that occurred before that date if the court told the person of the duty to register.

Sec. 3. Minnesota Statutes 2022, section 243.166, subdivision 3, is amended to read:

Subd. 3. **Registration procedure.** (a) Except as provided in subdivision 3a, a person required to register under this section shall register with the corrections agent as soon as the agent is assigned to the person. If the person does not have an assigned corrections agent or is unable to locate the assigned corrections agent, the person shall register with the law enforcement authority that has jurisdiction in the area of the person's primary address.

(b) Except as provided in subdivision 3a, at least five days before the person starts living at a new primary address, including living in another state, the person shall give written notice of the new primary address to the assigned corrections agent or to the law enforcement authority with which the person currently is registered. If the person will be living in a new state and that state has a registration requirement, the person shall also give written notice of the new address to the designated registration agency in the new state. A person required to register under this section shall also give written notice to the assigned corrections agent or to the law enforcement authority that has jurisdiction in the area of the person's primary address that the person is no longer living or staying at an address, immediately after the person is no longer living or staying at that address. The written notice required by this paragraph must be provided in person. The corrections agent or law enforcement authority shall, within two business days after receipt of this information, forward it to the bureau. The bureau shall, if it has not already been done, notify the law enforcement authority having primary jurisdiction in the community where the person will live of the new address. If the person is leaving the state, the bureau shall notify the registration authority in the new state of the new address. The person's registration requirements under this section are suspended after the person begins living in the new state and the bureau has confirmed the address in the other state through the annual verification process on at least one occasion. The bureau may also attempt to confirm the person's address in the other state by the following methods:

(1) receipt of a verification letter from the law enforcement authority having primary jurisdiction in the community where the person is now living, acknowledging the person's address;

(2) receipt of a written communication or verification letter from a criminal justice agency confirming the person's location;

(3) confirmation of the individual's compliance with registration requirements or incarceration status in the new state via an online registry or website, if applicable; or

(4) confirmation of the individual's motor vehicle records under United States Code, title 18, section 2721, in the new state via the new state's documentation.

The bureau is the sole determinant as to whether the information provided by any of the methods in clauses (1) to (3) is sufficient for verification purposes and may use more than one of these methods to satisfy the verification requirement. For purposes of this subdivision, "criminal justice agency" means an agency of a state, a political subdivision, a federally recognized Tribe, a United States territory, or the federal government charged with detection, enforcement, prosecution, adjudication, or incarceration with respect to federal or state criminal laws. The person's registration requirements under this section are reactivated if the person resumes living in Minnesota and the registration time period described in subdivision 6 has not expired.

(c) A person required to register under subdivision 1b, paragraph (b), because the person is working or attending school in Minnesota shall register with the law enforcement authority that has jurisdiction in the area where the person works or attends school. In addition to other information required by this section, the person shall provide the address of the school or of the location where the person is employed. A person shall comply with this paragraph within five days of beginning employment or school. A person's obligation to register under this paragraph terminates when the person is no longer working or attending school in Minnesota.

(d) A person required to register under this section who works or attends school outside of Minnesota shall register as a predatory offender in the state where the person works or attends school. The person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority that has jurisdiction in the area of the person's primary address shall notify the person of this requirement.

Sec. 4. Minnesota Statutes 2022, section 243.166, is amended by adding a subdivision to read:

Subd. 4d. **Guardians, conservators, and power of attorney.** Guardians and conservators of persons required to register shall have the authority to complete all verification and registration paperwork under this section and section 243.167 on the person's behalf. A validly executed power of attorney under chapter 523 grants the attorney in fact the authority to complete all verification and registration paperwork under this section and section 243.167 on behalf of a person required to register.

Sec. 5. Minnesota Statutes 2022, section 243.166, subdivision 6, is amended to read:

Subd. 6. **Registration period.** (a) Notwithstanding the provisions of section 609.165, subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18, Minnesota Statutes 2012, section 253B.185, or chapter 253D, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to provide the person's primary address as required by subdivision 3, paragraph (b), fails to comply with the requirements of subdivision 3a, fails to provide information as required by subdivision 4a, or fails to return the verification form referenced in subdivision 4 within ten days, the commissioner of public safety shall require the person to continue to register for an additional period of five years. This five-year period is added to the end of the offender's registration period.

(c) If a person required to register under this section is incarcerated due to a conviction for a new offense that requires registration under this section or section 243.167 or following a revocation of probation, supervised release, or conditional release for ~~any an~~ an offense that requires registration under this section or section 243.167, the person shall continue to register until ten years have elapsed since the person was last released from incarceration or until the person's probation, supervised release, or conditional release period expires, whichever occurs later.

(d) A person shall continue to comply with this section for the life of that person:

(1) if the person is convicted of or adjudicated delinquent for any offense for which registration is required under subdivision 1b, or any offense from another state or any federal offense similar to the offenses described in subdivision 1b, and the person has a prior conviction or adjudication for an offense for which registration was or would have been required under subdivision 1b, or an offense from another state or a federal offense similar to an offense described in subdivision 1b;

(2) if the person is required to register based upon a conviction or delinquency adjudication for an offense under section 609.185, paragraph (a), clause (2), or a similar statute from another state or the United States;

(3) if the person is required to register based upon a conviction for an offense under section 609.342, subdivision 1, clause (a) to (c) or (e), or subdivision 1a, clause (a) to (e) or (h); 609.343, subdivision 1, clause (a) to (c) or (e), or subdivision 1a, clause (a) to (e) or (h); 609.344, subdivision 1, clause (a) or (c), or subdivision 1a, clause (a), (c), (g), or (h); or 609.345, subdivision 1, clause (a) or (c), or subdivision 1a, clause (a), (c), (g), or (h); or a statute from another state or the United States similar to the offenses described in this clause; or

(4) if the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States.

(e) A person described in subdivision 1b, paragraph (b), who is required to register under the laws of a state in which the person has been previously convicted or adjudicated delinquent, shall register under this section for the time period required by the state of conviction or adjudication unless a longer time period is required elsewhere in this section.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to convictions and revocations of probation, supervised release, or conditional release that occur on or after that date and to convictions that are not yet final on that date.

Sec. 6. Minnesota Statutes 2022, section 244.052, subdivision 4, is amended to read:

**Subd. 4. Law enforcement agency; disclosure of information to public.** (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services. The agency may disclose the information to property assessors, property inspectors, code enforcement officials, and child protection officials who are likely to visit the offender's home in the course of their duties;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the Department of Corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166. This requirement on a law enforcement agency to continue to disclose information also applies to an offender who lacks a primary address and is registering under section 243.166, subdivision 3a.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

(i) An offender who is the subject of a community notification meeting held pursuant to this section may not attend the meeting.



(j) When a school, day care facility, or other entity or program that primarily educates or serves children receives notice under paragraph (b), clause (3), that a level III predatory offender resides or works in the surrounding community, notice to parents must be made as provided in this paragraph. If the predatory offender identified in the notice is participating in programs offered by the facility that require or allow the person to interact with children other than the person's children, the principal or head of the entity must notify parents with children at the facility of the contents of the notice received pursuant to this section. The immunity provisions of subdivision 7 apply to persons disclosing information under this paragraph.

(k) When an offender for whom notification was made under this subdivision no longer resides, is employed, or is regularly found in the area, and the law enforcement agency that made the notification is aware of this, the agency shall inform the entities and individuals initially notified of the change in the offender's status. If notification was made under paragraph (b), clause (3), the agency shall provide the updated information required under this paragraph in a manner designed to ensure a similar scope of dissemination. However, the agency is not required to hold a public meeting to do so.

Sec. 7. Minnesota Statutes 2022, section 244.052, subdivision 4a, is amended to read:

Subd. 4a. **Level III offenders; location of residence.** (a) When an offender assigned to risk level III is released from confinement or a residential facility to reside in the community or changes residence while on supervised or conditional release, the agency responsible for the offender's supervision shall:

(1) take into consideration the proximity of the offender's residence to that of other level III offenders and if the proximity presents a risk of reoffending;

(2) take into consideration the proximity to of the offender's residence to the following locations if the locations present a risk of reoffending:

(i) schools;

(ii) child care facilities or family or group family day care programs;

(iii) licensed residences for vulnerable adults;

(iv) attractions within public parks that are regularly used by minors, including but not limited to playgrounds or athletic fields; and

(v) community centers and recreation centers that are regularly used in youth athletic activities or offer regularly scheduled indoor playtimes or access to gymnasiums and other facilities that are restricted to minors; and,

(3) to the greatest extent feasible, shall mitigate the concentration of level III offenders and concentration of level III offenders near schools the locations listed in clause (2) when the concentration presents a risk of reoffending.

(b) If the owner or property manager of a hotel, motel, lodging establishment, or apartment building has an agreement with an agency that arranges or provides shelter for victims of domestic abuse, the owner or property manager may not knowingly rent rooms to both level III offenders and victims of domestic abuse at the same time. If the owner or property manager has an agreement with an agency to provide housing to domestic abuse victims and discovers or is informed that a tenant is a level III offender after signing a lease or otherwise renting to the offender, the owner or property manager may evict the offender.

Sec. 8. Minnesota Statutes 2022, section 260B.198, subdivision 7, is amended to read:

Subd. 7. **Continuance.** (a) When it is in the best interests of the child to do so and not inimical to public safety and when the child has admitted the allegations contained in the petition before the judge or referee, or when a hearing has been held as provided for in section 260B.163 and the allegations contained in the petition have been

duly proven but, in either case, before a finding of delinquency has been entered, the court may continue the case for a period not to exceed 180 days on any one order. Except as otherwise provided in paragraph (c), the continuance may be extended for one additional successive period not to exceed 180 days, but only with the consent of the prosecutor and only after the court has reviewed the case and entered its order for the additional continuance without a finding of delinquency. During a continuance the court may enter an order in accordance with the provisions of subdivision 1, except clause (4), or enter an order to hold the child in detention for a period not to exceed 15 days on any one order for the purpose of completing any consideration, or any investigation or examination ordered in accordance with the provisions of section 260B.157.

(b) A prosecutor may appeal a continuance ordered in contravention of this subdivision. This subdivision does not extend the court's jurisdiction under section 260B.193 and does not apply to an extended jurisdiction juvenile proceeding.

(c) A continuance granted under paragraph (a) for a 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 that would require the child to register as a predatory offender under section 243.166 may be extended for additional successive periods not to exceed a total of 24 months so the offender can receive sex offender treatment, but only with the consent of the prosecutor and only after the court has reviewed the case and entered its order for the additional continuance without a finding of delinquency.

## ARTICLE 5 CORRECTIONS POLICY

Section 1. Minnesota Statutes 2022, section 13.84, subdivision 6, is amended to read:

Subd. 6. **Public benefit data.** (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to:

- (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and
- (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution.

(b) A parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency may release to a law enforcement agency the following data on defendants, parolees, or probationers: current address, dates of entrance to and departure from agency programs, and dates and times of any absences, both authorized and unauthorized, from a correctional program.

(c) The responsible authority or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility as a result of a delinquent act.

~~(d) Upon the victim's written or electronic request and, if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), The commissioner of corrections or the commissioner's designee may disclose to the victim of an offender convicted of a qualified domestic violence related offense as defined in section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon or after release from a Department of Corrections facility, unless:~~

- ~~(1) the offender is not under correctional supervision at the time of the victim's request;~~
- ~~(2) the commissioner or the commissioner's designee does not have the city or zip code; or~~

~~(3) the commissioner or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.~~

~~(e) Paragraph (d) applies only where the offender is serving a prison term for a qualified domestic violence related offense committed against the victim seeking notification.~~

Sec. 2. Minnesota Statutes 2023 Supplement, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under chapter 401, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 3. Minnesota Statutes 2022, section 241.021, subdivision 1h, is amended to read:

Subd. 1h. **State correctional facilities security audit group.** (a) Beginning in fiscal year 2022, the commissioner shall form a state correctional facilities security audit group. The group must consist of the following members:

(1) a Department of Corrections employee who is not assigned to the correctional institutions division, appointed by the commissioner;

(2) the ombudsperson for corrections or a designee;

(3) an elected sheriff or designee nominated by the Minnesota Sheriffs' Association and appointed by the commissioner;

~~(4) a physical plant safety consultant, appointed by the governor;~~

~~(5) a private security consultant with expertise in correctional facility security, appointed by the governor;~~

(4) an individual with expertise in security related to infrastructure and operational logistics of correctional facilities who is not required to reside in Minnesota, appointed by the governor;

(5) the commissioner of health or a designee;

(6) the commissioner of administration or a designee;

~~(6)~~ (7) two senators, one appointed by the senate majority leader and one appointed by the minority leader; and

~~(7)~~ (8) two representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

(b) ~~By January 1, 2022, The ombudsperson or a designee shall chair the group.~~ The group shall establish security audit standards for state correctional facilities. In developing the standards, the group, or individual members of the group, may gather information from state correctional facilities and state correctional staff and inmates. The security audit group must periodically review the standards and modify them as needed. The group must report the standards to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance ~~by February 15, 2022 whenever the standards are updated.~~

(c) The group shall meet twice a year to review facility audit reports submitted to the group by the agency's inspection unit. Notwithstanding any law to the contrary, the group is entitled to review the full audit reports including nonpublic security information and corrections and detention confidential data. Within 60 days of ~~receiving an meeting to review~~ audit report reports from the department's inspection unit, the group must make recommendations to the commissioner. Within 45 days of receiving the group's recommendations, the commissioner must reply in writing to the group's findings and recommendations. The commissioner's response must explain whether the agency will implement the group's recommendations, the timeline for implementation of the changes, and, if not, why the commissioner will not or cannot implement the group's recommendations.

(d) Beginning in 2023, the commissioner must include a written aggregate of the group's recommendations based on each security audit and assessment of a state correctional facility and the commissioner's responses to the recommendations in the biennial report required under section 241.016, subdivision 1. The commissioner shall not include corrections and detention confidential data, as defined in section 13.85, subdivision 3, and nonpublic security information, as defined in section 13.37, subdivision 1, in the commissioner's report to the legislature.

(e) The commissioner shall provide staffing and administrative support to the group.

(f) The state correctional facilities security audit group is not subject to chapter 13D.

(g) Except as otherwise provided in this paragraph, the terms, compensation, and removal of members of the group are governed by section 15.059. Members of the group serve without compensation but shall receive expense reimbursement. Notwithstanding section 15.059, subdivision 6, the group does not expire.

Sec. 4. Minnesota Statutes 2022, section 241.021, subdivision 4b, is amended to read:

Subd. 4b. **Health care peer review committee.** The commissioner of corrections shall establish a health care peer review committee. Sections 145.61 to 145.67 apply to the committee. The committee shall gather, review, and evaluate information relating to the on-site and off-site quality of care and treatment of offenders. The committee shall consist of:

~~(1) the director of health services;~~

~~(2) (1) the department medical director;~~

~~(3) (2) the regional medical director of the contracted health care vendor;~~

~~(4) (3) the department director of nursing or a designee;~~

~~(5) (4) a physician from the contracting hospital provider; and~~

~~(6) (5) another physician who provides health care to offenders on site at a correctional facility;~~

(6) one or more licensed physicians or nurse practitioners from the community, in person or by telephone, with expertise in the most appropriate clinical area;

(7) the director of psychiatry of the contracted vendor;

(8) the pharmacist liaison of the contracted vendor's pharmacy vendor;

(9) the clinical pharmacist of the contracted vendor;

(10) in cases of suicide or unanticipated death, a representative from the Office of Special Investigations; and

(11) other ad hoc members as indicated at the discretion of the Department of Corrections medical director or chief medical officer.

Sec. 5. Minnesota Statutes 2022, section 241.75, subdivision 2, is amended to read:

Subd. 2. **Health care decisions.** The medical director of the Department of Corrections, or the medical director's designee, who must be a physician licensed under chapter 147, may make a health care decision for an inmate incarcerated in a state correctional facility or placed in an outside facility on conditional medical release if the inmate's attending physician determines that the inmate lacks decision-making capacity and:

(1) there is not a documented health care agent designated by the inmate or the health care agent is not reasonably available to make the health care decision;

- (2) if there is a documented health care directive, the decision is consistent with that directive;
- (3) the decision is consistent with reasonable medical practice and other applicable law; and
- (4) the medical director has made a good faith attempt to consult with the inmate's next of kin or emergency contact person in making the decision, to the extent those persons are reasonably available.

Sec. 6. Minnesota Statutes 2022, section 243.52, subdivision 2, is amended to read:

Subd. 2. **Use of force.** (a) Use of force must not be applied maliciously or sadistically for the purpose of causing harm to a confined or incarcerated person.

(b) Unless the use of deadly force is justified in this section, a correctional officer working in an adult correctional facility either under the control of the commissioner of corrections or licensed by the commissioner under section 241.021 may not use any of the following restraints:

- (1) a choke hold;
- (2) a prone restraint;
- (3) tying all of a person's limbs together behind the person's back to render the person immobile; or
- (4) securing a person in any way that results in transporting the person face down in a vehicle, except as directed by a medical professional.

(c) For the purposes of this subdivision, the following terms have the meanings given them:

(1) "choke hold" means a method by which a person applies sufficient pressure to a person to make breathing difficult or impossible, and includes but is not limited to any pressure to the neck, throat, or windpipe that may prevent or hinder breathing or reduce intake of air. Choke hold also means applying pressure to a person's neck on either side of the windpipe, but not to the windpipe itself, to stop the flow of blood to the brain via the carotid arteries;

(2) "prone restraint" means the use of manual restraint that places a person in a face-down position; and

(3) "deadly force" has the meaning given in section 609.066, subdivision 1.

(d) Use of deadly force is justified only if an objectively reasonable correctional officer would believe, based on the totality of the circumstances known to the officer at the time and without the benefit of hindsight, that deadly force is necessary:

- (1) to protect the correctional officer or another from death or great bodily harm, provided that the threat:
  - (i) can be articulated with specificity ~~by the correctional officer~~;
  - (ii) is reasonably likely to occur absent action by the correctional officer; and
  - (iii) must be addressed through the use of deadly force without unreasonable delay; or
- (2) to effect the capture or prevent the escape of a person when the officer reasonably believes that the person will cause death or great bodily harm to another person under the threat criteria in clause (1), unless immediately apprehended.

Sec. 7. Minnesota Statutes 2023 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life and indeterminate sentences.** (a) The board may, under rules adopted by the commissioner, grant supervised release or parole as follows:

(1) to an inmate serving a mandatory life sentence after the inmate has served the minimum term of imprisonment specified in subdivision 4 or section 243.05, subdivision 1, paragraph (a);

(2) at any time for an inmate serving a nonlife indeterminate sentence for a crime committed on or before April 30, 1980; or

(3) to an inmate eligible for early supervised release under subdivision 4a after the inmate has served the minimum term of imprisonment.

(b) For cases involving multiple sentences, the board must grant or deny supervised release as follows:

(1) if an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all unexpired sentences; and

(2) notwithstanding any other law to the contrary, if an inmate who was under the age of 18 at the time of the commission of the relevant offenses and has served the minimum term of imprisonment specified in subdivision 4b is serving multiple sentences that are consecutive to one another, the board may grant or deny supervised release on one or more sentences.

(c) No less than three years before an inmate has served the applicable minimum term of imprisonment, the board must assess the inmate's status and make programming recommendations relevant to the inmate's release review. The commissioner must ensure that any board programming recommendations are followed and implemented.

(d) The board must conduct a supervised release review hearing as soon as practicable before an inmate has served the applicable minimum term of imprisonment.

(e) The board shall require the preparation of a community investigation report. The report shall:

(1) 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;

(2) 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; and

(3) include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(f) The board shall require the preparation of a development report when making a supervised release decision regarding an inmate who was under 18 years of age at the time of the commission of the offense. The report must be prepared by a mental health professional qualified to provide services to a client under section 245I.04, subdivision 2, clause (1) to (4) or (6), and must address the inmate's cognitive, emotional, and social maturity. The board may use a previous report that was prepared within 12 months immediately preceding the hearing.



(g) The board shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's release review hearing. The victim has a right to submit an oral or written statement at the review hearing. Notwithstanding chapter 13D, the board may meet in closed session to receive and review a victim's statement, at the request of the victim. 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.

(h) The board shall permit a prosecutor from the office that prosecuted the case to submit a written statement in advance of the review hearing.

(i) When considering whether to grant supervised release or parole to an inmate serving a life sentence or indeterminate sentence, the board shall consider, at a minimum, the following:

- (1) the report prepared pursuant to paragraph (e);
- (2) the report prepared pursuant to paragraph (f), if applicable;
- (3) a victim statement under paragraph (g), if submitted;
- (4) the statement of a prosecutor under paragraph (h), if submitted;
- (5) the risk the inmate poses to the community if released;
- (6) the inmate's progress in treatment, if applicable;
- (7) the inmate's behavior while incarcerated;
- (8) psychological or other diagnostic evaluations of the inmate;
- (9) information on the inmate's rehabilitation while incarcerated;
- (10) the inmate's criminal history;

(11) if the inmate was under 18 years of age at the time of the commission of the offense, relevant science on the neurological development of juveniles and information on the inmate's maturity and development while incarcerated; and

(12) any other relevant conduct of the inmate while incarcerated or before incarceration.

(j) The board may not grant supervised release or parole to an inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment, if applicable;

(ii) the inmate has been assessed for substance use disorder needs and, if appropriate, has successfully completed substance use disorder 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:

(i) ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment; and

(ii) includes a postprison employment or education plan for the inmate.

(k) Supervised release or parole must be granted with a majority vote of the quorum required under section 244.049, subdivision 3. If there is a tie vote, supervised release or parole is granted only if the commissioner votes in favor of granting supervised release or parole.

(l) Within 30 days after a supervised release review hearing, the board must issue a decision on granting release, including an explanation for the decision. If an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all sentences.

(m) If the board does not grant supervised release, the explanation of that decision must identify specific steps that the inmate can take to increase the likelihood that release will be granted at a future hearing.

(n) When granting supervised release under this subdivision, the board must set prerelease conditions to be followed by the inmate, if time permits, before their actual release or before constructive parole becomes effective. If the inmate violates any of the prerelease conditions, the commissioner may rescind the grant of supervised release without a hearing at any time before the inmate's release or before constructive parole becomes effective. A grant of constructive parole becomes effective once the inmate begins serving the consecutive sentence.

(o) If the commissioner rescinds a grant of supervised release or parole, the board:

(1) must set a release review date that occurs within 90 days of the commissioner's rescission; and

(2) by majority vote, may set a new supervised release date or set another review date.

(p) If the commissioner revokes supervised release or parole for an inmate serving a life sentence, the revocation is not subject to the limitations under section 244.30 and the board:

(1) must set a release review date that occurs within one year of the commissioner's final revocation decision; and

(2) by majority vote, may set a new supervised release date or set another review date.

(q) The board may, by a majority vote, grant a person on supervised release or parole for a life or indeterminate sentence a final discharge from their sentence in accordance with section 243.05, subdivision 3. In no case, however, may a person subject to a mandatory lifetime conditional release term under section 609.3455, subdivision 7, be discharged from that term.

(r) For purposes of this subdivision:

(1) "board" means the ~~Indeterminate Sentence~~ Supervised Release Board under section 244.049;

(2) "constructive parole" means the status of an inmate who has been paroled from an indeterminate sentence to begin serving a consecutive sentence in prison; and

(3) "victim" has the meaning given in section 611A.01, paragraph (b).

Sec. 8. Minnesota Statutes 2023 Supplement, section 244.17, subdivision 3, is amended to read:

Subd. 3. **Offenders not eligible.** (a) The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, carjacking, arson, or any other offense involving death or intentional personal injury;

(2) offenders who were convicted within the preceding ten years of an offense described in clause (1) and were committed to the custody of the commissioner;

(3) offenders who have been convicted or adjudicated delinquent within the past five years for a violation of section 609.485;

(4) offenders who are committed to the commissioner's custody for an offense that requires registration under section 243.166;

(5) offenders who are the subject of a current arrest warrant or detainer;

(6) offenders who have fewer than 180 days remaining until their supervised release date;

(7) offenders who have had disciplinary confinement time added to their sentence or who have been placed in segregation, unless 90 days have elapsed from the imposition of the additional disciplinary confinement time or the last day of segregation;

(8) offenders who have received a suspended formal disciplinary sanction, unless the suspension has expired; and

(9) offenders whose governing sentence is for an offense from another state or the United States; ~~and.~~

~~(10) offenders who have a medical condition included on the list of ineligible conditions described in paragraph (b).~~

~~(b) The commissioner of corrections shall develop a list of medical conditions that will disqualify an offender from participating in the challenge incarceration program. The commissioner shall submit the list and any changes to it to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy and funding.~~

Sec. 9. Minnesota Statutes 2023 Supplement, section 244.21, subdivision 2, is amended to read:

Subd. 2. **Commissioner of corrections; report.** By ~~January 15~~ May 1 each year, the commissioner must report to the chairs of the legislative committees with jurisdiction over public safety policy and finance on ~~recommended methods of coordinating the exchange of~~ information collected on individuals on probation under subdivision 1:

~~(1) between probation service providers; and~~

~~(2) between probation service providers and the Department of Corrections.~~

Sec. 10. Minnesota Statutes 2023 Supplement, section 401.01, subdivision 2, is amended to read:

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

(b) "CCA jurisdiction" means a county or Tribal Nation that participates in the Community Corrections Act, the subsidy program under this chapter.

(c) "Commissioner" means the commissioner of corrections or a designee.

(d) "Conditional release" means:

(1) parole, supervised release, or 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;

- (2) work release as authorized by sections 241.26, 244.065, and 631.425; and
- (3) probation, furlough, and any other authorized temporary release from a correctional facility.
- (e) "Detain" means to take into actual custody, including custody within a local correctional facility.
- (f) "Joint board" means the board under section 471.59.

(g) "Local advisory board" means:

(1) for a CCA jurisdiction, a corrections advisory board as defined in section 401.08;

(2) for a non-CCA jurisdiction other than a Tribal Nation, a human services advisory board as defined in section 402.02, or advisory committee or task force as defined in section 402.03; or

(3) for a Tribal Nation that is a non-CCA jurisdiction, a board with membership as determined by the Tribal Nation.

~~(g)~~ (h) "Non-CCA jurisdiction" means a county or Tribal Nation that is not participating in the Community Corrections Act subsidy program and provides or receives probation services according to section 244.19.

~~(h)~~ (i) "Probation officer" means a county or Tribal probation officer under a CCA or non-CCA jurisdiction appointed with the powers under section 244.19.

~~(i)~~ (j) "Release" means to release from actual custody.

~~(j)~~ (k) "Tribal Nation" means a federally recognized Tribal Nation within the boundaries of the state of Minnesota.

Sec. 11. Minnesota Statutes 2023 Supplement, section 609.133, subdivision 4, is amended to read:

Subd. 4. **Petition; contents; fee.** (a) A prosecutor's petition for sentence adjustment shall be filed in the district court where the individual was convicted and include the following:

(1) the full name of the individual on whose behalf the petition is being brought and, to the extent possible, all other legal names or aliases by which the individual has been known at any time;

(2) the individual's date of birth;

(3) the individual's address;

(4) a brief statement of the reason the prosecutor is seeking a sentence adjustment for the individual;

(5) the details of the offense for which an adjustment is sought, including:

(i) the date and jurisdiction of the occurrence;

(ii) either the names of any victims or that there were no identifiable victims;

(iii) whether there is a current order for protection, restraining order, or other no contact order prohibiting the individual from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the individual from contacting the victims;

(iv) the court file number; and

(v) the date of conviction;

(6) what steps the individual has taken since the time of the offense toward personal rehabilitation, including treatment, work, good conduct within correctional facilities, or other personal history that demonstrates rehabilitation;

(7) the individual's criminal conviction record indicating all convictions for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions in any other state, federal court, or foreign country, whether the convictions occurred before or after the conviction for which an adjustment is sought;

(8) the individual's criminal charges record indicating all prior and pending criminal charges against the individual in this state or another jurisdiction, including all criminal charges that have been continued for dismissal, stayed for adjudication, or were the subject of pretrial diversion; and

(9) to the extent known, all prior requests by the individual, whether for the present offense or for any other offenses in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) The filing fee for a petition brought under this section shall be waived.

(c) Notwithstanding chapter 13 or any other statute related to the classification of government data, a supervising agent or the commissioner of corrections may provide private or confidential data to a prosecutor for purposes of a petition for sentence adjustment.

Sec. 12. Minnesota Statutes 2022, section 611A.06, subdivision 3a, is amended to read:

Subd. 3a. **Offender location.** ~~(a) Upon the victim's written or electronic request and if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), the commissioner of corrections or the commissioner's designee shall~~ may disclose to the victim of an offender convicted of a qualified domestic violence related offense as defined in section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon release from a Department of Corrections facility, unless:

~~(1) the offender is not under correctional supervision at the time of the victim's request;~~

~~(2) the commissioner or the commissioner's designee does not have the city or zip code; or~~

~~(3) the commissioner or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.~~

~~(b) All identifying information regarding the victim including, but not limited to, the notification provided by the commissioner or the commissioner's designee is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.~~

~~(c) This subdivision applies only where the offender is serving a prison term for a qualified domestic violence related offense committed against the victim seeking notification.~~

Sec. 13. Minnesota Statutes 2023 Supplement, section 629.292, subdivision 2, is amended to read:

Subd. 2. **Procedure on receipt of request.** The request shall be delivered to the commissioner of corrections or other official designated by the commissioner having custody of the prisoner, who shall forthwith:

(1) certify the term of commitment under which the prisoner is being held, the time already served on the sentence, the time remaining to be served, the good time earned, the time of parole eligibility of the prisoner, and any decisions of the commissioner of corrections relating to the prisoner; and

(2) send by registered or certified mail, return receipt requested, one copy of the request and certificate to the court and one copy to the prosecuting attorney to whom it is addressed; ~~and, or~~

(3) send by e-filing and e-serving the paperwork, one copy of the request to the court and one copy to the prosecuting attorney to whom it is addressed."

Delete the title and insert:

"A bill for an act relating to public safety; making policy and technical changes to certain provisions, including crime victim policy, criminal justice reform, public safety policy, predatory offenders, and corrections policy; establishing crimes; providing penalties; classifying data; requiring reports; amending Minnesota Statutes 2022, sections 13.84, subdivision 6; 241.021, subdivisions 1h, 4b; 241.75, subdivision 2; 243.05, subdivision 1b; 243.166, subdivisions 1a, 3, 6, by adding a subdivision; 243.167, subdivision 1; 243.52, subdivision 2; 244.052, subdivisions 3, 4, 4a; 253B.18, subdivision 5a; 253D.14, subdivision 1; 260B.198, subdivision 7; 326.338, subdivision 4; 326.3388; 518B.01, subdivisions 2, 3a, 3b, 4, 5, 6a, 7, 8, 8a, 9, 9a, 11, by adding a subdivision; 590.01, subdivision 4; 590.03; 595.02, subdivision 1; 604A.05, subdivision 1; 609.748, subdivisions 3a, 5, 5b, by adding a subdivision; 611A.06, subdivision 3a, by adding a subdivision; 611A.212, subdivision 1; 611A.73, subdivision 4; 626.05, subdivision 2; 626.84, subdivision 1; 626.8435, subdivision 1; 626.8457, subdivision 3; 629.72, subdivisions 1, 7; 629.725; 629.73, subdivision 1, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 146A.08, subdivision 1; 214.10, subdivision 10; 241.021, subdivision 1; 243.166, subdivision 1b; 244.05, subdivision 5; 244.17, subdivision 3; 244.21, subdivision 2; 299C.10, subdivision 1; 299C.105, subdivision 1; 326.3387, subdivision 1; 401.01, subdivision 2; 609.1095, subdivision 1; 609.133, subdivision 4; 609.135, subdivision 2; 609.3455, subdivision 5; 609.35; 609.522, subdivisions 1, 2; 609A.015, subdivision 3; 609A.02, subdivision 3; 611A.039, subdivision 1; 611A.52, subdivision 5; 629.292, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 219; 260B; 609; 626; 627; repealing Minnesota Statutes 2022, section 299C.105, subdivision 3."

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

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 3631, A bill for an act relating to capital investment; amending previous appropriations for capital projects; amending Minnesota Statutes 2022, section 469.53; Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 8, as amended; Laws 2018, chapter 214, article 1, section 16, subdivision 14, as amended; Laws 2020, Fifth Special Session chapter 3, article 1, sections 7, subdivisions 3, as amended, 26; 14, subdivisions 5, 6; 16, subdivision 36, as amended; 21, subdivisions 7, 27, 37, as amended; 22, subdivision 17; 25, subdivision 2; article 2, section 2, subdivision 3; Laws 2023, chapter 71, article 1, sections 9, subdivision 7; 10, subdivisions 3, 7, 8, 11, 15; 11, subdivision 15; 14, subdivisions 1, 5, 6, 10, 12, 23, 37, 40, 51, 53, 58, 66, 67, 73, 77, 84, 93, 94, 103, 106; 15, subdivisions 2, 5, 6, 12; 17, subdivision 3; Laws 2023, chapter 72, article 1, sections 7, subdivision 8; 16, subdivisions 10, 14; 17, subdivision 2; 23, subdivision 10; 27, subdivision 1; article 2, sections 3, subdivision 4; 7, subdivision 5; 10, subdivisions 3, 6, 12, 13.

Reported the same back with the following amendments:

Page 4, delete section 6 and insert:

"Sec. 6. Laws 2023, chapter 71, article 1, section 10, subdivision 11, is amended to read:

**Subd. 11. Karlstad; Airport Runway** 3,900,000

For a grant to the city of Karlstad for the ~~acquisition of land, pre-design, design,~~ engineering, and construction of a primary airport runway and supporting facilities. This appropriation is for Phase 2 of the project and includes money for site grading and drainage, and is in addition to the appropriation for the same purposes in Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, which was Phase 1 of the project."

Page 5, delete section 10 and insert:

"Sec. 10. Laws 2023, chapter 71, article 1, section 14, subdivision 5, is amended to read:

**Subd. 5. Bigfork; Community Center** 1,500,000

For a grant to ~~the city of Bigfork~~ Independent School District No. 318 to design and construct the renovation and expansion of the Bigfork school to provide community center facilities available to the community center through a use agreement with the city of Bigfork, subject to Minnesota Statutes, section 16A.695. This appropriation may be used to add a community strength training, fitness, and wellness center; and public restrooms accessible from the multiuse Bigfork River Walk Trail; ~~and new locker rooms and related amenities for the Bigfork school.~~"

Page 8, line 11, strike "to"

Page 8, line 12, delete "support" and insert "for"

Page 8, delete section 18 and insert:

"Sec. 18. Laws 2023, chapter 71, article 1, section 14, subdivision 53, is amended to read:

**Subd. 53. Comunidades Latinas Unidas en Servicio (CLUES)** 3,500,000

For a grant to Comunidades Latinas Unidas en Servicio (CLUES) to acquire property ~~and,~~ pre-design, and design a new Latino outreach facility at 2800 East Lake Street, Minneapolis, or a similar property in Hennepin County. The new Economic Opportunity and Wellness Hub will provide workforce training, business incubators and technical assistance, a youth technology center, behavioral health clinics, a food shelf, child care, and other high-demand community supports.

Sec. 19. Laws 2023, chapter 71, article 1, section 14, subdivision 57, is amended to read:

**Subd. 57. Duluth Historic Armory** 4,500,000

(a) For a ~~grant~~ one or more grants to the Armory Arts and Music Center to ~~design, construct, furnish, and equip~~ for the renovation of the historic Armory in the city of Duluth.

(b) \$500,000 of this appropriation is to predesign and design the renovation of the historic Armory. Any money remaining upon completion of predesign and design may be used for the purposes in paragraph (c).

(c) \$4,000,000 of this appropriation is to construct, furnish, and equip the renovation of the historic Armory.

~~(b)~~ (d) This appropriation includes money for improvements for the Music Resource Center, the North Country Creative Center, and the Food Enterprise Center; interior building improvements, including structural enhancements to meet current applicable building codes; improvements for compliance with Americans with Disabilities Act (ADA) requirements; and building systems, including mechanical, electrical, plumbing, and utility upgrades.

~~(e)~~ (e) This project must use design and construction methods to maximize consideration of energy efficiency and long-life cycle materials, while meeting the requirements of the federal National Parks Service, Secretary of Interior Standards for Rehabilitation.

~~(d)~~ (f) Due to the integrated nature of the overall development, public bidding is not required for this project."

Page 10, line 10, before the period, insert "facing homelessness"

Page 11, line 5, before the period, insert "in the metropolitan area as defined in Minnesota Statutes, section 473.121"

Page 11, after line 8, insert:

"Sec. 25. Laws 2023, chapter 71, article 1, section 14, subdivision 81, is amended to read:

Subd. 81. **Open Arms**

500,000

For a grant to Open Arms of Minnesota to ~~construct, renovate, furnish, and equip~~ acquire items of capital equipment to be used for a new kitchen and nutrition counseling center in Ramsey County to expand access to medically tailored meals for Minnesotans with life-threatening illnesses. This appropriation is available for expenditures made on or after July 1, 2023."

Page 14, line 11, strike "of" and insert "off"

Page 14, line 12, strike "installation" and before "and" insert "install"

Page 14, line 13, delete "replacement of" and insert "replace"

Page 14, line 24, delete "also includes money" and insert "may be used"

Page 15, after line 9, insert:



"Sec. 37. Laws 2023, chapter 72, article 2, section 7, subdivision 3, is amended to read:

Subd. 3. **Anoka County; Trunk Highway 65** 25,000,000

For one or more grants to the city of Blaine, Anoka County, or both for the predesign, right-of-way acquisition, design, engineering, and construction of intersection improvements along Trunk Highway 65 at 99th Avenue Northeast, 105th Avenue Northeast, Anoka County State-Aid Highway 12 (109th Avenue Northeast), Anoka County State-Aid Highway 116, and 117th Avenue Northeast and the associated frontage roads, backage roads, connecting local streets, and utility infrastructure improvements, if necessary or required for the construction.

Sec. 38. Laws 2023, chapter 72, article 2, section 7, subdivision 4, is amended to read:

Subd. 4. ~~Baytown Township; Civil Air Patrol; Hangar~~ 150,000

For a grant to the ~~town of Baytown~~ Civil Air Patrol to construct, renovate, and equip a hangar ~~for the Civil Air Patrol~~ at the Lake Elmo Airport."

Page 15, delete section 36 and insert:

"Sec. 40. Laws 2023, chapter 72, article 2, section 10, subdivision 3, is amended to read:

Subd. 3. **Cologne; Wastewater Treatment Facility** 1,060,000

For a grant to the city of Cologne to ~~predesign and design, permit, engineer, construct, and equip a new~~ improvements to the existing municipal wastewater treatment facility and related infrastructure."

Page 17, line 6, after the second "to" insert "replace the roof on the Eagle Bend High School building. Amounts remaining after completion of the roof replacement are to"

Page 29, after line 25, insert:

"ARTICLE 3  
TRUNK HIGHWAY BONDS

Section 1. Laws 2021, First Special Session chapter 5, article 2, section 3, is amended to read:

Sec. 3. **BOND SALE EXPENSES** \$413,000

(a) 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.

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

(1) \$213,000 in fiscal year 2022;

(2) \$100,000 in fiscal year 2024; and

(3) \$100,000 in fiscal year 2025.

(c) The appropriation in this section 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.

Sec. 2. Laws 2023, chapter 68, article 2, section 3, is amended to read:

Sec. 3. **BOND SALE EXPENSES**

**\$610,000**

(a) 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.

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

(1) \$330,000 in fiscal year 2024;

(2) \$140,000 in fiscal year 2025; and

(3) \$140,000 in fiscal year 2026.

(c) The appropriation in this section 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.

Sec. 3. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 4  
MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 16A.642, subdivision 1, is amended to read:

Subdivision 1. **Reports.** (a) The commissioner of management and budget shall report to the chairs of the senate Committee on Finance and the house of representatives Committees on Ways and Means and Capital Investment by ~~January~~ February 1 of each year on the following:

(1) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital investment projects enacted more than four years before January 1 of that year; the projects authorized to be acquired and constructed for which less than 100 percent of the authorized total cost has been expended, encumbered, or otherwise obligated; the cost of contracts to be let in accordance with existing plans and specifications shall be considered expended for this report; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these projects; and

(2) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital programs or projects other than those described in clause (1), enacted more than four years before January 1 of that year; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these programs and projects.

(b) The commissioner shall also report on general fund appropriations for capital projects, bond authorizations or bond proceed balances that may be canceled because projects have been canceled, completed, or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been canceled, completed, or otherwise concluded. The general fund appropriations, bond authorizations or bond proceed balances that are unencumbered or otherwise not obligated that are reported by the commissioner under this subdivision are canceled, effective July 1 of the year of the report, unless specifically reauthorized by act of the legislature.

(c) The reports required by this subdivision shall only contain bond authorizations supported by a state appropriation and their associated general fund appropriations for projects authorized or amended after December 31, 2013.

Sec. 2. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "changing the date of submission of a report;"

Correct the title numbers accordingly

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

The report was adopted.

Howard from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 3800, A bill for an act relating to cooperatives; providing for the organization and operation of housing cooperatives for seniors, low and moderate income people, limited equity cooperatives and leasing cooperatives for designated members; proposing coding for new law as Minnesota Statutes, chapter 308C.

Reported the same back with the following amendments:

Page 27, line 4, delete "The cooperative may authorize in its bylaws that"

Page 27, line 5, after "board" insert "must" and delete everything after "members" and insert a comma

Page 27, delete lines 6 to 9

Page 27, line 10, delete "shall be"

Page 29, line 20, after the period, insert "If the board takes an action without a meeting, the written action must be signed by all of the members of the board, must state why the action was taken without a meeting, and must be placed in the corporate records of the cooperative."

Page 41, line 24, delete "otherwise" and insert "more frequent meetings are"

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

The report was adopted.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 3836, A bill for an act relating to insurance; requiring disability income coverage to apply the same standards and provide the same benefits for disability due to mental illness and substance use disorders as for other medical disabilities; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[60A.43] DISABILITY INCOME COVERAGE; DISCLOSURE.**

(a) No contract or policy of long-term disability insurance that limits the duration of coverage for mental health or substance use disorders shall be offered in this state without a disclosure, provided at the time of application, that includes the following:

(1) a notification that the long-term disability coverage selected by the potential policyholder or plan sponsor limits the duration of coverage for mental health or substance use disorders; and

(2) that the potential policyholder or plan sponsor has the right to request more information about the limitation and other coverage options that include an unlimited duration, if available.

(b) Receipt of the disclosure described in paragraph (a) must be acknowledged by the potential policyholder or plan sponsor and evidence of the disclosure and acknowledgment must be retained by the insurance company offering such coverage for a period of no less than two years."

Delete the title and insert:

"A bill for an act relating to insurance; requiring a disclosure and acknowledgment when applying for long-term disability insurance; proposing coding for new law in Minnesota Statutes, chapter 60A."

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

The report was adopted.

Nelson, M., from the Committee on Labor and Industry Finance and Policy to which was referred:

H. F. No. 3947, A bill for an act relating to labor and industry; making policy and technical changes to construction codes and licensing provisions; amending Minnesota Statutes 2022, sections 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; Minnesota Statutes 2023 Supplement, section 326B.36, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 13.79, subdivision 1, is amended to read:

Subdivision 1. **Identity of employees making complaints complainants.** Data that identify ~~complain~~ employees and that appear on complaint forms received by individuals who have complained to the Department of Labor and Industry concerning alleged violations of ~~the Fair Labor Standards Act, section 181.75 or 181.9641, chapter 177; chapter 181; sections 179.86 to 179.877; chapter 181A; or rules adopted pursuant to these statutes,~~ are classified as private data. The commissioner may disclose this data to other government entities with written consent from the complainant if the commissioner determines that the disclosure furthers an enforcement action of the Department of Labor and Industry or another government entity.

Sec. 2. Minnesota Statutes 2022, section 177.23, is amended by adding a subdivision to read:

Subd. 12. **Large employer.** "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$500,000, exclusive of excise taxes at the retail level that are separately stated, and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 177.23, is amended by adding a subdivision to read:

Subd. 13. **Small employer.** "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$500,000, exclusive of excise taxes at the retail level that are separately stated, and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 4. Minnesota Statutes 2022, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** ~~(a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.~~

~~(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.~~

~~(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.~~

~~(b)~~ (a) Except as otherwise provided in sections 177.21 to 177.35:

~~(1)~~ (1) every large employer must pay each employee wages at a rate of at least:

~~(i)~~ (i) \$8.00 per hour beginning August 1, 2014;

~~(ii)~~ (ii) \$9.00 per hour beginning August 1, 2015;

~~(iii)~~ (iii) \$9.50 per hour beginning August 1, 2016; and

~~(iv)~~ (iv) the rate established under paragraph ~~(c)~~ (c) beginning January 1, 2018; ~~and.~~

~~(2) every small employer must pay each employee at a rate of at least:~~

~~(i) \$6.50 per hour beginning August 1, 2014;~~

~~(ii) \$7.25 per hour beginning August 1, 2015;~~

~~(iii) \$7.75 per hour beginning August 1, 2016; and~~

~~(iv) the rate established under paragraph (f) beginning January 1, 2018.~~

~~(e) (b) Notwithstanding paragraph (b) (a), during the first 90 consecutive days of employment, an employer may pay an employee under the age of 20 years a wage of at least:~~

~~(1) \$6.50 per hour beginning August 1, 2014;~~

~~(2) \$7.25 per hour beginning August 1, 2015;~~

~~(3) \$7.75 per hour beginning August 1, 2016; and~~

~~(4) the rate established under paragraph (f) (c) beginning January 1, 2018.~~

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

~~(d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15, subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer that includes the provision by the employer of a food or lodging benefit, if the employee is working under authority of a summer work travel exchange visitor program (J) nonimmigrant visa, a wage of at least:~~

~~(1) \$7.25 per hour beginning August 1, 2014;~~

~~(2) \$7.50 per hour beginning August 1, 2015;~~

~~(3) \$7.75 per hour beginning August 1, 2016; and~~

~~(4) the rate established under paragraph (f) beginning January 1, 2018.~~

~~No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.~~

~~(e) Notwithstanding paragraph (b), a large employer must pay an employee under the age of 18 at a rate of at least:~~

~~(1) \$6.50 per hour beginning August 1, 2014;~~

~~(2) \$7.25 per hour beginning August 1, 2015;~~

~~(3) \$7.75 per hour beginning August 1, 2016; and~~

~~(4) the rate established under paragraph (f) beginning January 1, 2018.~~

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

~~(c)~~ (c) No later than August 31 of each year, ~~beginning in 2017~~, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the implicit price deflator, national data for personal consumption expenditures as determined by the United States Department of Commerce, Bureau of Economic Analysis during the 12-month period immediately preceding that August or, if that data is unavailable, during the most recent 12-month period for which data is available. The minimum wage rates in paragraphs (a) and (b), ~~(c), (d), and (e)~~ are increased by the lesser of: (1) ~~2.5~~ 5 percent, rounded to the nearest cent; or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum wage rate shall not be reduced under this paragraph. The new minimum wage rates determined under this paragraph take effect on the next January 1.

~~(d)(1)~~ (d)(1) No later than September 30 of each year, ~~beginning in 2017~~, the commissioner may issue an order that an increase calculated under paragraph ~~(c)~~ not take effect. The commissioner may issue the order only if the commissioner, after consultation with the commissioner of management and budget, finds that leading economic indicators, including but not limited to projections of gross domestic product calculated by the United States Department of Commerce, Bureau of Economic Analysis; the Consumer Confidence Index issued by the Conference Board; and seasonally adjusted Minnesota unemployment rates, indicate the potential for a substantial downturn in the state's economy. Prior to issuing an order, the commissioner shall also calculate and consider the ratio of the rate of the calculated change in the minimum wage rate to the rate of change in state median income over the same time period used to calculate the change in wage rate. Prior to issuing the order, the commissioner shall hold a public hearing, notice of which must be published in the State Register, on the department's website, in newspapers of general circulation, and by other means likely to inform interested persons of the hearing, at least ten days prior to the hearing. The commissioner must allow interested persons to submit written comments to the commissioner before the public hearing and for 20 days after the public hearing.

(2) The commissioner may in a year subsequent to issuing an order under clause (1), make a supplemental increase in the minimum wage rate in addition to the increase for a year calculated under paragraph ~~(c)~~. The supplemental increase may be in an amount up to the full amount of the increase not put into effect because of the order. If the supplemental increase is not the full amount, the commissioner may make a supplemental increase of the difference, or any part of a difference, in a subsequent year until the full amount of the increase ordered not to take effect has been included in a supplemental increase. In making a determination to award a supplemental increase under this clause, the commissioner shall use the same considerations and use the same process as for an order under clause (1). A supplemental wage increase is not subject to and shall not be considered in determining whether a wage rate increase exceeds the limits for annual wage rate increases allowed under paragraph ~~(c)~~.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 177.24, is amended by adding a subdivision to read:

**Subd. 3a. Gratuities; credit cards or charges.** (a) Gratuities received by an employee through a debit, charge, credit card, or electronic payment shall be credited to that pay period in which they are received by the employee.

(b) Where a gratuity is received by an employee through a debit, charge, credit card, or electronic payment, the full amount of gratuity indicated in the payment must be distributed to the employee no later than the next scheduled pay period.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 6. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended to read:

**Subd. 2. Submission of records; penalty.** (a) The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of employment records which the commissioner deems necessary or appropriate. The records which may be required include full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to the employer's employees and the conditions of their employment as the commissioner deems necessary or appropriate.

(b) Employers and persons requested by the commissioner to produce records shall respond within the time and in the manner specified by the commissioner.

(c) The commissioner may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

(d) The commissioner may fine the employer up to \$10,000 for each failure to submit or deliver records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. 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.

Sec. 7. Minnesota Statutes 2023 Supplement, 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, 179.86, 181.02, 181.03, 181.031, 181.032, 181.10, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.64, 181.722, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 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, 181.165, or 181.987 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 or 181.165. 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. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

Sec. 8. Minnesota Statutes 2023 Supplement, 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, 181.213, or 181.215, 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. The commissioner may also order reinstatement and any other appropriate relief to the aggrieved parties. 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 \$10,000 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. 9. Minnesota Statutes 2022, section 177.30, is amended to read:

**177.30 KEEPING RECORDS; PENALTY.**

(a) Every employer subject to sections 177.21 to 177.44 must make and keep a record of:

(1) the name, address, and occupation of each employee;

(2) the rate of pay, and the amount paid each pay period to each employee;

(3) the hours worked each day and each workweek by the employee, including for all employees paid at piece rate, the number of pieces completed at each piece rate;

(4) a list of the personnel policies provided to the employee, including the date the policies were given to the employee and a brief description of the policies;

(5) a copy of the notice provided to each employee as required by section 181.032, paragraph (d), including any written changes to the notice under section 181.032, paragraph (f);

(6) for each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the employer shall furnish under oath signed by an owner or officer of an employer to the contracting authority and the project owner every two weeks, a certified payroll report with respect to the wages and benefits paid each employee during the preceding weeks specifying for each employee: name; identifying number; prevailing wage master job classification; hours worked each day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions; net pay for week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs; ~~and~~

(7) earnings statements for each employee for each pay period as required by section 181.032, paragraphs (a) and (b); and

(8) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to 177.435. The records must be kept for three years in the premises where an employee works except each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the records must be kept for three years after the contracting authority has made final payment on the public works project.

(b) All records required to be kept under paragraph (a) must be readily available for inspection by the commissioner upon demand. The records must be either kept at the place where employees are working or kept in a manner that allows the employer to comply with this paragraph within 72 hours.

(c) The commissioner may fine an employer up to \$1,000 for each failure to maintain records as required by this section, and up to \$5,000 for each repeated failure. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. 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.

(d) If the records maintained by the employer do not provide sufficient information to determine the exact amount of back wages due an employee, the commissioner may make a determination of wages due based on available evidence.

Sec. 10. Minnesota Statutes 2023 Supplement, section 177.42, subdivision 2, is amended to read:

Subd. 2. **Project.** "Project" means demolition, erection, construction, ~~alteration, improvement, restoration,~~ remodeling, or repairing of a public building, structure, facility, land, or other public work, which includes any work suitable for and intended for use by the public, or for the public benefit, financed in whole or part by state funds. Project also includes demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a building, structure, facility, land, or public work when the acquisition of property, predesign, design, or demolition is financed in whole or part by state funds.

Sec. 11. Minnesota Statutes 2022, section 179.01, subdivision 1, is amended to read:

Subdivision 1. ~~Words, terms, and phrases~~ **Scope.** Unless the language or context clearly indicates that a different meaning is intended, the ~~following words, terms, and phrases, for the purposes of sections 179.01 to 179.17, shall be given the meanings subjoined to them~~ defined in this section have the meanings given them for purposes of sections 179.01 to 179.17.

Sec. 12. Minnesota Statutes 2022, section 179.01, subdivision 9, is amended to read:

Subd. 9. **Lockout.** "Lockout" ~~is~~ means the refusal of the employer to furnish work to employees as a result of a labor dispute.

Sec. 13. Minnesota Statutes 2022, section 179.01, subdivision 16, is amended to read:

Subd. 16. **Professional strikebreaker.** (a) "Professional strikebreaker" means any person who:

(~~a~~) (1) makes an offer to an employer at whose place of business a labor dispute is presently in progress to work as a replacement for an employee or employees involved in such labor dispute; and

(~~b~~) (2) during a period of five years immediately preceding such offer, has, on more than one occasion, made an offer to employers to work as a temporary employee to personally replace employees involved in labor disputes.

(b) For the purposes of this subdivision;

(1) "work" ~~shall mean~~ means the rendering of services for wages or other consideration. ~~For the purposes of this subdivision; and~~

(2) "offer" ~~shall include~~ includes arrangements made for or on behalf of employers by any person.

Sec. 14. Minnesota Statutes 2022, section 179.06, is amended to read:

#### **179.06 COLLECTIVE BARGAINING AGREEMENTS.**

Subdivision 1. **Notices.** (a) When any employee, employees, or representative of employees, or labor organization shall desire to negotiate a collective bargaining agreement, or make any change in any existing agreement, or shall desire any changes in the rates of pay, rules or working conditions in any place of employment, it shall give written notice to the employer of its demand, which notice shall follow the employer if the place of employment is changed, and it shall thereupon be the duty of the employer and the representative of employee or labor organization to endeavor in good faith to reach an agreement respecting such demand. An employer shall give a like notice to employees, representative, or labor organizations of any intended change in any existing agreement.

If no agreement is reached at the expiration of ten days after service of such notice, any employees, representative, labor organization, or employer may at any time thereafter petition the commissioner of mediation services to take jurisdiction of the dispute and it shall be unlawful for any labor organization or representative to institute or aid in the conduct of a strike or for an employer to institute a lockout, unless such petition has been served by the party taking such action upon the commissioner and the other parties to the labor dispute at least ten days before the strike or lockout becomes effective. Unless the strike or lockout is commenced within 90 days from the date of service of the petition upon the commissioner, it shall be unlawful for any of the parties to institute or aid in the conduct of a strike or lockout without serving a new petition in the manner prescribed for the service of the original petition, provided that the 90-day period may be extended by written agreement of the parties filed with the commissioner.

(b) A petition by the employer shall be signed by the employer or a duly authorized officer or agent; and a petition by the employees shall be signed by their representative or its officers, or by the committee selected to negotiate with the employer. In either case the petition shall be served by delivering it to the commissioner in person or by sending it by certified mail addressed to the commissioner at the commissioner's office. The petition shall state briefly the nature of the dispute and the demands of the party who serves it. Upon receipt of a petition, the commissioner shall fix a time and place for a conference with the parties to the labor dispute upon the issues involved in the dispute, and shall then take whatever steps the commissioner deems most expedient to bring about a settlement of the dispute, including assisting in negotiating and drafting a settlement agreement. It shall be the duty of all parties to a labor dispute to respond to the summons of the commissioner for joint or several conferences with the commissioner and to continue in such conference until excused by the commissioner, not beyond the ten-day period heretofore prescribed except by mutual consent of the parties.

Subd. 2. **Commissioner; powers and duties.** The commissioner may at the request of either party to a labor dispute render assistance in settling the dispute without the necessity of filing the formal petition ~~referred to in~~ under subdivision 1. If the commissioner takes jurisdiction of the dispute as a result of such a request, the commissioner ~~shall~~ must then proceed ~~as provided in~~ according to subdivision 1.

Sec. 15. Minnesota Statutes 2022, section 179.08, is amended to read:

**179.08 POWERS OF COMMISSION APPOINTED BY COMMISSIONER.**

(a) The commission appointed by the commissioner pursuant to the provisions of section 179.07 shall have the power to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence which relates to any matter involved in any such hearing, and may by its chair administer oaths and affirmations, and may examine witnesses. Such attendance of witnesses and the production of such evidence may be required from any place in the state at any designated place of hearing, but whenever practical hearings shall be held in a county where the labor dispute has arisen or exists.

(b) In case of contumacy or refusal to obey a subpoena issued under paragraph (a), the district court of the state for the county where the proceeding is pending or in which the person guilty of such contumacy or refusal to obey is found, or resides, or transacts business, or application by the commission shall have jurisdiction to issue to such person an order requiring such person to appear before the commission, there to produce evidence as so ordered, or there to give testimony touching the matter under investigation or in question, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

(c) Any party to or party affected by the dispute may appear before the commission in person or by attorney or by their representative, and shall have the right to offer competent evidence and to be heard on the issues before the report of the commission is made.

(d) ~~Any commissioners so appointed shall~~ commission members appointed under section 179.07 must be paid a per diem allowance not to exceed that established for arbitrators in section 179A.16, subdivision 8, and their necessary expenses while serving.

Sec. 16. Minnesota Statutes 2022, section 179.11, is amended to read:

**179.11 EMPLOYEE UNFAIR LABOR PRACTICES.**

(a) It ~~shall be~~ is an unfair labor practice:

(1) for any employee or labor organization to institute a strike if such strike is a violation of any valid collective agreement between any employer and its employees or labor organization and the employer is, at the time, in good faith complying with the provisions of the agreement, or to violate the terms and conditions of such bargaining agreement;

(2) for any employee or labor organization to institute a strike if the calling of such strike is in violation of sections 179.06 or 179.07;

(3) for any person to seize or occupy property unlawfully during the existence of a labor dispute;

(4) for any person to picket or cause to be picketed a place of employment of which place the person is not an employee while a strike is in progress affecting the place of employment, unless the majority of persons engaged in picketing the place of employment at these times are employees of the place of employment;

(5) for more than one person to picket or cause to be picketed a single entrance to any place of employment where no strike is in progress at the time;

(6) for any person to interfere in any manner with the operation of a vehicle or the operator thereof when neither the owner nor operator of the vehicle is at the time a party to a strike;

(7) for any employee, labor organization, or officer, agent, or member thereof, to compel or attempt to compel any person to join or to refrain from joining any labor organization or any strike against the person's will by any threatened or actual unlawful interference with the person, or immediate family member, or physical property, or to assault or unlawfully threaten any such person while in pursuit of lawful employment;

(8) unless the strike has been approved by a majority vote of the voting employees in a collective bargaining unit of the employees of an employer or association of employers against whom such strike is primarily directed, for any person or labor organization to cooperate in engaging in, promoting, or inducing a strike. Such vote shall be taken by secret ballot at an election called by the collective bargaining agent for the unit, and reasonable notice shall be given to all employees in the collective bargaining unit of the time and place of election; or

(9) for any person or labor organization to hinder or prevent by intimidation, force, coercion or sabotage, or by threats thereof, the production, transportation, processing or marketing by a producer, processor or marketing organization, of agricultural products, or to combine or conspire to cause or threaten to cause injury to any processor, producer or marketing organization, whether by withholding labor or other beneficial intercourse, refusing to handle, use or work on particular agricultural products, or by other unlawful means, in order to bring such processor or marketing organization against its will into a concerted plan to coerce or inflict damage upon any producer; provided that nothing in this subsection shall prevent a strike which is called by the employees of such producer, processor or marketing organization for the bona fide purpose of improving their own working conditions or promoting or protecting their own rights of organization, selection of bargaining representative or collective bargaining.

~~The violation of clauses (2), (3), (4), (5), (6), (7), (8) and (9) are hereby declared to be unlawful acts.~~

(b) It is an unlawful act to violate paragraph (a), clause (2), (3), (4), (5), (6), (7), (8), or (9).

Sec. 17. Minnesota Statutes 2022, section 179.12, is amended to read:

**179.12 EMPLOYERS' EMPLOYER UNFAIR LABOR PRACTICES.**

(a) It is an unfair labor practice for an employer:

(1) to institute a lockout of its employees in violation of a valid collective bargaining agreement between the employer and its employees or labor organization if the employees at the time are in good faith complying with the provisions of the agreement, or to violate the terms and conditions of the bargaining agreement;

(2) to institute a lockout of its employees in violation of section 179.06 or 179.07;

(3) to encourage or discourage membership in a labor organization by discrimination in regard to hire or tenure of employment or any terms or conditions of employment; provided, that this clause does not apply to the provisions of collective bargaining agreements entered into voluntarily by an employer and its employees or a labor organization representing the employees as a bargaining agent, as provided by section 179.16;

(4) to discharge or otherwise to discriminate against an employee because the employee has signed or filed an affidavit, petition, or complaint or given information or testimony under this chapter;

(5) to spy directly or through agents or any other persons upon activities of employees or their representatives in the exercise of their legal rights;

(6) to distribute or circulate a blacklist of individuals exercising a legal right or of members of a labor organization for the purpose of preventing individuals who are blacklisted from obtaining or retaining employment;

(7) to engage or contract for the services of a person who is an employee of another if the employee is paid a wage that is less than the wage to be paid by the engaging or contracting employer under an existing union contract for work of the same grade or classification;

(8) willfully and knowingly to utilize a professional strikebreaker to replace an employee or employees involved in a strike or lockout at a place of business located within this state; or

(9) to grant or offer to grant the status of permanent replacement employee to a person for performing bargaining unit work for an employer during a lockout of employees in a labor organization or during a strike of employees in a labor organization authorized by a representative of employees.

~~The violation of (b) It is an unlawful act to violate paragraph (a), clause (2), (4), (5), (6), (7), (8), or (9) is an unlawful act.~~

Sec. 18. Minnesota Statutes 2022, section 179.254, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purposes of sections 179.254 to ~~179.256~~ 179.257, the ~~following~~ terms ~~shall~~ defined in this section have the meanings ~~subscribed to~~ given them.

Sec. 19. Minnesota Statutes 2022, section 179.256, is amended to read:

**179.256 NOTIFICATION NOTIFYING CONSTRUCTION WORKER OF REIMBURSEMENT.**

Whenever a construction worker may qualify for the reimbursement of benefit payments to a ~~home~~ benefit fund ~~as described in~~ under section 179.255, the trustees of the benefit fund of which the worker is a member, or their agent, shall so notify the trustees of the benefit fund to which payments will be made during the temporary period of work. Such notification shall be made promptly in writing and shall include the name, address, and Social Security number of the construction worker and the starting date of the temporary period of work.

Sec. 20. Minnesota Statutes 2022, section 179.26, is amended to read:

**179.26 DEFINITIONS; ~~CERTAIN REPRESENTATION DISPUTES.~~**

When used in sections 179.26 to 179.29, unless the context clearly indicates otherwise, ~~each of the following words:~~ "employee," "labor organization," "strike," and "lockout ~~shall~~" have the ~~meaning ascribed to it~~ meanings given them in section 179.01.

Sec. 21. Minnesota Statutes 2022, section 179.27, is amended to read:

**179.27 STRIKES OR BOYCOTTS PROHIBITED.**

When certification of a representative of employees for collective bargaining purposes has been made by proper federal or state authority, it is unlawful during the effective period of such certification for any employee, representative of employees, or labor organization to conduct a strike or boycott against the employer of such employees or to picket any place of business of the employer in order, by such strike, boycott, or picketing, to:

- (1) ~~to~~ deny the right of the representative so certified to act as such representative ~~or~~;
- (2) ~~to~~ prevent such representative from acting as authorized by such certification; or
- (3) ~~to~~ interfere with the business of the employer in an effort to do either act ~~specified in clauses~~ under clause (1) ~~and~~ or (2) ~~hereof.~~

Sec. 22. Minnesota Statutes 2022, section 179.35, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different meaning is intended, the ~~following words, terms and phrases, for the purposes of sections 179.35 to 179.39, shall be given~~ defined in this section have the meanings ~~subjoined to~~ given them for purposes of sections 179.35 to 179.39.

Sec. 23. Minnesota Statutes 2022, section 179.40, is amended to read:

**179.40 SECONDARY BOYCOTT; ~~DECLARATION OF PUBLIC POLICY.~~**

(a) As a guide to the interpretation and application of sections 179.40 to 179.47, the public policy of this state is declared to be:

- (1) to protect and promote the interests of the public, employees, and employers alike, with due regard to the situation and to the rights of the others;
- (2) to promote industrial peace, regular and adequate income for employees, and uninterrupted production of goods and services; and
- (3) to reduce the serious menace to the health, morals, and welfare of the people of this state arising from economic insecurity due to stoppages and interruptions of business and employment.

(b) It is recognized that whatever may be the rights of disputants with respect to each other in any controversy, they should not be permitted, in their controversy, to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life by lawful means and free from molestation, interference, restraint, or coercion. The legislature, therefore, declares that, in its considered judgment, the public good and the general welfare of the citizens of this state will be promoted by prohibiting secondary boycotts and other coercive practices in this state.

Sec. 24. Minnesota Statutes 2022, section 179.43, is amended to read:

**179.43 ILLEGAL COMBINATION; ~~VIOLATION OF~~ VIOLATING PUBLIC POLICY.**

A secondary boycott as ~~hereinbefore~~ defined under section 179.41 is ~~hereby declared to be~~ an illegal combination in restraint of trade and in violation of the public policy of this state.

Sec. 25. Minnesota Statutes 2022, section 179A.02, is amended to read:

**179A.02 CITATION.**

Sections 179A.01 to 179A.25 ~~shall be known~~ may be cited as the "Public Employment Labor Relations Act."

Sec. 26. Minnesota Statutes 2022, section 179A.03, subdivision 17, is amended to read:

Subd. 17. **Supervisory employee.** (a) "Supervisory employee" means a person who has the authority to undertake a majority of the following supervisory functions in the interests of the employer: hiring, transfer, suspension, promotion, discharge, assignment, reward, or discipline of other employees, direction of the work of other employees, or adjustment of other employees' grievances on behalf of the employer. To be included as a supervisory function which the person has authority to undertake, the exercise of the authority by the person may not be merely routine or clerical in nature but must require the use of independent judgment. An employee, other than an essential employee, who has authority to effectively recommend a supervisory function, is deemed to have authority to undertake that supervisory function for the purposes of this subdivision. The administrative head of a municipality, municipal utility, or police or fire department, and the administrative head's assistant, are always considered supervisory employees.

(b) The removal of employees by the employer from a nonsupervisory appropriate unit for the purpose of designating the employees as "supervisory employees" shall require either the prior written agreement of the exclusive representative and the written approval of the commissioner or a separate determination by the commissioner before the redesignation is effective.

Sec. 27. Minnesota Statutes 2022, section 179A.06, subdivision 1, is amended to read:

Subdivision 1. ~~Expression of~~ **Expressing views.** (a) Sections 179A.01 to 179A.25 do not affect the right of any public employee or the employee's representative to express or communicate a view, grievance, complaint, or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as this is not designed to and does not interfere with the full faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative. Sections 179A.01 to 179A.25 do not require any public employee to perform labor or services against the employee's will.

(b) If no exclusive representative has been certified, any public employee individually, or group of employees through their representative, has the right to express or communicate a view, grievance, complaint, or opinion on any matter related to the conditions or compensation of public employment or their betterment, by meeting with their public employer or the employer's representative, so long as this is not designed to and does not interfere with the full, faithful, and proper performance of the duties of employment.

Sec. 28. Minnesota Statutes 2022, section 179A.06, subdivision 2, is amended to read:

Subd. 2. **Right to organize.** (a) Public employees have the right to form and join labor or employee organizations, and have the right not to form and join such organizations. Public employees in an appropriate unit have the right by secret ballot to designate an exclusive representative to negotiate grievance procedures and the terms and conditions of employment with their employer. Confidential employees of the state, confidential court

employees, and confidential University of Minnesota employees are excluded from bargaining. Supervisory and managerial court employees are excluded from bargaining. Supervisory, managerial, and confidential employees of Hennepin Healthcare System, Inc., are excluded from bargaining. Other confidential employees, supervisory employees, principals, and assistant principals may form their own organizations. An employer shall extend exclusive recognition to a representative of or an organization of supervisory or confidential employees, or principals and assistant principals, for the purpose of negotiating terms or conditions of employment, in accordance with sections 179A.01 to 179A.25, applicable to essential employees.

(b) Supervisory or confidential employee organizations shall not participate in any capacity in any negotiations which involve units of employees other than supervisory or confidential employees. Except for organizations which represent supervisors who are: (1) firefighters, emergency medical service employees certified under section 144E.28, 911 system public safety dispatchers, peace officers subject to licensure under sections 626.84 to 626.863, guards at correctional facilities, or employees at hospitals other than state hospitals; and (2) not state or University of Minnesota employees, a supervisory or confidential employee organization which is affiliated with another employee organization which is the exclusive representative of nonsupervisory or nonconfidential employees of the same public employer shall not be certified, or act as, an exclusive representative for the supervisory or confidential employees. For the purpose of this subdivision, affiliation means either direct or indirect and includes affiliation through a federation or joint body of employee organizations.

Sec. 29. Minnesota Statutes 2022, section 179A.06, subdivision 3, is amended to read:

Subd. 3. **Fair share fee.** (a) An exclusive representative may require employees who are not members of the exclusive representative to contribute a fair share fee for services rendered by the exclusive representative. The fair share fee must be equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative. In no event may the fair share fee exceed 85 percent of the regular membership dues. The exclusive representative shall provide advance written notice of the amount of the fair share fee to the employer and to unit employees who will be assessed the fee. The employer shall provide the exclusive representative with a list of all unit employees.

(b) A challenge by an employee or by a person aggrieved by the fee must be filed in writing with the commissioner, the public employer, and the exclusive representative within 30 days after receipt of the written notice. All challenges must specify those portions of the fee challenged and the reasons for the challenge. The burden of proof relating to the amount of the fair share fee is on the exclusive representative. The commissioner shall hear and decide all issues in these challenges.

(c) The employer shall deduct the fee from the earnings of the employee and transmit the fee to the exclusive representative 30 days after the written notice was provided. If a challenge is filed, the deductions for a fair share fee must be held in escrow by the employer pending a decision by the commissioner.

Sec. 30. Minnesota Statutes 2022, section 179A.08, subdivision 2, is amended to read:

Subd. 2. **Meet and confer.** The professional employees shall select a representative to meet and confer with a representative or committee of the public employer on matters not specified under section 179A.03, subdivision 19, relating to the services being provided to the public. The public employer shall provide the facilities and set the time for these ~~conferences~~ meetings to take place. The parties shall meet at least once every four months.

Sec. 31. Minnesota Statutes 2022, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. **Exclusions.** (a) The commissioner of management and budget shall meet and negotiate with the exclusive representative of each of the units specified in this section, except as provided in section 43A.06, subdivision 1, paragraph (c). The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:



(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of management and budget in accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the Minnesota State Colleges and Universities defined as managerial by the Board of Trustees;

(3) positions of all unclassified employees appointed by a constitutional officer;

(4) positions in the Bureau of Mediation Services and the Public Employment Relations Board;

(5) positions of employees whose classification is pilot or chief pilot;

(6) administrative law judge and compensation judge positions in the Office of Administrative Hearings;

(7) positions of all confidential employees; and

(8) positions of employees of the State Board of Investment who are employed under the terms and conditions of the compensation plan approved under section 43A.18, subdivision 3b.

(b) The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 32. Minnesota Statutes 2022, section 179A.104, subdivision 1, is amended to read:

Subdivision 1. **Employee units.** (a) The state Board of Public Defense shall meet and negotiate with the exclusive representative of each of the statewide units specified in this section. The units provided in this section are the only appropriate statewide units for state employees of the board. Employees of the state Board of Public Defense, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. The following are the appropriate statewide units of state employees of the board:

(1) Assistant District and Assistant State Public Defender Unit; and

(2) Clerical and Support Staff Unit.

(b) Each unit consists of the classifications or positions assigned to it in the schedule of job classifications and positions maintained by the state Board of Public Defense.

Sec. 33. Minnesota Statutes 2022, section 179A.12, subdivision 1, is amended to read:

Subdivision 1. **Certification continued.** (a) Any employee organization holding formal recognition by order of the commissioner or by employer voluntary recognition on the effective date of Extra Session Laws 1971, chapter 33, under any law that is repealed by Extra Session Laws 1971, chapter 33, is certified as the exclusive representative until it is decertified or another representative is certified in its place.

(b) Any teacher organization as defined by Minnesota Statutes 1969, section 125.20, subdivision 3, which on the effective date of Extra Session Laws 1971, chapter 33, has a majority of its members on a teacher's council in a school district as provided in Minnesota Statutes 1969, section 125.22 is certified as the exclusive representative of all teachers of that school district until the organization is decertified or another organization is certified in its place.

Sec. 34. Minnesota Statutes 2022, section 179A.15, is amended to read:

**179A.15 MEDIATION.**

Subdivision 1. **Petitioning commissioner.** Once notice has been given under section 179A.14, the employer or the exclusive representative may petition the commissioner for mediation services.

Subd. 2. **Petition requirements; scheduling mediation.** (a) A petition by an employer shall be signed by the employer or an authorized officer or agent. A petition by an exclusive representative shall be signed by its authorized officer. All petitions shall be served on the commissioner in writing. The petition shall state briefly the nature of the disagreement of the parties.

(b) Upon receipt of a petition and upon concluding that mediation would be useful, the commissioner shall fix a time and place for a ~~conference~~ meeting with the parties to negotiate the issues not agreed upon, and shall then take the most expedient steps to bring about a settlement, including assisting in negotiating and drafting an agreement.

Subd. 3. **Commissioner-initiated mediation.** If the commissioner determines that mediation would be useful in resolving a dispute, the commissioner may mediate the dispute even if neither party has filed a petition for mediation. In these cases, the commissioner shall proceed as if a petition had been filed.

Subd. 4. **Mediation restricted.** The commissioner shall not furnish mediation services to any employee or employee representative who is not certified as an exclusive representative.

Subd. 5. **Mediation meetings.** All parties shall respond to the summons of the commissioner for ~~conferences~~ meetings and shall continue ~~in conference~~ meeting until excused by the commissioner.

Sec. 35. Minnesota Statutes 2022, section 179A.16, subdivision 1, is amended to read:

Subdivision 1. **Petitioning for arbitration; nonessential employees.** (a) An exclusive representative or an employer of a unit of employees other than essential employees may request interest arbitration by providing written notice of the request to the other party and the commissioner. The written request for arbitration must specify the items to be submitted to arbitration and whether conventional, final-offer total-package, or final-offer item-by-item arbitration is contemplated by the request.

(b) The items to be submitted to arbitration and the form of arbitration to be used are subject to mutual agreement. If an agreement to arbitrate is reached, it must be reduced to writing and a copy of the agreement filed with the commissioner. A failure to respond, or to reach agreement on the items or form of arbitration, within 15 days of receipt of the request to arbitrate constitutes a rejection of the request.

Sec. 36. Minnesota Statutes 2022, section 179A.16, subdivision 7, is amended to read:

Subd. 7. ~~Decision by Arbitrator or~~ **arbitrator panel; issuing decision.** (a) The decision must be issued by the arbitrator or a majority vote of the panel. The decision must resolve the issues in dispute between the parties as submitted by the commissioner. For principals and assistant principals, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item. For other employees, if the parties agree in writing, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item, or the final offer of one or the other parties in its entirety. In considering a dispute and issuing its decision, the arbitrator or panel shall consider the statutory rights and obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations. The decision is final and binding on all parties.

(b) The arbitrator or panel shall render its decision within 30 days from the date that all arbitration proceedings have concluded. The arbitrator or panel may not request that the parties waive their right to have the decision rendered within 30 days, unless the commissioner grants an extension of the deadline. The commissioner shall

remove from the roster for six months the name of any arbitrator who does not render the decision within 30 days or within the extension granted by the commissioner. The commissioner shall adopt rules establishing criteria to be followed in determining whether an extension should be granted. The decision must be for the period stated in the decision, except that decisions determining contracts for teacher units are effective to the end of the contract period determined by section 179A.20.

(c) The arbitrator or panel shall send its decision to the commissioner, the appropriate representative of the public employer, and the employees. If any issues submitted to arbitration are settled voluntarily before the arbitrator or panel issues a decision, the arbitrator or panel shall report the settlement to the commissioner.

(d) The parties may, at any time before or after issuance of a decision of the arbitrator or panel, agree upon terms and conditions of employment regardless of the terms and conditions of employment determined by the decision. The parties shall, if so agreeing, execute a written contract or memorandum of contract.

Sec. 37. Minnesota Statutes 2022, section 179A.18, subdivision 2, is amended to read:

Subd. 2. **School district requirements.** Except as otherwise provided by section 179A.17, subdivision 1, teachers employed by a local school district, other than principals and assistant principals, may strike only under the following circumstances:

(1)(i) the collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 1, has occurred; and

(ii) the exclusive representative and the employer have participated in mediation over a period of at least 30 days. For the purposes of this item the mediation period commences on the day that a mediator designated by the commissioner first attends a ~~conference~~ meeting with the parties to negotiate the issues not agreed upon; and

(iii) neither party has requested interest arbitration or a request for binding interest arbitration has been rejected; or

(2) the employer violates section 179A.13, subdivision 2, clause (9).

Sec. 38. Minnesota Statutes 2022, section 179A.18, subdivision 3, is amended to read:

Subd. 3. **Strike notice.** (a) In addition to the other requirements of this section, no employee may strike unless written notification of intent to strike is served on the employer and the commissioner by the exclusive representative at least ten days prior to the commencement of the strike. For all employees other than teachers, if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification. For teachers, no strike may commence more than 25 days after service of notification of intent to strike unless, before the end of the 25-day period, the exclusive representative and the employer agree that the period during which a strike may commence shall be extended for an additional period not to exceed five days. Teachers are limited to one notice of intent to strike for each contract negotiation period, provided, however, that a strike notice may be renewed for an additional ten days, the first five of which shall be a notice period during which no strike may occur, if the following conditions have been satisfied:

(1) an original notice was provided pursuant to this section; ~~and~~

(2) a tentative agreement to resolve the dispute was reached during the original strike notice period; and

(3) such tentative agreement was rejected by either party during or after the original strike notice period.

(b) The first day of the renewed strike notice period shall commence on the day following the expiration of the previous strike notice period or the day following the rejection of the tentative agreement, whichever is later. Notification of intent to strike under subdivisions 1, clause (1); and 2, clause (1), may not be served until the collective bargaining agreement has expired, or if there is no agreement, on or after the date impasse under section 179A.17 has occurred.

Sec. 39. Minnesota Statutes 2022, section 179A.19, subdivision 6, is amended to read:

Subd. 6. **Hearings.** (a) Any public employee is entitled to request the opportunity to establish that the employee did not violate this section. The request shall be filed in writing with the officer or body having the power to remove the employee, within ten days after notice of termination is served upon the employee. The employing officer or body shall within ten days commence a proceeding at which the employee shall be entitled to be heard for the purpose of determining whether the provisions of this section have been violated by the public employee. If there are contractual grievance procedures, laws or rules establishing proceedings to remove the public employee, the hearing shall be conducted in accordance with whichever procedure the employee elects. The election shall be binding and shall terminate any right to the alternative procedures. The same proceeding may include more than one employee's employment status if the employees' defenses are identical, analogous, or reasonably similar. The proceedings shall be undertaken without unnecessary delay.

(b) Any person whose termination is sustained in the administrative or grievance proceeding may appeal in accordance with chapter 14.

Sec. 40. Minnesota Statutes 2022, section 179A.20, subdivision 4, is amended to read:

Subd. 4. **Grievance procedure.** (a) All contracts must include a grievance procedure providing for compulsory binding arbitration of grievances including all written disciplinary actions. If the parties cannot agree on the grievance procedure, they are subject to the grievance procedure ~~promulgated~~ adopted by the commissioner under section 179A.04, subdivision 3, paragraph (a), clause (8).

(b) Notwithstanding any home rule charter to the contrary, after the probationary period of employment, any disciplinary action is subject to the grievance procedure and compulsory binding arbitration.

(c) Employees covered by civil service systems created under chapter 43A, 44, 375, 387, 419, or 420, by a home rule charter under chapter 410, or by Laws 1941, chapter 423, may pursue a grievance through the procedure established under this section. When the grievance is also within the jurisdiction of appeals boards or appeals procedures created by chapter 43A, 44, 375, 387, 419, or 420, by a home rule charter under chapter 410, or by Laws 1941, chapter 423, the employee may proceed through the grievance procedure or the civil service appeals procedure, but once a written grievance or appeal has been properly filed or submitted by the employee or on the employee's behalf with the employee's consent the employee may not proceed in the alternative manner.

(d) A teacher who elects a hearing before an arbitrator under section 122A.40, subdivision 15, or 122A.41, subdivision 13, or who elects or acquiesces to a hearing before the school board may not later proceed in the alternative manner nor challenge the termination or discharge through a grievance procedure required by this subdivision.

(e) This section does not require employers or employee organizations to negotiate on matters other than terms and conditions of employment.

Sec. 41. Minnesota Statutes 2022, section 179A.23, is amended to read:

**179A.23 LIMITATION ON CONTRACTING-OUT OF SERVICES PROVIDED BY MEMBERS OF A STATE OF MINNESOTA OR UNIVERSITY OF MINNESOTA BARGAINING UNIT.**

(a) Any contract entered into after March 23, 1982, by the state of Minnesota or the University of Minnesota involving services, any part of which, in the absence of the contract, would be performed by members of a unit provided in sections 179A.10 and 179A.11, shall be subject to section 16C.06 and shall provide for the preferential employment by a party of members of that unit whose employment with the state of Minnesota or the University of Minnesota is terminated as a result of that contract.

(b) Contracts entered into by the state of Minnesota for the purpose of providing court reporter services or transcription of the record of a hearing which was recorded by means of an audio magnetic recording device shall be subject to section 16C.08 and the preferential employment provisions enumerated in this section. Any court reporter seeking a contract pursuant to the preferential employment provisions of this section shall be given preference when the services are needed only if that court reporter's charges for the services requested are no greater than the average of the charges made for the identical services by other court reporters in the same locality who are also under contract with the state for those services.

Sec. 42. **181.173 SALARY RANGES REQUIRED IN JOB POSTINGS.**

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

(b) "Employer" means a person or entity that employs 30 or more employees at a minimum of one site and includes an individual, corporation, partnership, association, nonprofit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

(c) "Posting" means any solicitation intended to recruit job applicants for a specific available position, including recruitment done directly by an employer or indirectly through a third party, and includes any postings made electronically or via printed hard copy, that includes qualifications for desired applicants.

(d) "Salary range" means the minimum and maximum annual salary or hourly range of compensation for a job opportunity of the employer at the time of the posting of an advertisement for such opportunity.

**Subd. 2. Salary ranges in job postings required.** (a) An employer must disclose in each posting for each job opening with the employer the starting salary range, and a general description of all of the benefits and other compensation to be offered to a hired job applicant.

(b) An employer that does not plan to offer a salary range for a position must list a fixed pay rate. A salary range may not be open ended.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 43. Minnesota Statutes 2023 Supplement, section 181.212, subdivision 7, is amended to read:

Subd. 7. **Voting.** The affirmative vote of five board members is required for the board to take any action, including actions necessary to establish minimum nursing home employment standards under section 181.213. At least two of the five affirmative votes must be cast by the commissioner members or their appointees.

Sec. 44. Minnesota Statutes 2023 Supplement, section 181.531, subdivision 3, is amended to read:

Subd. 3. **Notice.** (a) The commissioner shall develop an educational poster providing notice of employees' rights provided under this section. The notice shall be available in English and the five most common languages spoken in Minnesota.

~~Within 30 days of August 1, 2023, (b) An employer subject to this section shall post and keep posted, a the notice of employee rights under this section created pursuant to this subdivision in a place where employee notices are customarily placed located within the workplace.~~

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 45. Minnesota Statutes 2023 Supplement, section 181.939, subdivision 2, is amended to read:

Subd. 2. **Pregnancy accommodations.** (a) An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth upon request, with the advice of a licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer's business. A pregnant employee shall not be required to obtain the advice of a licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent or longer restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. Reasonable accommodation may include but is not limited to temporary transfer to a less strenuous or hazardous position, temporary leave of absence, modification in work schedule or job assignments, seating, more frequent or longer break periods, and limits to heavy lifting. Notwithstanding any other provision of this subdivision, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this subdivision and shall not be required to discharge an employee, transfer another employee with greater seniority, or promote an employee.

(b) Nothing in this subdivision shall be construed to affect any other provision of law relating to sex discrimination or pregnancy or in any way diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

(c) An employer shall not require an employee to take a leave or accept an accommodation.

(d) An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this subdivision.

(e) For the purposes of this subdivision, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(f) During any leave for which an employee is entitled to benefits or leave under this subdivision, the employer must maintain coverage under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents as if the employee was not on leave, provided, however, that the employee must continue to pay any employee share of the cost of the benefits.

Sec. 46. Minnesota Statutes 2022, section 181.941, subdivision 4, is amended to read:

Subd. 4. **Continued insurance.** ~~The employer must continue to make coverage available to the employee while on leave of absence under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents. Nothing in this section requires the employer to pay the costs of the insurance or health care while the employee is on leave of absence.~~ During any leave for which an employee is entitled to benefits or leave under this section, the employer must maintain coverage under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents as if the employee was not on leave, provided, however, that the employee must continue to pay any employee share of the cost of the benefits.

Sec. 47. Minnesota Statutes 2022, section 181.943, is amended to read:

**181.943 RELATIONSHIP TO OTHER LEAVE.**

(a) The length of leave provided under section 181.941 may be reduced by any period of:

(1) paid parental, disability, personal, medical, or sick leave, or accrued vacation provided by the employer so that the total leave does not exceed 12 weeks, unless agreed to by the employer; or

(2) leave taken for the same purpose by the employee under United States Code, title 29, chapter 28.

(b) Nothing in sections 181.940 to 181.943 prevents any employer from providing leave benefits in addition to those provided in sections 181.940 to 181.944 or otherwise affects an employee's rights with respect to any other employment benefit.

(c) Notwithstanding paragraphs (a) and (b), the length of leave provided under section 181.941 must not be reduced by any period of paid or unpaid leave taken for prenatal care medical appointments.

Sec. 48. Minnesota Statutes 2022, section 181.950, is amended by adding a subdivision to read:

Subd. 9a. **Oral fluid test.** "Oral fluid test" means analysis of a saliva sample for the purpose of measuring the presence of the same substances as drug and alcohol testing and cannabis testing that:

(1) can detect drugs, alcohol, cannabis, or their metabolites in levels at or above the threshold detection levels contained in the standards of one of the programs listed in section 181.953, subdivision 1; and

(2) does not require the services of a testing laboratory under section 181.953, subdivision 1.

Sec. 49. Minnesota Statutes 2022, section 181.951, subdivision 1, is amended to read:

Subdivision 1. **Limitations on testing.** (a) An employer may not request or require an employee or job applicant to undergo drug and alcohol testing except as authorized in this section.

(b) An employer may not request or require an employee or job applicant to undergo drug or alcohol testing unless the testing is done pursuant to a written drug and alcohol testing policy that contains the minimum information required in section 181.952; and, either: (1) is conducted by a testing laboratory which participates in one of the programs listed in section 181.953, subdivision 1; or (2) complies with the oral fluid test procedures under section 181.953, subdivision 5a.

(c) An employer may not request or require an employee or job applicant to undergo drug and alcohol testing on an arbitrary and capricious basis.

Sec. 50. Minnesota Statutes 2023 Supplement, section 181.953, subdivision 1, is amended to read:

Subdivision 1. **Use of licensed, accredited, or certified laboratory required.** (a) Except as provided under subdivision 5a, an employer who requests or requires an employee or job applicant to undergo drug or alcohol testing or cannabis testing shall use the services of a testing laboratory that meets one of the following criteria for drug testing:

(1) is certified by the National Institute on Drug Abuse as meeting the mandatory guidelines published at 53 Federal Register 11970 to 11989, April 11, 1988;

(2) is accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, under the forensic urine drug testing laboratory program; or

(3) is licensed to test for drugs by the state of New York, Department of Health, under Public Health Law, article 5, title V, and rules adopted under that law.

(b) For alcohol testing, the laboratory must either be:

(1) licensed to test for drugs and alcohol by the state of New York, Department of Health, under Public Health Law, article 5, title V, and the rules adopted under that law; or

(2) accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, in the laboratory accreditation program.

Sec. 51. Minnesota Statutes 2023 Supplement, section 181.953, subdivision 3, is amended to read:

Subd. 3. **Laboratory testing, reporting, and sample retention requirements.** (a) A testing laboratory that is not certified by the National Institute on Drug Abuse according to subdivision 1 shall follow the chain-of-custody procedures prescribed for employers in subdivision 5. A testing laboratory shall conduct a confirmatory test on all samples that produced a positive test result on an initial screening test. A laboratory shall disclose to the employer a written test result report for each sample tested within three working days after a negative test result on an initial screening test or, when the initial screening test produced a positive test result, within three working days after a confirmatory test. A test report must indicate the drugs, alcohol, drug or alcohol metabolites, or cannabis or cannabis metabolites tested for and whether the test produced negative or positive test results. A laboratory shall retain and properly store for at least six months all samples that produced a positive test result.

(b) This subdivision and the chain-of-custody procedures under subdivision 5 do not apply to oral fluid testing under subdivision 5a.

Sec. 52. Minnesota Statutes 2023 Supplement, section 181.953, is amended by adding a subdivision to read:

Subd. 5a. **Oral fluid testing.** (a) An employer may elect to comply with the oral fluid testing procedures under this subdivision as an alternative to the drug and alcohol testing or cannabis testing procedures for job applicants in this section.

(b) An employer may request or require a job applicant to undergo oral fluid testing. If the oral fluid test indicates a positive test result or the test is inconclusive or invalid, the job applicant must undergo drug or alcohol testing or cannabis testing using the services of a testing laboratory under subdivision 1 within 48 hours of the oral fluid test to remain eligible for the job. The rights, notice, retest procedures, and limitations on withdrawal of a job offer in subdivisions 6 to 11 apply to the job applicant and a laboratory test conducted pursuant to this paragraph.

Sec. 53. **[181.9881] RESTRICTIVE EMPLOYMENT COVENANTS; VOID IN SERVICE CONTRACTS.**

Subdivision 1. **Definitions.** (a) "Customer" means an individual, partnership, association, corporation, business, trust, or group of persons hiring a service provider for services.

(b) "Employee," as used in this section, means any individual who performs services for a service provider, including independent contractors. "Independent contractor" has the meaning given in section 181.988, subdivision 1, paragraph (d).

(c) "Service provider" means any partnership, association, corporation, business, trust, or group of persons acting directly or indirectly as an employer or manager for work contracted or requested by a customer.

Subd. 2. **Restrictive employment covenants; void and unenforceable.** (a) No service provider may restrict, restrain, or prohibit in any way a customer from directly or indirectly soliciting or hiring an employee of a service provider.

(b) Any provision of an existing contract that violates paragraph (a) is void and unenforceable.

(c) When a provision in an existing contract violates this section, the service provider must provide notice to their employees of this section and the restrictive covenant in the existing contract that violates this section.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to contracts and agreements entered into on or after that date.



Sec. 54. Minnesota Statutes 2022, section 181A.08, is amended to read:

**181A.08 POWERS AND DUTIES OF THE DEPARTMENT.**

Subdivision 1. **Inspections.** The commissioner, an authorized representative, or any truant officer may enter and inspect the place of business or employment and may interview any employees, of any employer of employees in any occupation in the state, all for the purpose of ascertaining whether any minors are employed contrary to the provisions of sections 181A.01 to 181A.12. Such authorized persons may require that employment certificates, age certificates, and lists of minors employed shall be produced for their inspection.

Subd. 2. **Compliance orders.** The commissioner or an authorized representative may issue an order requiring an employer to comply with the provisions of sections 181A.01 to 181A.12 or with any rules promulgated under the provisions of section 181A.09. Any such order shall be served by the department upon the employer or an authorized representative in person or by certified mail at the employers place of business. If an employer wishes to contest the order for any reason, the employer shall file written notice of objection with the commissioner within ~~ten~~ 15 calendar days after service of said order upon said employer. Thereafter, a public hearing shall be held in accordance with the provisions of sections 14.57 to 14.69, and such rules consistent therewith as the commissioner shall make. 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.

Subd. 2a. **Employer liability.** If an employer is found by the commissioner to have violated any provision of sections 181A.01 to 181A.12, or any rules promulgated under section 181A.09, and the commissioner issues an order to comply under subdivision 2, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. The commissioner may order the employer to reimburse the department and the attorney general for 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).

Subd. 3. **Restraining orders.** The commissioner or an authorized representative may apply to any court of competent jurisdiction for an order restraining the violation of an order issued by the commissioner pursuant to subdivision 2, or for an order enjoining and restraining violations of this chapter or rules adopted pursuant to section 181A.09.

Sec. 55. Minnesota Statutes 2022, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. **Fines; penalty.** (a) Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or an authorized representative to any place of employment or refuses to make certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any rules issued pursuant thereto shall be assessed a fine to be paid to the commissioner for deposit in the general fund. The fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are ~~in~~ up to the amounts as follows for each violation:

- |     |  |       |
|-----|--|-------|
| (1) | employment of minors under the age of 14 (each employee) | \$500 |
|-----|--|-------|

(2)	employment of minors under the age of 16 during school hours while school is in session (each employee)	500
(3)	employment of minors under the age of 16 before 7:00 a.m. (each employee)	500
(4)	employment of minors under the age of 16 after 9:00 p.m. (each employee)	500
(5)	employment of a high school student under the age of 18 in violation of section 181A.04, subdivision 6 (each employee)	1,000
(6)	employment of minors under the age of 16 over eight hours a day (each employee)	500
(7)	employment of minors under the age of 16 over 40 hours a week (each employee)	500
(8)	employment of minors under the age of 18 in occupations hazardous or detrimental to their well-being as defined by rule (each employee)	1,000
(9)	employment of minors under the age of 16 in occupations hazardous or detrimental to their well-being as defined by rule (each employee)	1,000
(10)	minors under the age of 18 injured in hazardous employment (each employee)	5,000
(11)	minors employed without proof of age (each employee)	250

(b) An employer who refuses to make certificates or lists available as required by sections 181A.01 to 181A.12 shall be assessed a \$500 fine.

(c) Notwithstanding the factors in section 14.045, subdivision 3, the commissioner need only consider the size of the business of the employer, the gravity of the violation, and the history of previous violations when determining the total amount of fines to issue under this subdivision.

Sec. 56. Minnesota Statutes 2022, section 181A.12, is amended by adding a subdivision to read:

Subd. 4. **Liquidated damages.** An employer who employs a minor in violation of section 181A.04, subdivision 5, may be liable to the minor for an amount equal to the minor's regular rate of pay for all hours worked in violation of section 181A.04, subdivision 5, as liquidated damages, in addition to the wages earned by the minor.

Sec. 57. Minnesota Statutes 2022, section 181A.12, is amended by adding a subdivision to read:

Subd. 5. **Retaliation.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under sections 181A.01 to 181A.12 or any rules promulgated under section 181A.09, including but not limited to filing a complaint with the department, informing the employer of the employee's intention to file a complaint, or participating in an investigation by the department. In addition to any other remedies provided by law, the commissioner may order an employer in violation of this subdivision to provide back pay, compensatory damages, reinstatement, and any other appropriate relief to the aggrieved employee.

Sec. 58. Minnesota Statutes 2023 Supplement, section 182.6526, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision have the meanings given.

(b) "Aggregated employee work speed data" means a compilation of employee work speed data for multiple employees, in summary form, assembled in full or in another form such that the data cannot be identified with any individual.

(c) "Commissioner" means the commissioner of labor and industry.

(d)(1) Except as provided in clause (2), "employee" means ~~an employee~~ a person who meets the definition in section 182.651, subdivision 9, and who works at a warehouse distribution center.

(2) For the purposes of subdivisions 2, 3, and 4 only, "employee" means ~~a nonexempt employee performing a person who meets the definition in section 182.651, subdivision 9, does not meet any of the exceptions set forth in section 177.23, subdivision 7, clauses (1) to (19), and who performs~~ warehouse work occurring on the property of a warehouse distribution center ~~and~~ Employee does not include ~~a nonexempt employee~~ any person performing solely manufacturing, administrative, sales, accounting, human resources, or driving work at, or to and from, a warehouse distribution center.

(e) "Employee work speed data" means information an employer collects, stores, analyzes, or interprets relating to an individual employee's performance of a quota, including but not limited to quantities of tasks performed, quantities of items or materials handled or produced, rates or speeds of tasks performed, measurements or metrics of employee performance in relation to a quota, and time categorized as performing tasks or not performing tasks. Employee work speed data does not include itemized earnings statements pursuant to chapter 181, except for any content of those records that includes employee work speed data as defined in this paragraph.

(f) "Employer" means a person who meets the definition in section 182.651, subdivision 7, and who directly or indirectly, or through an agent or any other person, including through the services of a third-party employer, temporary service, or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of 250 or more employees at a single warehouse distribution center or 1,000 or more employees at one or more warehouse distribution centers in the state. For purposes of this paragraph, all employees of an employer's unitary business, as defined in section 290.17, subdivision 4, shall be counted in determining the number of employees employed at a single warehouse distribution center or at one or more warehouse distribution centers in the state.

(g) "Warehouse distribution center" means an establishment as defined by any of the following North American Industry Classification System (NAICS) codes:

- (1) 493110 for General Warehousing and Storage;
  - (2) 423 for Merchant Wholesalers, Durable Goods;
  - (3) 424 for Merchant Wholesalers, Nondurable Goods;
  - (4) 454110 for Electronic Shopping and Mail-Order Houses; and
  - (5) 492110 for Couriers and Express Delivery Services.
- (h) "Quota" means a work standard under which:

(1) an employee or group of employees is assigned or required to perform at a specified productivity speed, or perform a quantified number of tasks, or handle or produce a quantified amount of material, or perform without a certain number of errors or defects, as measured at the individual or group level within a defined time period; or

(2) an employee's actions are categorized and measured between time performing tasks and not performing tasks, and the employee's failure to complete a task performance standard may have an adverse impact on the employee's continued employment.

Sec. 59. Minnesota Statutes 2022, section 182.664, subdivision 3, is amended to read:

Subd. 3. **Powers and duties of board.** The review board shall review and decide appeals from final decisions and orders of the commissioner, including decisions issued by administrative law judges, petitions to vacate final orders of the commissioner, and with the agreement of the parties, may review and decide petitions for decisions based on stipulated facts. The powers of the board in the conduct of hearings, including the power to sign decisions and orders, may be delegated to a member, members, or the board chair. The board may schedule a hearing for purposes of taking oral argument. A notice stating the time and place of the hearing must be given ten days in advance of such a hearing to the parties and copies of the notice of such hearing shall be served by the employer as rules of the board shall require. The hearings shall be open to the public and the board's decisions and orders shall be maintained and available for examination. Chapter 13D does not apply to meetings or hearings of the board when the board is deliberating to reach its decision on an appeal or petition under its jurisdiction.

Sec. 60. Minnesota Statutes 2022, section 182.664, subdivision 5, is amended to read:

Subd. 5. **Authority of board; standard scope of review.** (a) For the purpose of carrying out its functions under this chapter, two members of the board shall constitute a quorum and official action can be taken only on the affirmative vote of at least two members. The decisions and orders of an administrative law judge, or final orders of the commissioner, may be appealed to the review board by the employer, employee, or their authorized representatives or any party, within 30 days following service by mail of the administrative law judge's decision and order, or final order of the commissioner.

(b) The review board shall have authority to revise, ~~confirm~~ affirm, remand, or reverse the decision and order of administrative law judges, ~~or~~.

(c) The review board shall also have authority to affirm, or vacate and remand, final orders of the commissioner when a petition to vacate a final order is filed. The board shall only vacate and remand a final order of the commissioner relating to a petition to vacate upon a showing of good cause. For purposes of this section, good cause is limited to fraud, mistake of fact ~~or by the commissioner, mistake of law by the commissioner~~, or newly discovered evidence.

Sec. 61. Minnesota Statutes 2022, section 182.665, is amended to read:

#### **182.665 JUDICIAL REVIEW.**

Any person aggrieved by a final order of the board in a contested case, by a final order of the board on a petition to vacate a final order of the commissioner, or by any standard, rule, or order promulgated by the commissioner, is entitled to judicial review thereof in accordance with the applicable provisions of chapter 14.

Sec. 62. Minnesota Statutes 2022, section 182.666, subdivision 6, is amended to read:

Subd. 6. **Authority to assess fines; considerations.** Only the commissioner shall have authority to assess all proposed fines provided in this section, ~~giving~~. Notwithstanding the factors in section 14.045, subdivision 3, the commissioner must give due consideration only to the following factors:

(1) appropriateness of the fine with respect to the size of the business of the employer;

(2) the gravity of the violation;

(3) the good faith of the employer; and

(4) the history of previous violations.

Sec. 63. Minnesota Statutes 2022, section 182.667, is amended by adding a subdivision to read:

**Subd. 4. Investigative data.** The commissioner may share active and inactive civil investigative data pursuant to section 13.39 with a city or county attorney for purposes of enforcing this section. The commissioner may share complete data and need not withhold any data under the requirements of chapter 13 or 182 or any other state privacy law.

Sec. 64. Minnesota Statutes 2023 Supplement, section 182.677, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this subdivision apply unless otherwise specified.

(b) "Health care facility" means a hospital with a North American Industrial Classification system code of 622110, 622210, or 622310; an outpatient surgical center with a North American Industrial Classification system code of 621493; and a nursing home with a North American Industrial Classification system code of 623110.

(c) "Warehouse distribution center" means ~~an employer~~ a site in Minnesota with 100 or more employees ~~in Minnesota~~ and a North American Industrial Classification system code of 493110, 423110 to 423990, 424110 to 424990, 454110, or 492110.

(d) "Meatpacking site" means a ~~meatpacking or poultry processing~~ site in Minnesota with 100 or more employees ~~in Minnesota~~ and a North American Industrial Classification system code of 311611 to 311615, except 311613.

(e) "Musculoskeletal disorder" or "MSD" means a disorder of the muscles, nerves, tendons, ligaments, joints, cartilage, blood vessels, or spinal discs.

Sec. 65. Minnesota Statutes 2023 Supplement, section 182.677, subdivision 2, is amended to read:

Subd. 2. **Ergonomics program required.** (a) Every employer with employees at a licensed health care facility, warehouse distribution center, or meatpacking site in the state shall create and implement an effective written ergonomics program establishing the employer's plan to minimize the risk of its employees developing or aggravating musculoskeletal disorders. The ergonomics program shall focus on eliminating the risk. To the extent risk exists, the ergonomics program must include feasible administrative or engineering controls to reduce the risk.

(b) The program shall include:

(1) an assessment to identify and reduce musculoskeletal disorder risk factors in the facility;

(2) an initial and ongoing training of employees on ergonomics and its benefits, including the importance of reporting early symptoms of musculoskeletal disorders;

(3) a procedure to ensure early reporting of musculoskeletal disorders to prevent or reduce the progression of symptoms, the development of serious injuries, and lost-time claims;

(4) a process for employees to provide possible solutions that may be implemented to reduce, control, or eliminate workplace musculoskeletal disorders;

(5) procedures to ensure that physical plant modifications and major construction projects are consistent with program goals; and

(6) annual evaluations of the ergonomics program and whenever a change to the work process occurs.

Sec. 66. **[182.678] SURGICAL SMOKE EVACUATION SYSTEM POLICIES.**

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Surgical smoke" means the gaseous by-product produced by energy-generating devices including surgical plume, smoke plume, bio-aerosols, laser-generated airborne contaminants, or lung-damaging dust.

(c) "Smoke evacuation system" means equipment that effectively captures and filters surgical smoke at the site of origin before the smoke makes contact with the eyes or the respiratory tract of occupants in the room.

(d) "Health care employer" means a hospital as defined in section 144.50, subdivision 2, or an ambulatory surgical facility or outpatient surgical center as defined in section 144.55, subdivision 2, paragraph (b).

Subd. 2. Surgical smoke evacuation system policies required. A health care employer shall adopt and implement policies to prevent exposure to surgical smoke by requiring the use of a smoke evacuation system during any surgical procedure that is likely to generate surgical smoke.

Subd. 3. Enforcement. This section shall be enforced by the commissioner under sections 182.66 and 182.661. A violation of this section is subject to the penalties provided under section 182.666.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 67. Minnesota Statutes 2023 Supplement, section 204B.19, subdivision 6, is amended to read:

**Subd. 6. Trainee election judges.** (a) Notwithstanding any other requirements of this section, a student enrolled in a high school in Minnesota or who is in a home school in compliance with sections 120A.22 and 120A.24, who has attained the age of 16 is eligible to be appointed as a without party affiliation trainee election judge in the county in which the student maintains residence, or a county adjacent to the county in which the student maintains residence. The student must meet qualifications for trainee election judges specified in rules of the secretary of state. A student appointed under this subdivision while enrolled in a high school or receiving instruction in a home school may continue to serve as a trainee election judge after the student graduates and until the student reaches the age of 18.

(b) A student appointed as a trainee election judge may be excused from school attendance during the hours that the student is serving as a trainee election judge if the student submits a written request signed and approved by the student's parent or guardian to be absent from school and a certificate from the appointing authority stating the hours during which the student will serve as a trainee election judge to the principal of the school at least ten days prior to the election. A trainee election judge shall not serve after 10:00 p.m. Notwithstanding section 177.24 to the contrary, trainee election judges may be paid not less than two-thirds of the minimum wage for a ~~large~~ an employer. The principal of the school may approve a request to be absent from school conditioned on acceptable academic performance at the time of service as a trainee election judge.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 68. Minnesota Statutes 2022, section 326.02, subdivision 5, is amended to read:

**Subd. 5. Limitation.** The provisions of sections 326.02 to 326.15 shall not apply to the preparation of plans and specifications for the erection, enlargement, or alteration of any building or other structure by any person, for that person's exclusive occupancy or use, unless such occupancy or use involves the public health or safety or the health or safety of the employees of said person, or of the buildings listed in section 326.03, subdivision 2, nor to any

detailed or shop plans required to be furnished by a contractor to a registered engineer, landscape architect, architect, or certified interior designer, nor to any standardized manufactured product, nor to any construction superintendent supervising the execution of work designed by an architect, landscape architect, engineer, or certified interior designer licensed or certified in accordance with section 326.03, nor to the planning for and supervision of the construction and installation of work by an electrical or elevator contractor or master plumber as defined in and licensed pursuant to chapter 326B, nor to the planning for and supervision of the construction and installation of work by a licensed well contractor as defined and licensed pursuant to chapter 103I, where such work is within the scope of such licensed activity and not within the practice of professional engineering, or architecture, or where the person does not claim to be a certified interior designer as defined in subdivision 2, 3, or 4b.

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

Sec. 69. Minnesota Statutes 2022, section 326B.0981, subdivision 3, is amended to read:

Subd. 3. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the regulated industries pursuant to this chapter and other applicable federal and state laws, rules, and regulations. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in subdivision 11. The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Except as required for Internet continuing education, course examinations will not be required for continuing education courses.

(c) If textbooks are not used as part of the course, the sponsor must provide students with a syllabus containing the course title; the times and dates of the course offering; the name, address, and telephone number of the course sponsor; the name and affiliation of the instructor; and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each classroom hour approved by the commissioner. Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

(e) Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of the initial presentation. Continuing education credits for completion of an approved course may only be used once for renewal of a specific license.

(f) Courses will be approved using the following guidelines:

(1) course content must demonstrate significant intellectual or practical content and deal with matters directly related to the practice in the regulated industry, workforce safety, or the business of running a company in the regulated industry. Courses may also address the professional responsibility or ethical obligations of a licensee related to work in the regulated industry;

(2) the following courses may be approved if they are specifically designed for the regulated industry and are in compliance with paragraph (g):

(i) courses approved by the Minnesota Board of Continuing Legal Education; or

(ii) courses approved by the International Code Council, National Association of Home Building, or other nationally recognized professional organization of the regulated industry; and

(3) courses must be presented and attended in a suitable classroom or construction setting, except for Internet education courses which must meet the requirements of subdivision ~~5a~~ 4. Courses presented via video recording, simultaneous broadcast, or teleconference may be approved provided the sponsor is available at all times during the presentation, except for Internet education courses which must meet the requirements of subdivision ~~5a~~ 4.

(g) The following courses will not be approved for credit:

- (1) courses designed solely to prepare students for a license examination;
- (2) courses in mechanical office skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the regulated industry;
- (3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;
- (4) courses in motivation, salesmanship, psychology, or personal time management;
- (5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed; or
- (6) courses where any of the educational content of the course is the State Building Code that include code provisions that have not been adopted into the State Building Code unless the course materials clarify that the code provisions have been officially adopted into a future version of the State Building Code and the effective date of enforcement.

(h) Nothing in this subdivision shall limit an authority expressly granted to the Board of Electricity, Board of High Pressure Piping Systems, or Plumbing Board.

Sec. 70. Minnesota Statutes 2022, section 326B.0981, subdivision 4, is amended to read:

Subd. 4. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) or the International Association for Continuing Education and Training (IACET) before the course is submitted for the commissioner's approval. The approval must accompany the course submitted.

(b) Paragraphs (a) and ~~(c)~~ (d) do not apply to approval of an Internet continuing education course for manufactured home installers. An Internet continuing education course for manufactured home installers must be approved by the United States Department of Housing and Urban Development or by the commissioner of labor and industry. The approval must accompany the course completion certificate issued to each student by the course sponsor.

(c) Paragraph (a) does not apply to approval of an Internet continuing education course for elevator constructors. An Internet continuing education course for elevator constructors must be approved by the commissioner of labor and industry. The approval must accompany the course completion certificate issued to each student by the course sponsor.

~~(c)~~ (d) An Internet continuing education course must:

- (1) specify the minimum computer system requirements;
- (2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
- (3) include technology to guarantee seat time;



- (4) include a high level of interactivity;
  - (5) include graphics that reinforce the content;
  - (6) include the ability for the student to contact an instructor or course sponsor within a reasonable amount of time;
  - (7) include the ability for the student to get technical support within a reasonable amount of time;
  - (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
  - (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;
  - (10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;
  - (11) include a process to authenticate the student's identity;
  - (12) inform the student and the commissioner how long after its purchase a course will be accessible;
  - (13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
  - (14) provide clear instructions on how to navigate through the course;
  - (15) provide automatic bookmarking at any point in the course;
  - (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
  - (17) include a reinforcement response when a quiz question is answered correctly;
  - (18) include a response when a quiz question is answered incorrectly;
  - (19) include a final examination in which the student must correctly answer 70 percent of the questions;
  - (20) allow the student to go back and review any unit at any time, except during the final examination;
  - (21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;
  - (22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient and shall include the name of the provider, date and location of the course, educational program identification that was provided by the department, hours of instruction or continuing education hours, and licensee's or attendee's name and license, certification, or registration number or the last four digits of the licensee's or attendee's Social Security number; and
  - (23) allow the commissioner the ability to electronically review the class to determine if credit can be approved.
- ~~(d)~~ (e) The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination.

Sec. 71. Minnesota Statutes 2022, section 326B.0981, subdivision 8, is amended to read:

Subd. 8. **Facilities.** Except for Internet education offered pursuant to subdivision 5a 4, each course of study must be conducted in a classroom or other facility that is adequate to comfortably accommodate the instructors and the number of students enrolled. The sponsor may limit the number of students enrolled in a course.

Sec. 72. Minnesota Statutes 2022, section 326B.33, subdivision 7, is amended to read:

Subd. 7. **Power limited technician.** (a) Except as otherwise provided by law, no individual shall install, alter, repair, plan, lay out, or supervise the installing, altering, repairing, planning, or laying out of electrical wiring, apparatus, or equipment for technology circuits or systems unless:

(1) the individual is licensed by the commissioner as a power limited technician; and

(2) the electrical work is:

(i) for a licensed contractor and the individual is an employee, partner, or officer of, or is the licensed contractor; or

(ii) performed under the direct supervision of a master electrician or power limited technician also employed by the individual's employer on technology circuits, systems, apparatus, equipment, or facilities that are owned or leased by the employer and that are located within the limits of property operated, maintained, and either owned or leased by the employer.

(b) An applicant for a power limited technician's license shall (1) be a graduate of a four-year electrical course offered by an accredited college or university; or (2) have had at least 36 months' experience, acceptable to the commissioner, in planning for, laying out, supervising, installing, altering, and repairing wiring, apparatus, or equipment for power limited systems, provided however, that up to 12 months (2,000 hours) of experience credit for successful completion of a two-year post high school electrical course or other technical training approved by the commissioner may be allowed.

(c) Licensees must attain 16 hours of continuing education acceptable to the board every renewal period.

~~(d) A company holding an alarm and communication license as of June 30, 2003, may designate one individual who may obtain a power limited technician license without passing an examination administered by the commissioner by submitting an application and license fee of \$30.~~

~~(e) A person who has submitted an application by December 30, 2007, to take the power limited technician examination administered by the department is not required to meet the qualifications set forth in paragraph (b).~~

Sec. 73. Minnesota Statutes 2022, section 326B.33, subdivision 21, is amended to read:

Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

(1) the individual is engaged in the maintenance and repair of electrical equipment, apparatus, and facilities that are owned or leased by the individual's employer and that are located within the limits of property operated, maintained, and either owned or leased by the individual's employer;

(2) the individual is supervised by:

(i) the responsible master electrician for a contractor who has contracted with the individual's employer to provide services for which a contractor's license is required; or

(ii) a licensed master electrician, a licensed maintenance electrician, an electrical engineer, or, if the maintenance and repair work is limited to technology circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has on file with the commissioner a current certificate of responsible person, signed by the responsible master electrician of the contractor, the licensed master electrician, the licensed maintenance electrician, the electrical engineer, or the licensed power limited technician, and stating that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees complies with the Minnesota Electrical Act and the rules adopted under that act. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 7, paragraph (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits or systems in hazardous classified locations as covered by ~~chapter 5~~ of the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326B.31 to 326B.399.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326B.31 to 326B.399 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326B.38.

(e) Employees of any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326B.31 to 326B.399:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which:

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) ~~An owner shall not be~~ individual who physically performs electrical work on a residential dwelling that is located on a property the individual owns and actually occupies as a residence or owns and will occupy as a residence upon completion of its construction is not required to hold or obtain a license under sections 326B.31 to 326B.399 if the residential dwelling has a separate electrical utility service not shared with any other residential dwelling.

(g) Companies and their employees licensed under section 326B.164 shall not be required to hold or obtain a license under sections 326B.31 to 326B.399 while performing elevator work.

Sec. 74. Minnesota Statutes 2022, section 326B.36, subdivision 2, is amended to read:

Subd. 2. **Technology systems.** (a) The installation of the technology circuits or systems described in paragraph (b), except:

(1) minor work performed by a contractor;

(2) work performed by a heating, ventilating, or air conditioning contractor as described in section 326B.38; and

(3) work performed by cable company employees when installing cable communications systems or telephone company employees when installing telephone systems,

must be inspected as provided in this section for compliance with the applicable provisions of the National Electrical Code and the applicable provisions of the National Electrical Safety Code, as those codes were approved by the American National Standards Institute.

(b) The inspection requirements in paragraph (a) apply to:

(1) class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems exempted by section 326B.33, subdivision 21, paragraph (b), other than fire alarm; class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or technology circuits and systems in hazardous classified locations as covered by ~~chapter 5~~ of the National Electrical Code;

(2) fire alarm systems, other than in one- or two-family dwellings, as defined in ~~articles 100 and 760~~ of the National Electrical Code;

(3) technology circuits and systems contained within critical care areas of health care facilities as defined by the safety standards identified in section 326B.35, including, but not limited to, anesthesia and resuscitative alarm and alerting systems, medical monitoring, and nurse call systems; and

(4) physical security systems within detention facilities; ~~and,~~

~~(5) circuitry and equipment for indoor lighting systems as defined in article 411 of the National Electrical Code.~~

(c) For the purposes of this subdivision "minor work" means the adjustment or repair and replacement of worn or defective parts of a technology circuit or system. Minor work may be inspected under this section at the request of the owner of the property or the person doing the work.

(d) Notwithstanding this subdivision, if an electrical inspector observes that a contractor, employer, or owner has not complied with accepted standards when the work was performed, as provided in the most recent editions of the National Electrical Code and the National Electrical Safety Code as approved by the American National Standards Institute, the inspector may order the contractor, employer, or owner who has performed the work to file ~~a request for electrical inspection~~ an electrical permit, pay an inspection fee, and make any necessary repairs to comply with applicable standards and require that the work be inspected.

Sec. 75. Minnesota Statutes 2023 Supplement, section 326B.36, subdivision 7, is amended to read:

Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not be subject to inspection under sections 326B.31 to 326B.399:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing electrical maintenance work only as defined by rule;

(2) when owned or leased, and operated and maintained by any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, load control, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(3) when used in the street lighting operations of an electrical utility;

(4) when used as outdoor area lights which are owned and operated by an electrical utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326B.164, is required to obtain a permit from the authority having jurisdiction as provided by section 326B.184, and the inspection has been or will be performed by an elevator inspector certified and licensed by the department. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under the National Electrical Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

Sec. 76. Minnesota Statutes 2022, section 326B.46, subdivision 6, is amended to read:

Subd. 6. **Well contractor exempt from licensing and bond; conditions.** No license, registration, or bond under sections 326B.42 to 326B.49 is required of a well contractor or a limited well/boring contractor who is licensed and bonded under section 103I.525 or 103I.531 and is engaged in the work or business of designing and installing:

(1) water service pipe from a well to a pressure tank;

(2) a frost-free water hydrant with an antisiphon device on a well water service pipe located entirely outside of a building requiring potable water;

(3) a control valve, located outside the building, on a well water service pipe; or

(4) a main control valve located within two feet of the pressure tank on the distribution supply line.

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

Sec. 77. Minnesota Statutes 2022, section 626.892, subdivision 12, is amended to read:

Subd. 12. **Interaction with other laws.** (a) Sections 179A.21, subdivision 2, and 572B.11, paragraph (a), and rules for arbitrator selection promulgated pursuant to section 179A.04 shall not apply to discipline-related grievance arbitrations involving peace officers governed under this section.

(b) Notwithstanding any contrary provision of law, home rule charter, ordinance, or resolution, peace officers, through their certified exclusive representatives, shall not have the right to negotiate for or agree to a collective bargaining agreement or a grievance arbitration selection procedure with their employers that is inconsistent with this section.

(c) The arbitrator selection procedure for peace officer grievance arbitrations established under this section supersedes any inconsistent provisions in chapter 179A or 572B or in Minnesota Rules, chapters 5500 to 5530 and ~~7315 to~~ 7325. Other arbitration requirements in those chapters remain in full force and effect for peace officer grievance arbitrations, except as provided in this section or to the extent inconsistent with this section.

Sec. 78. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 179.35, subdivision 5, as Minnesota Statutes, section 179.35, subdivision 7.

Sec. 79. **REVISOR INSTRUCTION.**

In each of the statutory sections listed in Column A, the revisor of statutes shall replace the statutory citation in Column B with the statutory citation listed in Column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>175.007, subdivision 1, paragraph (b)</u>	<u>177.24, subdivision 1, paragraph (a), clause (2)</u>	<u>177.23, subdivision 13</u>
<u>222.50, subdivision 5, clause (4), item (ii)</u>	<u>177.24, subdivision 1, paragraph (b)</u>	<u>177.24, subdivision 1, paragraph (a)</u>
<u>550.136, subdivision 3, paragraph (a), clause (2)</u>	<u>177.24, subdivision 1, paragraph (b), clause (1), item (iii)</u>	<u>177.24, subdivision 1, paragraph (a), clause (3)</u>
<u>551.06, subdivision 3, paragraph (a), clause (2)</u>	<u>177.24, subdivision 1, paragraph (b), clause (1), item (iii)</u>	<u>177.24, subdivision 1, paragraph (a), clause (3)</u>
<u>571.922, paragraph (a), clause (2), item (i)</u>	<u>177.24, subdivision 1, paragraph (b), clause (1), item (iii)</u>	<u>177.24, subdivision 1, paragraph (a), clause (3)</u>

Sec. 80. **REPEALER.**

Minnesota Rules, part 5510.0310, subpart 13, is repealed.

Sec. 81. **REPEALER.**

Minnesota Rules, part 5200.0080, subpart 7, is repealed.

**EFFECTIVE DATE.** This section is effective August 1, 2024."

Delete the title and insert:

"A bill for an act relating to labor; adopting labor policy provisions; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 177.23, by adding subdivisions; 177.24, subdivision 1, by adding a subdivision; 177.30; 179.01, subdivisions 1, 9, 16; 179.06; 179.08; 179.11; 179.12; 179.254, subdivision 1; 179.256; 179.26; 179.27; 179.35, subdivision 1; 179.40; 179.43; 179A.02; 179A.03, subdivision 17; 179A.06, subdivisions 1, 2, 3; 179A.08, subdivision 2; 179A.10, subdivision 1; 179A.104, subdivision 1; 179A.12, subdivision 1; 179A.15; 179A.16, subdivisions 1, 7; 179A.18, subdivisions 2, 3; 179A.19, subdivision 6; 179A.20, subdivision 4; 179A.23; 181.941, subdivision 4; 181.943; 181.950, by adding a subdivision; 181.951, subdivision 1; 181A.08; 181A.12, subdivision 1, by adding subdivisions; 182.664, subdivisions 3, 5; 182.665; 182.666, subdivision 6; 182.667, by adding a subdivision; 326.02, subdivision 5; 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; 326B.46, subdivision 6; 626.892, subdivision 12; Minnesota Statutes 2023 Supplement, sections 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 181.212, subdivision 7; 181.531, subdivision 3; 181.939, subdivision 2; 181.953, subdivisions 1, 3, by adding a subdivision; 182.6526, subdivision 1; 182.677, subdivisions 1, 2; 204B.19, subdivision 6; 326B.36, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 181; 182; repealing Minnesota Rules, parts 5200.0080, subpart 7; 5510.0310, subpart 13."

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 3947 was re-referred to the Committee on Rules and Legislative Administration.

Howard from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 4010, A bill for an act relating to local government; establishing requirements for multifamily residential developments in cities; proposing coding for new law in Minnesota Statutes, chapter 462.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[462.3571] MULTIFAMILY RESIDENTIAL DEVELOPMENTS.**

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

(b) "Affordable housing development" means a multifamily residential development in which:

(1) at least 20 percent of the residential units are for households whose incomes do not exceed 50 percent of the greater of the statewide or area median income; or

(2) at least 40 percent of the residential units are for households whose incomes do not exceed 60 percent of the greater of the statewide or area median income.

The deed or declaration for an affordable residential unit must also contain a restrictive covenant requiring the property to remain affordable housing for at least 30 years.

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

(d) "Commercial use" means the use of land or buildings, in whole or in part, for the sale, lease, rental, or trade of products, goods, and services.

(e) "Cottage housing" means residential dwelling units on a lot with a common open space that either:

(1) is owned in common; or

(2) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

(f) "Courtyard apartment" means a building with up to four attached residential dwelling units arranged on two or three sides of a yard or garden.

(g) "Duplex" means a two-family home, classified as an IRC-2 in the State Building Code and not meeting the definition of townhouse.

(h) "Environmental justice area" has the meaning given in section 116.065, subdivision 1.

(i) "Fiveplex" means a building containing five residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

(j) "Fourplex" means a building containing four residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

(k) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

(l) "Multifamily residential development" means a single residential building with at least 13 units or a mixed-use building with commercial use on the ground floor and at least half of the usable square footage is for residential use. Multifamily residential development does not include the following housing types:

(1) duplexes;

(2) triplexes;

(3) fourplexes;

(4) fiveplexes;

(5) sixplexes;

(6) townhouses;

(7) stacked flats;

(8) courtyard apartments;

(9) cottage housing; and

(10) single-family detached homes.



(m) "Residential unit" means a residential dwelling for the use of a single owner or tenant.

(n) "Single-family detached home" means any building that contains one residential dwelling unit used, intended, or designed to be built, used, rented, leased, let, or hired out to be occupied, or occupied for living purposes that is not attached to another structure.

(o) "Sixplex" means a building containing six residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

(p) "Stacked flat" means a nontransient residential building of no more than three stories on a lot zoned for residential development in which each floor is a residential dwelling unit.

(q) "Structure" means anything constructed or installed for residential or commercial use that requires a location on a parcel of land. Structure does not include nonconformities.

(r) "Townhouse" means a single-family residential dwelling unit constructed in a group of three or more attached units in which each unit extends from the foundation to the roof and with open space on at least two sides. Each single-family residential dwelling unit shall be considered to be a separate building. Separate building service utilities shall be provided to each single-family residential dwelling unit when required by the Minnesota State Building Code.

(s) "Triplex" means a building containing three residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

**Subd. 2. Multifamily residential developments.** (a) Subject to compliance with all municipal zoning standards, multifamily residential developments shall be a permitted use in any zoning district that allows for a commercial use, except for:

(1) industrial zoning districts where a commercial use is not allowed; or

(2) industrial zoning districts that are located in environmental justice areas.

(b) A multifamily residential development may not be constructed on a lot zoned for a single-family detached home unless otherwise authorized by law, rule, or ordinance.

(c) A city may require a conditional use permit for a multifamily residential development only if the specific circumstances of the development raise concerns related to the public health, safety, and general welfare.

**Subd. 3. Applicable zoning standards.** (a) A multifamily residential development must comply with any standards, performance conditions, or requirements, including the adequacy of existing public infrastructure, imposed by a city to promote the public health, safety, and general welfare.

(b) A city must not impose a height requirement on a multifamily residential development that is less than the following:

(1) in a city of the first class, 75 feet;

(2) in a city of the second class, 45 feet;

(3) in a city of the third class in the metropolitan area, 45 feet; or

(4) in a city of the third class outside of the metropolitan area, 35 feet.

(c) A city must not impose a setback requirement on a multifamily residential development that is greater than the smallest required minimum setback distance of any other structure in the same zoning district of the parcel on which the development will be built.

(d) A city may impose a height or setback requirement that is different from the requirements in this subdivision if such requirements would result in a multifamily residential development that would substantially vary in compatibility and scale with surrounding properties.

(e) This subdivision does not apply to a city of the fourth class.

Subd. 4. **Parking requirements limited.** A city may not require more than one off-street parking space per residential unit, except that additional disability parking spaces may be required to meet the requirements of the Americans with Disabilities Act.

Subd. 5. **Affordable housing development; height and mass requirements.** An affordable housing development must be permitted to exceed one or more maximum dimensional standards imposed by city official zoning controls as a zoning density bonus. A zoning density bonus offered by a city for an affordable housing development may include one or more of the following dimensional standards above the maximum base zoning regulations:

(1) a building height increase of at least 35 feet;

(2) an increased floor area ratio;

(3) an increased number of units per acre;

(4) an increased total number of units;

(5) a higher percentage of lot coverage; or

(6) other dimensional standards that increase building size by at least 30 percent more than what is allowed for market-rate multifamily residential developments.

Subd. 6. **Administrative review process.** (a) Notwithstanding any law, rule, or ordinance to the contrary, a city must establish an administrative review process subject to the procedures in section 15.99 for a multifamily residential development meeting the requirements of this section.

(b) An application reviewed through an administrative review process or other process may not be approved contingent on factors not related to the protection of the public health, safety, and welfare; the completion of a study; or the development being a part of a planned unit development if the multifamily residential development complies with this section.

Subd. 7. **Exceptions.** (a) Nothing in this section authorizes a multifamily residential development that is prohibited by state or federal law or rule, or is prohibited under an ordinance adopted pursuant to such a state or federal law or rule, that protects floodplains, areas of critical or historic concern, wild and scenic rivers, shore land, or that otherwise restrict residential units to protect and preserve the public health, the environment, or scenic areas.

(b) A multifamily residential development may not be inconsistent with approved plans under chapter 103B.

**EFFECTIVE DATE.** This section is effective January 1, 2025."

With the recommendation that when so amended the bill be re-referred to the Committee on State and Local Government Finance and Policy.

The report was adopted.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 4025, A bill for an act relating to infrastructure; establishing the Minnesota Advisory Council on Infrastructure; specifying office powers and duties; providing for implementation; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 15.

Reported the same back with the following amendments:

Page 1, lines 11 and 13, delete "15.0482" and insert "16B.357"

Page 1, line 13, delete everything after "by" and insert "May 1, 2025."

Page 1, line 14, delete "council must appoint" and insert "commissioner of administration must hire"

Page 1, line 15, delete "15.0485" and insert "16B.359"

Page 1, line 16, after "(b)" insert "and the appointments under Minnesota Statutes, section 16B.357"

Page 1, line 18, before the period, insert "related to providing for effective and efficient management of infrastructure and preserving and extending the longevity of Minnesota's public and privately owned infrastructure"

Page 1, delete subdivision 3

Page 2, delete sections 2 and 3 and insert:

"Sec. 2. **APPROPRIATION; MINNESOTA ADVISORY COUNCIL ON INFRASTRUCTURE.**

\$248,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of administration for purposes of the Minnesota Advisory Council on Infrastructure as provided under section 1 and Minnesota Statutes, sections 16B.357 to 16B.359. The base is \$653,000 in fiscal year 2026 and \$768,000 in fiscal year 2027."

Page 2, line 16, delete "15.0481" and insert "16B.356"

Page 2, lines 17 and 28, delete "15.0481 to 15.0485" and insert "16B.356 to 16B.359"

Page 2, lines 20 and 26, delete "15.0482" and insert "16B.357"

Page 5, line 10, delete "section 15.0482" and insert "this section"

Page 5, delete line 15 and insert:

"(4) a director of a relevant office; or"

Page 5, line 18, before "The" insert "(a)"

Page 5, after line 20, insert:

"(b) The chair is responsible for convening meetings of the council and setting each meeting agenda."

Page 6, line 1, delete "15.0483" and insert "16B.358" and before "RESPONSIBILITIES" insert "POWERS;"

Page 6, after line 1, insert:

"Subdivision 1. **General powers.** The council has the nonregulatory powers necessary to carry out its responsibilities and duties specified by law."

Page 6, lines 8 and 25, delete "15.0481 to 15.0485" and insert "16B.356 to 16B.359"

Page 6, after line 31, insert:

"Subd. 5. **Administrative support.** The commissioner must provide the council with suitable space to maintain an office, hold meetings, and keep records. The commissioner must provide administrative staff and information technology resources to the council as necessary for the expeditious conduct of the council's duties and responsibilities."

Renumber the subdivisions in sequence

Page 7, line 5, delete "15.0481" and insert "16B.356"

Page 7, line 6, delete "15.0485" and insert "16B.359"

Page 7, delete section 4

Page 7, line 15, delete "15.0485" and insert "16B.359"

Page 7, line 16, delete "council must employ" and insert "commissioner must hire"

Page 7, line 17, delete "unclassified service" and insert "classified service, with the advice of the council"

Page 7, delete lines 21 and 22 and insert:

"(c) The executive director must perform the duties as specified by the council to manage and implement the requirements of sections 16B.356 to 16B.359."

Page 7, delete line 24 and insert "(1) hire any employees on the basis of merit and"

Page 7, delete lines 29 and 30 and insert:

"(1) hire a deputy director and other staff; and"

Renumber the sections in sequence

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4025 was re-referred to the Committee on Rules and Legislative Administration.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4118, A bill for an act relating to public safety; prohibiting use of term "excited delirium" and similar terms to describe mental health status of persons by law enforcement; amending Minnesota Statutes 2022, sections 144.651, subdivisions 2, 6; 390.11, subdivision 2; 609.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, delete sections 2 and 3

Page 3, delete section 4

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to public safety; prohibiting the Peace Officer Standards and Training Board from certifying a continuing education course that includes training on "excited delirium" or similar terms; proposing coding for new law in Minnesota Statutes, chapter 626."

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

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 4247, A bill for an act relating to health occupations; establishing guest licensure for marriage and family therapy; establishing fees; amending Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
TRANSFER CARE SPECIALISTS

Section 1. Minnesota Statutes 2022, 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, or transfer care specialists 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. 2. Minnesota Statutes 2022, 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, direct supervision means that the supervisor is available to observe and correct, as needed, the performance of the trainee. For the purpose of a transfer care specialist, direct supervision means that the supervisor is available by being physically present or by telephone to advise and correct, as needed, the performance of the transfer care specialist. The supervising mortician ~~supervisor~~ is accountable for the actions of the clinical student, practicum student, or intern 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 transfer care specialist.

Sec. 3. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 37d. **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. 4. Minnesota Statutes 2022, 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, practicum students, ~~and~~ clinical students, and transfer care specialists;
  - (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 ~~and~~, interns, and transfer care specialists;

(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. 5. Minnesota Statutes 2022, 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 perform 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. 6. Minnesota Statutes 2022, 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 ~~or~~, intern, or transfer care specialist; the nature of the misconduct; and the measure or action taken by the regulatory agency.



Sec. 7. **[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. A transfer care specialist must be an employee of a licensed funeral establishment.

Subd. 2. Registration. (a) To be eligible for registration as a transfer care specialist, an applicant must submit to the commissioner:

(1) a completed 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, business address and telephone number, and email address; 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 fee specified in section 149A.65.

(b) All transfer care specialist registrations are valid for one calendar year, beginning on January 1 and ending on December 31 regardless of the date of issuance. Fees shall not be prorated.

Subd. 3. Duties. (a) 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. A transfer care specialist must comply with the universal precaution requirements in section 149A.91, subdivision 1, when handling a dead human body.

(b) A 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 four transfer care specialists at any one time.

Subd. 4. Training program and continuing education. (a) Each transfer care specialist must complete a training program prior to initial registration. 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 the use of universal precautions and other reasonable precautions to minimize the risk for transmitting communicable diseases; 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 three hours of continuing education annually on content described in paragraph (a), clauses (1) to (3), and submit evidence of completion with the individual's registration renewal.

Subd. 5. Renewal. (a) A registration issued under this section expires on December 31 of the calendar year in which the registration was issued and must be renewed to remain valid.

(b) To renew a registration, a transfer care specialist must submit to the commissioner a completed renewal application as provided by the commissioner and the appropriate fee specified in section 149A.65. The renewal application must include proof of completion of the continuing education requirements in subdivision 4.

Sec. 8. Minnesota Statutes 2022, 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. 9. Minnesota Statutes 2022, section 149A.61, subdivision 4, is amended to read:

Subd. 4. **Licensees and, interns, and transfer care specialists.** A licensee ~~or~~, intern, or transfer care specialist regulated under this chapter may report to the commissioner any conduct that the licensee ~~or~~, intern, or transfer care specialist has personal knowledge of, and reasonably believes constitutes grounds for, disciplinary action under this chapter.

Sec. 10. Minnesota Statutes 2022, 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 ~~or~~, intern, or transfer care specialist 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 ~~or~~, intern, or transfer care specialist; or commits a licensee ~~or~~, intern, or transfer care specialist.

Sec. 11. Minnesota Statutes 2022, section 149A.62, is amended to read:

#### **149A.62 IMMUNITY; REPORTING.**

Any person, private agency, organization, society, association, licensee, ~~or~~ intern, or transfer care specialist 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 ~~or~~, intern, or transfer care specialist pursuant to a self report of a violation.

Sec. 12. Minnesota Statutes 2022, section 149A.63, is amended to read:

#### **149A.63 PROFESSIONAL COOPERATION.**

A licensee, clinical student, practicum student, intern, transfer care specialist, 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. 13. Minnesota Statutes 2022, 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;
- (6) \$894 for the initial registration of a transfer care specialist; and
- (7) \$554 for renewal registration of a transfer care specialist.

Sec. 14. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, clinical student, practicum student, ~~or intern,~~ or transfer care specialist 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. 15. Minnesota Statutes 2022, 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, transfer care specialist, or any agent, representative, employee, or person acting on behalf of the licensee.

Sec. 16. Minnesota Statutes 2022, 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. 17. Minnesota Statutes 2022, section 149A.70, subdivision 7, is amended to read:

Subd. 7. **Unprofessional conduct.** No licensee ~~or intern,~~ or transfer care specialist shall engage in or permit others under the licensee's ~~or intern's,~~ or transfer care specialist'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. 18. Minnesota Statutes 2022, 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.

Sec. 19. Minnesota Statutes 2022, 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. 20. Minnesota Statutes 2022, 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 must retain a copy of the certificate of removal 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.

## ARTICLE 2 BEHAVIOR ANALYST LICENSURE

### Section 1. [148.9981] DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 148.9981 to 148.9995, the terms in this section have the meanings given.

Subd. 2. **Accredited school or educational program.** "Accredited school or educational program" means a school, university, college, or other postsecondary education program that, at the time the student completes the program, is accredited by a regional accrediting association whose standards are substantially equivalent to those of the North Central Association of Colleges and Postsecondary Education Institutions or an accrediting association that evaluates schools of behavior analysis, psychology, or education for inclusion of the education, practicum, and core function standards.

Subd. 3. **Advisory council.** "Advisory council" means the Behavior Analyst Advisory Council established in section 148.9994.

Subd. 4. **Board.** "Board" means the Board of Psychology established in section 148.90.

Subd. 5. **Certifying entity.** "Certifying entity" means the Behavior Analyst Certification Board, Inc., or a successor organization or other organization approved by the board in consultation with the advisory council.

Subd. 6. **Client.** "Client" means an individual who is the recipient of behavior analysis services. Client also means "patient" as defined in section 144.291, subdivision 2, paragraph (g).

Subd. 7. **Licensed behavior analyst.** "Licensed behavior analyst" or "behavior analyst" means an individual who holds a valid license issued under sections 148.9981 to 148.9995 to engage in the practice of applied behavior analysis.

Subd. 8. **Licensee.** "Licensee" means an individual who holds a valid license issued under sections 148.9981 to 148.9995.

Subd. 9. **Practice of applied behavior analysis.** (a) "Practice of applied behavior analysis" means the design, implementation, and evaluation of social, instructional, and environmental modifications to produce socially significant improvements in human behavior. The practice of applied behavior analysis includes the empirical identification of functional relations between behavior and environmental factors, known as functional behavioral

assessment and analysis. Applied behavior analysis interventions are based on scientific research, direct and indirect observation, and measurement of behavior and environment and utilize contextual factors, motivating operations, antecedent stimuli, positive reinforcement, and other procedures to help individuals develop new behaviors, increase or decrease existing behaviors, and emit behaviors under specific social, instructional, and environmental conditions.

(b) The practice of applied behavior analysis does not include the diagnosis of psychiatric or mental health disorders, psychological testing, neuropsychology, psychotherapy, cognitive therapy, sex therapy, hypnotherapy, psychoanalysis, or psychological counseling.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 2. **[148.9982] DUTIES OF THE BOARD OF PSYCHOLOGY.**

Subdivision 1. **General.** The board, in consultation with the advisory council, must:

(1) adopt and enforce standards for licensure, licensure renewal, and the regulation of behavior analysts;

(2) issue licenses to qualified individuals under sections 148.9981 to 148.9995;

(3) carry out disciplinary actions against licensed behavior analysts;

(4) educate the public about the existence and content of the regulations for behavior analyst licensing to enable consumers to file complaints against licensees who may have violated laws or rules the board is empowered to enforce; and

(5) collect license fees for behavior analysts as specified under section 148.9995.

Subd. 2. **Rulemaking.** The board, in consultation with the advisory council, may adopt rules necessary to carry out the provisions of sections 148.9981 to 148.9995.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 3. **[148.9983] REQUIREMENTS FOR LICENSURE.**

Subdivision 1. **General.** An individual seeking licensure as a behavior analyst must complete and submit a written application on forms provided by the board together with the appropriate fee as specified under section 148.9995.

Subd. 2. **Requirements for licensure.** An applicant for licensure as a behavior analyst must submit evidence satisfactory to the board that the applicant:

(1) has a current and active national certification as a board-certified behavior analyst issued by the certifying entity; or

(2) has completed the equivalent requirements for certification by the certifying entity, including satisfactorily passing a psychometrically valid examination administered by a nationally accredited credentialing organization.

Subd. 3. **Background investigation.** The applicant must complete a background check pursuant to section 214.075.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 4. **[148.9984] LICENSE RENEWAL REQUIREMENTS.**

**Subdivision 1. Biennial renewal.** A license must be renewed every two years.

**Subd. 2. License renewal notice.** At least 60 calendar days before the renewal deadline date, the board must mail a renewal notice to the licensee's last known address on file with the board. The notice must include instructions for accessing an online application for license renewal, the renewal deadline, and notice of fees required for renewal. The licensee's failure to receive notice does not relieve the licensee of the obligation to meet the renewal deadline and other requirements for license renewal.

**Subd. 3. Renewal requirements.** (a) To renew a license, a licensee must submit to the board:

(1) a completed and signed application for license renewal;

(2) the license renewal fee as specified under section 148.9995; and

(3) evidence satisfactory to the board that the licensee holds a current and active national certification as a behavior analyst from the certifying entity or otherwise meets renewal requirements as established by the board, in consultation with the advisory council.

(b) The application for license renewal and fee must be postmarked or received by the board by the end of the day on which the license expires or the following business day if the expiration date falls on a Saturday, Sunday, or holiday. A renewal application that is not completed and signed, or that is not accompanied by the correct fee, is void and must be returned to the licensee.

**Subd. 4. Pending renewal.** If a licensee's application for license renewal is postmarked or received by the board by the end of the business day on the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee may continue to practice after the expiration date while the application for license renewal is pending with the board.

**Subd. 5. Late renewal fee.** If the application for license renewal is postmarked or received after the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee must pay a biennial renewal late fee as specified by section 148.9995, in addition to the renewal fee, before the licensee's application for license renewal will be considered by the board.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 5. **[148.9985] EXPIRED LICENSE.**

(a) Within 30 days after the renewal date, a licensee who has not renewed their license must be notified by letter, sent to the last known address of the licensee in the board's file, that the renewal is overdue and that failure to pay the current fee and current biennial renewal late fee within 60 days after the renewal date will result in termination of the license.

(b) The board must terminate the license of a licensee whose license renewal is at least 60 days overdue and to whom notification has been sent as provided in paragraph (a). Failure of a licensee to receive notification is not grounds for later challenge of the termination. The former licensee must be notified of the termination by letter within seven days after board action, in the same manner as provided in paragraph (a).

(c) Notwithstanding paragraph (b), the board retains jurisdiction over a former licensee for complaints received after termination of a license regarding conduct that occurred during licensure.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 6. **[148.9986] PROHIBITED PRACTICE OR USE OF TITLES; PENALTY.**

Subdivision 1. Practice. Effective January 1, 2025, an individual must not engage in the practice of applied behavior analysis unless the individual is licensed under sections 148.9981 to 148.9995 as a behavior analyst or is exempt under section 148.9987. A psychologist licensed under sections 148.88 to 148.981 who practices behavior analysis is not required to obtain a license as a behavior analyst under sections 148.9981 to 148.9995.

Subd. 2. Use of titles. (a) An individual must not use a title incorporating the words "licensed behavior analyst," or "behavior analyst," or use any other title or description stating or implying that they are licensed or otherwise qualified to practice applied behavior analysis, unless that person holds a valid license under sections 148.9981 to 148.9995.

(b) Notwithstanding paragraph (a), a licensed psychologist who practices applied behavior analysis within the psychologist's scope of practice may use the title "behavior analyst," but must not use the title "licensed behavior analyst" unless the licensed psychologist holds a valid license as a behavior analyst issued under sections 148.9981 to 148.9995.

Subd. 3. Penalty. An individual who violates this section is guilty of a misdemeanor.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 7. **[148.9987] EXCEPTIONS TO LICENSE REQUIREMENT.**

(a) Sections 148.9981 to 148.9995 must not be construed to prohibit or restrict:

(1) the practice of an individual who is licensed to practice psychology in the state or an individual who is providing psychological services under the supervision of a licensed psychologist in accordance with section 148.925;

(2) the practice of any other profession or occupation licensed, certified, or registered by the state by an individual duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation;

(3) an individual who is employed by a school district from providing behavior analysis services as part of the individual's employment with the school district, so long as the individual does not provide behavior analysis services to any person or entity other than as an employee of the school district or accept remuneration for the provision of behavior analysis services outside of the individual's employment with the school district;

(4) an employee of a program licensed under chapter 245D from providing the services described in section 245D.091, subdivision 1;

(5) teaching behavior analysis or conducting behavior analysis research if the teaching or research does not involve the direct delivery of behavior analysis services;

(6) providing behavior analysis services by an unlicensed supervisee or trainee under the authority and direction of a licensed behavior analyst and in compliance with the licensure and supervision standards required by law or rule;

(7) a family member or guardian of the recipient of behavior analysis services from performing behavior analysis services under the authority and direction of a licensed behavior analyst; or

(8) students or interns enrolled in an accredited school or educational program, or participating in a behavior analysis practicum, from engaging in the practice of applied behavior analysis while supervised by a licensed behavior analyst or instructor of an accredited school or educational program. These individuals must be designated as a behavior analyst student or intern.



(b) Notwithstanding paragraph (a), a licensed psychologist may supervise an unlicensed supervisee, trainee, student, or intern who is engaged in the practice of behavior analysis if the supervision is authorized under the Minnesota Psychology Practice Act.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 8. **[148.9988] NONTRANSFERABILITY OF LICENSES.**

A behavior analyst license is not transferable.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 9. **[148.9989] DUTY TO MAINTAIN CURRENT INFORMATION.**

All licensees and applicants for licensure must notify the board within 30 days of the occurrence of:

(1) a change of name, address, place of employment, or home or business telephone number; or

(2) a change in any other application information.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 10. **[148.999] DISCIPLINE; REPORTING.**

For purposes of sections 148.9981 to 148.9995, behavior analysts are subject to the provisions of sections 148.941, 148.952 to 148.965, and 148.98.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 11. **[148.9991] COMPETENT PROVISION OF SERVICES.**

Subdivision 1. **Limits on practice.** Behavior analysts must limit practice to the client populations and services for which the behavior analysts have competence or for which the behavior analysts are developing competence.

Subd. 2. **Developing competence.** When a behavior analyst is developing competence in a service, method, or procedure, or is developing competence to treat a specific client population, the behavior analyst must obtain professional education, training, continuing education, consultation, supervision or experience, or a combination thereof, necessary to demonstrate competence.

Subd. 3. **Limitations.** A behavior analyst must recognize the limitations to the scope of practice of applied behavior analysis. When the needs of a client appear to be outside the behavior analyst's scope of practice, the behavior analyst must inform the client that there may be other professional, technical, community, and administrative resources available to the client. A behavior analyst must assist with identifying resources when it is in the best interest of a client to be provided with alternative or complementary services.

Subd. 4. **Burden of proof.** Whenever a complaint is submitted to the board involving a violation of this section, the burden of proof is on the behavior analyst to demonstrate that the elements of competence have been reasonably met.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 12. **[148.9992] DUTY TO WARN; LIMITATION ON LIABILITY; VIOLENT BEHAVIOR OF PATIENT.**

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

(b) "Other person" means an immediate family member or someone who personally knows the client and has reason to believe the client is capable of and will carry out a serious, specific threat of harm to a specific, clearly identified or identifiable victim.

(c) "Reasonable efforts" means communicating a serious, specific threat to the potential victim and, if unable to make contact with the potential victim, communicating the serious, specific threat to the law enforcement agency closest to the potential victim or the client.

(d) "Licensee" has the meaning given in section 148.9981 and includes behavior analysis students, interns, and unlicensed supervisees who are participating in a behavior analysis practicum or enrolled in an accredited school or educational program.

**Subd. 2. Duty to warn.** The duty to predict, warn of, or take reasonable precautions to provide protection from violent behavior arises only when a client or other person has communicated to the licensee a specific, serious threat of physical violence against a specific, clearly identified or identifiable potential victim. If a duty to warn arises, the duty is discharged by the licensee if reasonable efforts are made to communicate the threat.

**Subd. 3. Liability standard.** If no duty to warn exists under subdivision 2, then no monetary liability and no cause of action may arise against a licensee for failure to predict, warn of, or take reasonable precautions to provide protection from a client's violent behavior.

**Subd. 4. Disclosure of confidences.** Good faith compliance with the duty to warn must not constitute a breach of confidence and must not result in monetary liability or a cause of action against the licensee.

**Subd. 5. Continuity of care.** Subdivision 2 must not be construed to authorize a licensee to terminate treatment of a client as a direct result of a client's violent behavior or threat of physical violence unless the client is referred to another practitioner or appropriate health care facility.

**Subd. 6. Exception.** This section does not apply to a threat to commit suicide or other threats by a client to harm the client, or to a threat by a client who is adjudicated as a person who has a mental illness and is dangerous to the public under chapter 253B.

**Subd. 7. Optional disclosure.** This section must not be construed to prohibit a licensee from disclosing confidences to third parties in a good faith effort to warn or take precautions against a client's violent behavior or threat to commit suicide for which a duty to warn does not arise.

**Subd. 8. Limitation on liability.** No monetary liability and no cause of action or disciplinary action by the board may arise against a licensee for disclosure of confidences to third parties, for failure to disclose confidences to third parties, or for erroneous disclosure of confidences to third parties in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide for which a duty to warn does not arise.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 13. **[148.9993] INFORMED CONSENT.**

**Subdivision 1. Obtaining informed consent for services.** A behavior analyst must obtain informed consent from the client or the client's legal guardian before initiating services. The informed consent must be in writing, signed by the client, and include, at a minimum, the following:

(1) consent for the behavior analyst to engage in activities that directly affect the client;

(2) the goals, purposes, and procedures of the proposed services;

(3) the factors that may impact the duration of the proposed services;

(4) the applicable fee schedule for the proposed services;

(5) the significant risks and benefits of the proposed services;

(6) the behavior analyst's limits under section 148.9991, including, if applicable, information that the behavior analyst is developing competence in the proposed service, method, or procedure, and alternatives to the proposed service, if any; and

(7) the behavior analyst's responsibilities if the client terminates the service.

**Subd. 2. Updating informed consent.** If there is a substantial change in the nature or purpose of a service, the behavior analyst must obtain a new informed consent from the client.

**Subd. 3. Emergency or crisis services.** Informed consent is not required when a behavior analyst is providing emergency or crisis services. If services continue after the emergency or crisis has abated, informed consent must be obtained.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 14. **[148.9994] BEHAVIOR ANALYST ADVISORY COUNCIL.**

**Subdivision 1. Membership.** The Behavior Analyst Advisory Council is created and composed of five members appointed by the board. The advisory council consists of:

(1) one public member as defined in section 214.02;

(2) three members who are licensed behavior analysts; and

(3) one member who is a licensed psychologist and, to the extent practicable, who practices applied behavior analysis.

**Subd. 2. Administration.** The advisory council is established and administered under section 15.059, except that the advisory council does not expire.

**Subd. 3. Duties.** The advisory council must:

(1) advise the board regarding standards for behavior analysts;

(2) assist with the distribution of information regarding behavior analyst standards;

(3) advise the board on enforcement of sections 148.9981 to 148.9995;

(4) review license applications and license renewal applications and make recommendations to the board;

(5) review complaints and complaint investigation reports and make recommendations to the board on whether disciplinary action should be taken and, if applicable, what type;

(6) advise the board regarding evaluation and treatment protocols; and

(7) perform other duties authorized for advisory councils under chapter 214 as directed by the board to ensure effective oversight of behavior analysts.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 15. **[148.9995] FEES.**

**Subdivision 1. Fees.** All applicants and licensees must pay fees as follows:

(1) application fee, \$225;

(2) license renewal fee, \$225;

(3) inactive license renewal fee, \$125;

(4) biennial renewal late fee, \$100;

(5) inactive license renewal late fee, \$100; and

(6) supervisor application processing fee, \$225.

**Subd. 2. Nonrefundable fees.** All fees in this section are nonrefundable.

**Subd. 3. Deposit of fees.** Fees collected by the board under this section must be deposited in the state government special revenue fund.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 16. **INITIAL BEHAVIOR ANALYST ADVISORY COUNCIL.**

The Board of Psychology must make the first appointments to the Behavior Analyst Advisory Council authorized under Minnesota Statutes, section 148.9994, by September 1, 2024. The initial behavior analysts appointed to the advisory council need not be licensed under Minnesota Statutes, sections 148.9981 to 148.9995, but must hold a current and active national certification as a board certified behavior analyst. The chair of the Board of Psychology must convene the first meeting of the council by September 1, 2024, and must convene subsequent meetings of the council until an advisory chair is elected. The council must elect a chair from its members by the third meeting of the council.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

### ARTICLE 3 BOARD OF VETERINARY MEDICINE

Section 1. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

**Subd. 5a. Direct supervision.** "Direct supervision" means:

(1) when a supervising veterinarian or licensed veterinary technician is in the immediate area and within audible or visual range of an animal and the unlicensed veterinary employee treating the animal;

(2) the supervising veterinarian has met the requirements of a veterinarian-client-patient relationship under section 156.16, subdivision 12; and

(3) the supervising veterinarian assumes responsibility for the professional care given to an animal by a person working under the veterinarian's direction.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 7a. **Licensed veterinary technician.** "Licensed veterinary technician" means a person licensed by the board under section 156.077.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 3. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 10b. **Remote supervision.** "Remote supervision" means:

(1) a veterinarian is not on the premises but is acquainted with the keeping and care of an animal by virtue of an examination of the animal or medically appropriate and timely visits to the premises where the animal is kept;

(2) the veterinarian has given written or oral instructions to a licensed veterinary technician for ongoing care of an animal and is available by telephone or other form of immediate communication; and

(3) the employee treating the animal timely enters into the animal's medical record documentation of the treatment provided and the documentation is reviewed by the veterinarian.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 4. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 12. **Veterinary technology.** "Veterinary technology" means the science and practice of providing professional support to veterinarians, including the direct supervision of unlicensed veterinary employees. Veterinary technology does not include veterinary diagnosis, prognosis, surgery, or medication prescription.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 5. Minnesota Statutes 2022, section 156.07, is amended to read:

#### **156.07 LICENSE RENEWAL.**

Persons licensed under this chapter shall conspicuously display their license in their principal place of business.

Persons now ~~qualified to practice veterinary medicine licensed~~ in this state, or who shall hereafter be licensed by the Board of Veterinary Medicine ~~to engage in the practice as veterinarians or veterinary technicians~~, shall periodically renew their license in a manner prescribed by the board. The board shall establish license renewal fees and continuing education requirements. The board may establish, by rule, an inactive license category, at a lower fee, for licensees not actively engaged in the practice of veterinary medicine or veterinary technology within the state of Minnesota. The board may assess a charge for delinquent payment of a renewal fee.

Any person who is licensed to practice veterinary medicine or veterinary technology in this state pursuant to this chapter, shall be entitled to receive a license to continue to practice upon making application to the board and complying with the terms of this section and rules of the board.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 6. **[156.0721] INSTITUTIONAL LICENSURE.**

**Subdivision 1. Application and eligibility.** (a) Any person who seeks to practice veterinary medicine while employed by the University of Minnesota and who is not eligible for a regular license shall make a written application to the board for an institutional license using forms provided for that purpose or in a format accepted by the board. The board shall issue an institutional license to practice veterinary medicine to an applicant who:

(1) has obtained the degree of doctor of veterinary medicine or its equivalent from a nonaccredited college of veterinary medicine. A graduate from an accredited college and an applicant who has earned ECFVG or PAVE certificates should apply for a regular license to practice veterinary medicine;

(2) has passed the Minnesota Veterinary Jurisprudence Examination;

(3) is a person of good moral character, as attested by five notarized reference letters from adults not related to the applicant, at least two of whom are licensed veterinarians in the jurisdiction where the applicant is currently practicing or familiar with the applicant's clinical abilities as evidenced in clinical rotations;

(4) has paid the license application fee;

(5) provides proof of employment by the University of Minnesota;

(6) certifies that the applicant understands and agrees that the institutional license is valid only for the practice of veterinary medicine associated with the applicant's employment as a faculty member, intern, resident, or locum of the University of Minnesota College of Veterinary Medicine or other unit of the University of Minnesota;

(7) provides proof of graduation from a veterinary college;

(8) completed a criminal background check as defined in section 214.075; and

(9) provides other information and proof as the board may require by rules and regulations.

(b) The University of Minnesota may submit the applications of its employees who seek an institutional license in a compiled format acceptable to the board, with any license application fees in a single form of payment.

(c) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in the state. License payment and renewal deadlines, late payment fees, and other license requirements are also the same as for a regular license to practice veterinary medicine.

(d) The University of Minnesota may be responsible for timely payment of renewal fees and submission of renewal forms.

**Subd. 2. Scope of practice.** (a) An institutional license holder may practice veterinary medicine only as related to the license holder's regular function at the University of Minnesota. A person holding only an institutional license in this state must be remunerated for the practice of veterinary medicine in the state solely from state, federal, or institutional funds and not from the patient-owner beneficiary of the license holder's practice efforts.

(b) A license issued under this section must be canceled by the board upon receipt of information from the University of Minnesota that the holder of the license has left or is otherwise no longer employed at the University of Minnesota in this state.

(c) An institutional license holder must abide by all laws governing the practice of veterinary medicine in the state and is subject to the same disciplinary action as any other veterinarian licensed in the state.

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

Sec. 7. **[156.076] DIRECT SUPERVISION; UNLICENSED VETERINARY EMPLOYEES.**

(a) An unlicensed veterinary employee may only administer medication or render auxiliary or supporting assistance under the direct supervision of a licensed veterinarian or licensed veterinary technician.

(b) This section does not prohibit:

(1) the performance of generalized nursing tasks ordered by the veterinarian and performed by an unlicensed employee on inpatient animals during the hours when a veterinarian is not on the premises; or

(2) under emergency conditions, an unlicensed employee from rendering lifesaving aid and treatment to an animal in the absence of a veterinarian if the animal is in a life-threatening condition and requires immediate treatment to sustain life or prevent further injury.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 8. **[156.077] LICENSED VETERINARY TECHNICIANS.**

**Subdivision 1. Licensure; practice.** (a) The board shall issue a license to practice as a veterinary technician to an applicant who satisfies the requirements in this section and those imposed by the board in rule. A licensed veterinary technician may practice veterinary technology. A person may not use the title "veterinary technician" or the abbreviation "LVT" unless licensed by the board.

(b) The board may adopt by rule additional or temporary alternative licensure requirements or definitions for veterinary technician titles.

**Subd. 2. Applicants; qualifications.** Application for a license to practice veterinary technology in this state shall be made to the board on a form furnished by the board and accompanied by evidence satisfactory to the board that the applicant is at least 18 years of age, is of good moral character, and has:

(1) graduated from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(2) received a passing score for the Veterinary Technician National Examination;

(3) received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(4) completed a criminal background check.

**Subd. 3. Required with application.** A completed application must contain the following information and material:

(1) the application fee set by the board, which is not refundable if permission to take the jurisprudence examination is denied for good cause;

(2) proof of graduation from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(3) affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications; and

(4) if the applicant has served in the armed forces, a copy of the applicant's discharge papers.

Subd. 4. **Temporary alternative qualifications.** (a) The board shall consider an application for licensure submitted by a person before July 1, 2031, if the person provides evidence satisfactory to the board that the person:

(1) is a certified veterinary technician in good standing with the Minnesota Veterinary Medical Association; or

(2) has at least 4,160 hours actively engaged in the practice of veterinary technology within the previous five years.

(b) Each applicant under this subdivision must also submit to the board affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 9. **[156.078] NONRESIDENTS; LICENSED VETERINARY TECHNICIANS.**

A credentialed veterinary technician duly admitted to practice in any state, commonwealth, territory, or district of the United States or province of Canada who desires permission to practice veterinary technology in this state shall submit an application to the board on a form furnished by the board. The board shall review an application for transfer if the applicant submits:

(1) a copy of a diploma from an accredited or approved college of veterinary technology or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary technology or a certificate of satisfactory completion of the PAVE program;

(2) if requesting waiver of examination, evidence of meeting licensure requirements in the state of the applicant's original licensure;

(3) affidavits of two licensed practicing doctors of veterinary medicine or veterinary technicians residing in the United States or Canadian licensing jurisdiction in which the applicant is or was most recently practicing, attesting that they are well acquainted with the applicant, that the applicant is a person of good moral character, and that the applicant has been actively engaged in practicing or teaching in such jurisdiction;

(4) a certificate from the agency that regulates the conduct of practice of veterinary technology in the jurisdiction in which the applicant is or was most recently practicing, stating that the applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(5) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(6) in lieu of the certificates in clauses (4) and (5), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(7) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(8) score reports on previously taken national examinations in veterinary technology, certified by the Veterinary Information Verification Agency or evidence of employment as a veterinary technician for at least three years;



(9) proof that the applicant received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(10) proof of a completed criminal background check.

**EFFECTIVE DATE.** This section is effective July 1, 2026.

Sec. 10. Minnesota Statutes 2022, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with ~~subdivision 6~~ section 156.0721 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, ~~College of Agriculture, Veterinary Diagnostic Laboratory,~~ Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, School of Nursing, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians ~~or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory;~~

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic; or

(k) a person certified by the Emergency Medical Services Regulatory Board under chapter 144E from providing emergency medical care to a police dog wounded in the line of duty.

Sec. 11. Minnesota Statutes 2022, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, ~~or~~ ECFVG or PAVE certification, or an institutional license under section 156.0721 to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 156.12, subdivision 6, is repealed.

ARTICLE 4  
BOARD OF DENTISTRY

Section 1. Minnesota Statutes 2022, 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) a nonrefundable fee; and
- (3) a 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)~~ (e) 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. 2. Minnesota Statutes 2022, section 150A.06, subdivision 8, is amended to read:

Subd. 8. **Licensure by credentials; dental assistant.** (a) Any dental assistant 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 in lieu of completing a board-approved dental assisting program for expanded functions as defined in rule, and may be interviewed by the board to determine if the applicant:

(1) has graduated from an accredited dental assisting program accredited by the Commission on Dental Accreditation ~~and~~ or is currently certified by the Dental Assisting National Board;

(2) is not subject to any pending or final disciplinary action in another state or Canadian province, or if not currently certified or registered, previously had a certification or registration in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

(3) is of good moral character and abides by professional ethical conduct requirements;

(4) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

(5) has met all expanded functions curriculum equivalency requirements of a Minnesota board-approved dental assisting program.

(b) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(c) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 2a must be licensed to practice the applicant's profession.

(d) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 2a, the application must be denied. If licensure is denied, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 2a.

(e) A candidate whose application has been denied may appeal the decision to the board according to subdivision 4a.

ARTICLE 5  
PHYSICIAN ASSISTANT PRACTICE

Section 1. **REPEALER.**

Minnesota Statutes 2022, section 147A.09, subdivision 5, is repealed.

ARTICLE 6  
BOARD OF SOCIAL WORK

Section 1. Minnesota Statutes 2022, section 148D.061, subdivision 1, is amended to read:

Subdivision 1. **Requirements for a provisional license.** An applicant may be issued a provisional license if the applicant:

- ~~(1) was born in a foreign country;~~
- ~~(2) communicates in English as a second language;~~
- ~~(3) has taken the applicable examination administered by the Association of Social Work Boards or similar examination body designated by the board;~~
- (4) (1) has met the requirements of section 148E.055, subdivision 2, ~~paragraph (a),~~ clauses (1), (3), (4), (5), and (6); ~~or~~ subdivision 3, ~~paragraph (a),~~ clauses (1), (3), (4), (5), and (6); ~~or~~ subdivision 4, ~~paragraph (a),~~ clauses (1), (2), (4), (5), (6), and (7); or subdivision 5, paragraph (a), clauses (1), (2), (3), (5), (6), (7), and (8); and
- ~~(5) (2) complies with the requirements of subdivisions 2 to 7.~~

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 148D.061, subdivision 8, is amended to read:

Subd. 8. **Disciplinary or other action.** A licensee who is issued a provisional license is subject to the grounds for disciplinary action under section 148E.190. The board may also take action according to sections 148E.260 to 148E.270 if:

- (1) the licensee's supervisor does not submit an evaluation as required by section 148D.063;
- (2) an evaluation submitted according to section 148D.063 indicates that the licensee cannot practice social work competently and ethically; or
- (3) the licensee does not comply with the requirements of subdivisions 1 to 7.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 148D.062, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** (a) ~~Twenty-five hours~~ Half of the supervision hours required by subdivision 1 must consist of one-on-one ~~in-person~~ supervision. The supervision must be provided either in person or via eye-to-eye electronic media while maintaining visual contact.

(b) ~~Twelve and one-half hours~~ Half of the supervision hours must consist of one or more of the following types of supervision:

- (1) ~~in-person~~ one-on-one supervision provided in person or via eye-to-eye electronic media while maintaining visual contact; or

(2) ~~in-person~~ group supervision provided in person, by telephone, or via eye-to-eye electronic media while maintaining visual contact.

(c) ~~To qualify as in-person~~ Group supervision, ~~the group~~ must not exceed ~~seven members including the supervisor~~ six supervisees.

(d) Supervision must not be provided by email.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 148D.062, subdivision 4, is amended to read:

Subd. 4. **Supervisor requirements.** (a) The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements in section 148E.120 and has ~~either:~~

~~(1) 5,000 hours experience engaged in authorized social work practice; or~~

~~(2) completed 30 hours of training in supervision, which may be satisfied by completing academic coursework in supervision or continuing education courses in supervision as defined in section 148E.010, subdivision 18.~~

(b) Supervision must be provided:

(1) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed social worker, by:

(i) a licensed social worker who has completed the supervised practice requirements;

(ii) a licensed graduate social worker who has completed the supervised practice requirements;

(iii) a licensed independent social worker; or

(iv) a licensed independent clinical social worker;

(2) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by:

(i) a licensed graduate social worker who has completed the supervised practice requirements;

(ii) a licensed independent social worker; or

(iii) a licensed independent clinical social worker;

(3) if the supervisee is engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by a licensed independent clinical social worker; or

(4) by a supervisor who meets the requirements in section 148E.120, subdivision 2.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 148D.063, subdivision 1, is amended to read:

Subdivision 1. **Supervision plan.** (a) An applicant granted a provisional license must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements in section 148D.062.

(b) The supervision plan must be submitted no later than 30 days after the licensee begins a social work practice position.

~~(c) The board may revoke a licensee's provisional license for failure to submit the supervision plan within 30 days after beginning a social work practice position.~~

~~(d)~~ (c) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one ~~in-person~~ supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

~~(e)~~ (d) The board must receive a revised supervision plan within 30 days of any of the following changes:

(1) the supervisee has a new supervisor;

(2) the supervisee begins a new social work position;

(3) the scope or content of the supervisee's social work practice changes substantially;

(4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148D.062.

~~(f) The board may revoke a licensee's provisional license for failure to submit a revised supervision plan as required in paragraph (e).~~

~~(g)~~ (e) The board must approve the supervisor and the supervision plan.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 148D.063, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) When a licensee's supervisor submits an evaluation to the board according to section 148D.061, subdivision 6, the supervisee and supervisor must provide the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice in sections 148E.195 to 148E.240;

(6) a declaration that the supervisee has practiced competently and ethically according to professional social work knowledge, skills, and values; and

(7) on a form provided by the board, an evaluation of the licensee's practice in the following areas:

(i) development of professional social work knowledge, skills, and values;

(ii) practice methods;

(iii) authorized scope of practice;

~~(iv) ensuring continuing competence;~~

~~(v)~~ (iv) ethical standards of practice; and

~~(vi)~~ (v) clinical practice, if applicable.

(b) The supervisor must attest to the satisfaction of the board that the supervisee has met or has made progress on meeting the applicable supervised practice requirements.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

**Subd. 2b. Qualifications for licensure by completion of provisional license requirements as a licensed social worker (LSW).** To be licensed as a licensed social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 2, clauses (1) and (3) to (6).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

**Subd. 3b. Qualifications for licensure by completion of provisional license requirements as a licensed graduate social worker (LGSW).** To be licensed as a licensed graduate social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 3, clauses (1) and (3) to (6).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

**Subd. 4b. Qualifications for licensure by completion of provisional license requirements as a licensed independent social worker (LISW).** To be licensed as a licensed independent social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 4, clauses (1), (2), and (4) to (7).

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

**Subd. 5b. Qualifications for licensure by completion of provisional license requirements as a licensed independent clinical social worker (LICSW).** To be licensed as a licensed independent clinical social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

(1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

(2) continues to meet the requirements of subdivision 5, paragraph (a), clauses (1) to (3) and (5) to (8).

**EFFECTIVE DATE.** This section is effective October 1, 2024.



Sec. 11. **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 of statutes shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>148D.061</u>	<u>148E.0551</u>
<u>148D.062</u>	<u>148E.116</u>
<u>148D.063</u>	<u>148E.126</u>

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 148D.061, subdivision 9, is repealed.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

ARTICLE 7  
BOARD OF MARRIAGE AND FAMILY THERAPY

Section 1. **[148B.331] GUEST LICENSURE.**

Subdivision 1. **Generally.** (a) A nonresident of the state of Minnesota who is not seeking licensure in Minnesota and intends to practice in Minnesota must apply to the board for guest licensure. An applicant must apply for guest licensure at least 30 days prior to the expected date of practice in Minnesota and is subject to approval by the board or its designee.

(b) To be eligible for licensure under this section, the applicant must:

(1) have a license, certification, or registration in good standing to practice marriage and family therapy from another jurisdiction;

(2) have a graduate degree in marriage and family therapy from a regionally accredited institution or a degree in a related field from a regionally accredited institution with completed coursework meeting the educational requirements provided in Minnesota Rules, part 5300.0140, subpart 2;

(3) be of good moral character;

(4) have no pending complaints or active disciplinary or corrective actions in any jurisdiction;

(5) submit the required fee and complete the criminal background check according to section 214.075; and

(6) pay a fee to the board in the amount set forth in section 148B.392.

(c) A license issued under this section is valid for one year from the date of issuance and allows practice by the nonresident for a maximum of five months. The months in which the nonresident may practice under the license must be consecutive. A guest license is not renewable, but the nonresident may reapply for guest licensure, subject to continued eligibility under paragraph (b), following expiration of a guest license.

Subd. 2. **Other professional activity.** Notwithstanding subdivision 1, a nonresident of the state of Minnesota who is not seeking licensure in Minnesota may serve as an expert witness, organizational consultant, presenter, or educator without obtaining guest licensure, provided the nonresident is appropriately trained or educated, or has been issued a license, certificate, or registration by another jurisdiction.

Subd. 3. **Prohibitions and sanctions.** A person's privilege to practice under this section is subject to the prohibitions and sanctions for unprofessional or unethical conduct contained in Minnesota laws and rules for marriage and family therapy under this chapter.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2, is amended to read:

Subd. 2. **Licensure and application fees.** Licensure and application fees established by the board shall not exceed the following amounts:

- (1) application fee for national examination is \$150;
- (2) application fee for Licensed Marriage and Family Therapist (LMFT) ~~state examination license~~ license is \$150;
- (3) initial LMFT license fee is prorated, but cannot exceed \$225;
- (4) annual renewal fee for LMFT license is \$225;
- (5) late fee for LMFT license renewal is \$100;
- (6) application fee for LMFT licensure by reciprocity is \$300;
- (7) application fee for ~~initial~~ Licensed Associate Marriage and Family Therapist (LAMFT) license is \$100;
- (8) annual renewal fee for LAMFT license is \$100;
- (9) late fee for LAMFT license renewal is \$50;
- (10) fee for reinstatement of LMFT or LAMFT license is \$150;
- (11) fee for LMFT emeritus license status is \$225; ~~and~~
- (12) fee for temporary license for members of the military is \$100; ~~and~~
- (13) fee for LMFT guest license is \$150.

**EFFECTIVE DATE.** This section is effective October 1, 2024.

## ARTICLE 8 BOARD OF PHARMACY

Section 1. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to read:

Subd. 4a. **Application and fee; relocation.** A person who is registered with or licensed by the board must submit a new application to the board before relocating the physical location of the person's business. An application must be submitted for each affected license. The application must set forth the proposed change of location on a form established by the board. If the licensee or registrant remitted payment for the full amount during

the state's fiscal year, the relocation application fee is the same as the application fee in subdivision 1, except that the fees in clauses (6) to (9) and (11) to (16) are reduced by \$5,000 and the fee in clause (16) is reduced by \$55,000. If the application is made within 60 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a relocation, the board shall issue a new license or registration.

Sec. 2. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to read:

Subd. 4b. **Application and fee; change of ownership.** A person who is registered with or licensed by the board must submit a new application to the board before changing the ownership of the licensee or registrant. An application must be submitted for each affected license. The application must set forth the proposed change of ownership on a form established by the board. If the licensee or registrant remitted payment for the full amount during the state's fiscal year, the application fee is the same as the application fee in subdivision 1, except that the fees in clauses (6) to (9) and (11) to (16) are reduced by \$5,000 and the fee in clause (16) is reduced by \$55,000. If the application is made within 60 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a change of ownership, the board shall issue a new license or registration.

Sec. 3. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to read:

Subd. 8. **Transfer of licenses.** Licenses and registrations granted by the board are not transferable.

Sec. 4. Minnesota Statutes 2022, section 151.066, subdivision 1, is amended to read:

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

(b) "Manufacturer" means a manufacturer licensed under section 151.252 ~~that is engaged in the manufacturing of an opiate, excluding those exclusively licensed to manufacture medical gas.~~

(c) "Opiate" means any opiate-containing controlled substance listed in section 152.02, subdivisions 3 to 5, that is distributed, delivered, sold, or dispensed into or within this state.

(d) "Third-party logistics provider" means a third-party logistics provider licensed under section 151.471.

(e) "Wholesaler" means a wholesale drug distributor licensed under section 151.47 ~~that is engaged in the wholesale drug distribution of an opiate, excluding those exclusively licensed to distribute medical gas.~~

Sec. 5. Minnesota Statutes 2022, section 151.066, subdivision 2, is amended to read:

Subd. 2. **Reporting requirements.** (a) By March 1 of each year, beginning March 1, 2020, each manufacturer and each wholesaler must report to the board every sale, delivery, or other distribution within or into this state of any opiate that is made to any practitioner, pharmacy, hospital, veterinary hospital, or other person who is permitted by section 151.37 to possess controlled substances for administration or dispensing to patients that occurred during the previous calendar year. Reporting must be in the automation of reports and consolidated orders system format unless otherwise specified by the board. If no reportable distributions occurred for a given year, notification must be provided to the board in a manner specified by the board. If a manufacturer or wholesaler fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of \$500 per day. This penalty shall not be considered a form of disciplinary action.

(b) By March 1 of each year, beginning March 1, 2020, each owner of a pharmacy with at least one location within this state must report to the board any intracompany delivery or distribution into this state, of any opiate, to the extent that those deliveries and distributions are not reported to the board by a licensed wholesaler owned by, under contract to, or otherwise operating on behalf of the owner of the pharmacy. Reporting must be in the manner and format specified by the board for deliveries and distributions that occurred during the previous calendar year. The report must include the name of the manufacturer or wholesaler from which the owner of the pharmacy ultimately purchased the opiate, and the amount and date that the purchase occurred.

(c) By March 1 of each year, beginning March 1, 2025, each third-party logistics provider must report to the board any delivery or distribution into this state of any opiate, to the extent that those deliveries and distributions are not reported to the board by a licensed wholesaler or manufacturer. Reporting must be in the manner and format specified by the board for deliveries and distributions that occurred during the previous calendar year.

Sec. 6. Minnesota Statutes 2022, 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 in a quantity of 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 substance use disorder treatment with medications for opioid use disorder.

(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.

(h) For the purposes of this subdivision, an opiate's units will be assigned to the manufacturer holding the New Drug Application (NDA) or Abbreviated New Drug Application (ANDA), as listed by the United States Food and Drug Administration.

## ARTICLE 9 APPROPRIATIONS

### Section 1. DEPARTMENT OF HEALTH; TRANSFER CARE SPECIALISTS.

\$247,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement Minnesota Statutes, section 149A.47. The state government special revenue fund base for this appropriation is \$111,000 in fiscal year 2026 and \$111,000 in fiscal year 2027.

Sec. 2. **BOARD OF PSYCHOLOGY; LICENSED BEHAVIOR ANALYSTS.**

\$95,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Psychology to implement Minnesota Statutes, sections 148.9981 to 148.9995. The state government special revenue fund base for this appropriation is \$48,000 in fiscal year 2026 and \$48,000 in fiscal year 2027.

Sec. 3. **BOARD OF VETERINARY MEDICINE; VETERINARY TECHNICIAN REGULATION.**

\$23,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Veterinary Medicine to implement Minnesota Statutes, section 156.077. The state government special revenue fund base for this appropriation is \$52,000 in fiscal year 2026 and \$52,000 in fiscal year 2027.

Sec. 4. **BOARD OF DENTISTRY; DENTAL ASSISTANT LICENSURE BY CREDENTIALS.**

\$2,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Dentistry to implement Minnesota Statutes, section 150A.06, subdivision 8. The state government special revenue fund base for this appropriation is \$3,000 in fiscal year 2026 and \$5,000 in fiscal year 2027.

Sec. 5. **BOARD OF SOCIAL WORK; PROVISIONAL LICENSURE.**

\$133,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Social Work to implement modifications to provisional licensure under Minnesota Statutes, chapters 148D and 148E. The state government special revenue fund base for this appropriation is \$80,000 in fiscal year 2026 and \$80,000 in fiscal year 2027.

Sec. 6. **BOARD OF MARRIAGE AND FAMILY THERAPY; GUEST LICENSURE.**

\$22,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Marriage and Family Therapy to implement Minnesota Statutes, section 148B.331. The state government special revenue fund base for this appropriation is \$47,000 in fiscal year 2026 and \$47,000 in fiscal year 2027."

Delete the title and insert:

"A bill for an act relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 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; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, 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.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4251, A bill for an act relating to cannabis; prohibiting the Office of Cannabis Management from approving certain cannabis flower, cannabis products, and hemp-derived consumer products; amending Minnesota Statutes 2023 Supplement, section 342.06.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4251 was re-referred to the Committee on Rules and Legislative Administration.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 4286, A bill for an act relating to labor standards; making policy and technical changes; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 177.30; 181.941, subdivision 4; 181.943; 181A.08; 181A.12, subdivision 1, by adding subdivisions; Minnesota Statutes 2023 Supplement, sections 116J.871, subdivision 1; 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 181.212, subdivision 7; 181.939, subdivision 2.

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

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4310, A bill for an act relating to state government; ratifying certain compensation plans.

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

The report was adopted.

Vang from the Committee on Agriculture Finance and Policy to which was referred:

H. F. No. 4323, A bill for an act relating to agriculture; modifying provisions related to the Minnesota Rural Finance Authority; amending Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4.

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

The report was adopted.

Fischer from the Committee on Human Services Policy to which was referred:

H. F. No. 4392, A bill for an act relating to human services; establishing minimum wage protections for people with disabilities; modifying person care assistance and community first services and supports remote reassessment requirements; prioritizing technology in informed choice for disability waiver services; clarifying form usage for

community-based waived services; modernizing language in Deaf and Hard-of-Hearing Services Act; making technical corrections to behavioral health language; amending Minnesota Statutes 2022, sections 177.24, by adding a subdivision; 245D.10, subdivision 1; 245F.02, subdivisions 17, 21; 245F.08, subdivision 3; 245F.15, subdivision 7; 245G.04, by adding a subdivision; 252.44; 256B.0759, subdivision 4; 256B.0911, subdivision 24; 256B.4905, subdivision 12; 256C.21; 256C.23, subdivisions 1a, 2, 2a, 2b, 2c, 6, 7, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2, 3; 256C.26; 256C.261; Minnesota Statutes 2023 Supplement, sections 245G.05, subdivision 3; 245G.09, subdivision 3; 254A.19, subdivision 3; 254B.04, subdivision 6; 254B.05, subdivisions 1, 5; 254B.19, subdivision 1; 256B.0759, subdivision 2; 256B.4906; 256B.4914, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
DISABILITY SERVICES

Section 1. Minnesota Statutes 2022, section 144G.45, subdivision 3, is amended to read:

Subd. 3. **Local laws apply.** Assisted living facilities shall comply with all applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements, except a facility with a licensed resident capacity of six or fewer is exempt from rental licensing regulations imposed by any town, municipality, or county.

Sec. 2. Minnesota Statutes 2022, section 245A.11, subdivision 2, is amended to read:

Subd. 2. **Permitted single-family residential use.** (a) Residential programs with a licensed capacity of six or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations, except that a residential program whose primary purpose is to treat juveniles who have violated criminal statutes relating to sex offenses or have been adjudicated delinquent on the basis of conduct in violation of criminal statutes relating to sex offenses shall not be considered a permitted use. This exception shall not apply to residential programs licensed before July 1, 1995. Programs otherwise allowed under this subdivision shall not be prohibited by operation of restrictive covenants or similar restrictions, regardless of when entered into, which cannot be met because of the nature of the licensed program, including provisions which require the home's occupants be related, and that the home must be occupied by the owner, or similar provisions.

~~(b) Unless otherwise provided in any town, municipal, or county zoning regulation, licensed residential services provided to more than four persons with developmental disabilities in a supervised living facility, including intermediate care facilities for persons with developmental disabilities, with a licensed capacity of seven to eight persons shall be considered a permitted single family residential use of property for the purposes of zoning and other land use regulations. A town, municipal, or county zoning authority may require a conditional use or special use permit to assure proper maintenance and operation of the residential program. Conditions imposed on the residential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the persons being served by the program. This paragraph expires July 1, 2023.~~

(b) A community residential setting as defined in section 245D.02, subdivision 4a, with a licensed capacity of six or fewer persons that is actively serving residents for which it is licensed is exempt from rental licensing regulations imposed by any town, municipality, or county.

Sec. 3. Minnesota Statutes 2022, section 245D.071, subdivision 3, is amended to read:

Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service initiation the license holder must complete a preliminary support plan addendum based on the support plan.

(b) Within the scope of services, the license holder must, at a minimum, complete assessments in the following areas before ~~the 45 day planning meeting~~ providing 45 days of service or within 60 calendar days of service initiation, whichever is shorter:

(1) the person's ability to self-manage health and medical needs to maintain or improve physical, mental, and emotional well-being, including, when applicable, allergies, seizures, choking, special dietary needs, chronic medical conditions, self-administration of medication or treatment orders, preventative screening, and medical and dental appointments;

(2) the person's ability to self-manage personal safety to avoid injury or accident in the service setting, including, when applicable, risk of falling, mobility, regulating water temperature, community survival skills, water safety skills, and sensory disabilities; and

(3) the person's ability to self-manage symptoms or behavior that may otherwise result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7), suspension or termination of services by the license holder, or other symptoms or behaviors that may jeopardize the health and welfare of the person or others.

Assessments must produce information about the person that describes the person's overall strengths, functional skills and abilities, and behaviors or symptoms. Assessments must be based on the person's status within the last 12 months at the time of service initiation. Assessments based on older information must be documented and justified. Assessments must be conducted annually at a minimum or within 30 days of a written request from the person or the person's legal representative or case manager. The results must be reviewed by the support team or expanded support team as part of a service plan review.

(c) Before providing 45 days of service or within 60 calendar days of service initiation, whichever is shorter, the license holder must ~~meet~~ hold an initial planning meeting with the person, the person's legal representative, the case manager, other members of the support team or expanded support team, and other people as identified by the person or the person's legal representative to determine the following based on information obtained from the assessments identified in paragraph (b), the person's identified needs in the support plan, and the requirements in subdivision 4 and section 245D.07, subdivision 1a:

(1) the scope of the services to be provided to support the person's daily needs and activities;

(2) the person's desired outcomes and the supports necessary to accomplish the person's desired outcomes;

(3) the person's preferences for how services and supports are provided, including how the provider will support the person to have control of the person's schedule;

(4) whether the current service setting is the most integrated setting available and appropriate for the person;

(5) opportunities to develop and maintain essential and life-enriching skills, abilities, strengths, interests, and preferences;

(6) opportunities for community access, participation, and inclusion in preferred community activities;

(7) opportunities to develop and strengthen personal relationships with other persons of the person's choice in the community;

(8) opportunities to seek competitive employment and work at competitively paying jobs in the community; and

(9) how services must be coordinated across other providers licensed under this chapter serving the person and members of the support team or expanded support team to ensure continuity of care and coordination of services for the person.



(d) A discussion of how technology might be used to meet the person's desired outcomes must be included in the ~~45-day~~ initial planning meeting. The support plan or support plan addendum must include a summary of this discussion. The summary must include a statement regarding any decision that is made regarding the use of technology and a description of any further research that needs to be completed before a decision regarding the use of technology can be made. Nothing in this paragraph requires that the support plan include the use of technology for the provision of services.

Sec. 4. Minnesota Statutes 2022, section 245D.071, subdivision 4, is amended to read:

Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the ~~45-day~~ initial planning meeting, the license holder must develop a service plan that documents the service outcomes and supports based on the assessments completed under subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and supports must be included in the support plan addendum.

(b) The license holder must document the supports and methods to be implemented to support the person and accomplish outcomes related to acquiring, retaining, or improving skills and physical, mental, and emotional health and well-being. The documentation must include:

(1) the methods or actions that will be used to support the person and to accomplish the service outcomes, including information about:

(i) any changes or modifications to the physical and social environments necessary when the service supports are provided;

(ii) any equipment and materials required; and

(iii) techniques that are consistent with the person's communication mode and learning style;

(2) the measurable and observable criteria for identifying when the desired outcome has been achieved and how data will be collected;

(3) the projected starting date for implementing the supports and methods and the date by which progress towards accomplishing the outcomes will be reviewed and evaluated; and

(4) the names of the staff or position responsible for implementing the supports and methods.

(c) Within 20 working days of the ~~45-day~~ initial planning meeting, the license holder must submit to and obtain dated signatures from the person or the person's legal representative and case manager to document completion and approval of the assessment and support plan addendum. If, within ten working days of the submission of the assessment or support plan addendum, the person or the person's legal representative or case manager has not signed and returned to the license holder the assessment and support plan addendum or has not proposed written modifications to the license holder's submission, the submission is deemed approved and the assessment and support plan addendum become effective and remain in effect until the legal representative or case manager submits a written request to revise the assessment or support plan addendum.

Sec. 5. Minnesota Statutes 2022, section 245D.081, subdivision 2, is amended to read:

Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery and evaluation of services provided by the license holder must be coordinated by a designated staff person. Except as provided in clause (3), the designated coordinator must provide supervision, support, and evaluation of activities that include:

(1) oversight of the license holder's responsibilities assigned in the person's support plan and the support plan addendum;

(2) taking the action necessary to facilitate the accomplishment of the outcomes according to the requirements in section 245D.07;

(3) instruction and assistance to direct support staff implementing the support plan and the service outcomes, including direct observation of service delivery sufficient to assess staff competency. The designated coordinator may delegate the direct observation and competency assessment of the service delivery activities of direct support staff to an individual whom the designated coordinator has previously deemed competent in those activities; and

(4) evaluation of the effectiveness of service delivery, methodologies, and progress on the person's outcomes based on the measurable and observable criteria for identifying when the desired outcome has been achieved according to the requirements in section 245D.07.

(b) The license holder must ensure that the designated coordinator is competent to perform the required duties identified in paragraph (a) through education, training, and work experience relevant to the primary disability of persons served by the license holder and the individual persons for whom the designated coordinator is responsible. The designated coordinator must have the skills and ability necessary to develop effective plans and to design and use data systems to measure effectiveness of services and supports. The license holder must verify and document competence according to the requirements in section 245D.09, subdivision 3. The designated coordinator must minimally have:

(1) a baccalaureate degree ~~in a field related to human services~~, and one year of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;

(2) an associate degree ~~in a field related to human services~~, and two years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;

(3) a diploma ~~in a field related to human services~~ from an accredited postsecondary institution and three years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older; or

(4) a minimum of 50 hours of education and training related to human services and disabilities; and

(5) four years of ~~full-time work~~ experience providing direct care services to persons with disabilities or persons age 65 and older ~~under the supervision of a staff person who meets the qualifications identified in clauses (1) to (3)~~.

Sec. 6. Minnesota Statutes 2022, section 245D.081, subdivision 3, is amended to read:

Subd. 3. **Program management and oversight.** (a) The license holder must designate a managerial staff person or persons to provide program management and oversight of the services provided by the license holder. The designated manager is responsible for the following:

(1) maintaining a current understanding of the licensing requirements sufficient to ensure compliance throughout the program as identified in section 245A.04, subdivision 1, paragraph (e), and when applicable, as identified in section 256B.04, subdivision 21, paragraph (g);

(2) ensuring the duties of the designated coordinator are fulfilled according to the requirements in subdivision 2;

(3) ensuring the program implements corrective action identified as necessary by the program following review of incident and emergency reports according to the requirements in section 245D.11, subdivision 2, clause (7). An internal review of incident reports of alleged or suspected maltreatment must be conducted according to the requirements in section 245A.65, subdivision 1, paragraph (b);

(4) evaluation of satisfaction of persons served by the program, the person's legal representative, if any, and the case manager, with the service delivery and progress toward accomplishing outcomes identified in sections 245D.07 and 245D.071, and ensuring and protecting each person's rights as identified in section 245D.04;

(5) ensuring staff competency requirements are met according to the requirements in section 245D.09, subdivision 3, and ensuring staff orientation and training is provided according to the requirements in section 245D.09, subdivisions 4, 4a, and 5;

(6) ensuring corrective action is taken when ordered by the commissioner and that the terms and conditions of the license and any variances are met; and

(7) evaluating the information identified in clauses (1) to (6) to develop, document, and implement ongoing program improvements.

(b) The designated manager must be competent to perform the duties as required and must minimally meet the education and training requirements identified in subdivision 2, paragraph (b), and have a minimum of three years of supervisory level experience ~~in a program providing direct support services to persons with disabilities or persons age 65 and older.~~

Sec. 7. Minnesota Statutes 2022, section 245D.09, subdivision 3, is amended to read:

Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing direct support, or staff who have responsibilities related to supervising or managing the provision of direct support service, are competent as demonstrated through skills and knowledge training, experience, and education relevant to the primary disability of the person and to meet the person's needs and additional requirements as written in the support plan or support plan addendum, or when otherwise required by the case manager or the federal waiver plan. The license holder must verify and maintain evidence of staff competency, including documentation of:

(1) education and experience qualifications relevant to the job responsibilities assigned to the staff and to the primary disability of persons served by the program, including a valid degree and transcript, or a current license, registration, or certification, when a degree or licensure, registration, or certification is required by this chapter or in the support plan or support plan addendum;

(2) demonstrated competency in the orientation and training areas required under this chapter, and when applicable, completion of continuing education required to maintain professional licensure, registration, or certification requirements. Competency in these areas is determined by the license holder through knowledge testing or observed skill assessment conducted by the trainer or instructor or by an individual who has been previously deemed competent by the trainer or instructor in the area being assessed; and

(3) except for a license holder who is the sole direct support staff, periodic performance evaluations completed by the license holder of the direct support staff person's ability to perform the job functions based on direct observation.

(b) Staff under 18 years of age may not perform overnight duties ~~or administer medication.~~

Sec. 8. Minnesota Statutes 2022, section 245D.10, subdivision 1, is amended to read:

Subdivision 1. **Policy and procedure requirements.** A license holder providing either basic or intensive supports and services must establish, enforce, and maintain policies and procedures as required in this chapter, chapter 245A, and other applicable state and federal laws and regulations governing the provision of home and community-based services licensed according to this chapter. A license holder must use forms provided by the commissioner to report service suspensions and service terminations under subdivisions 3 and 3a.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 9. **[245D.13] OUT-OF-HOME RESPITE SERVICES FOR CHILDREN.**

Subdivision 1. **Licensed setting required.** A license holder with a home and community-based services license providing out-of-home respite services for children must do so only in a licensed setting, unless exempt under subdivision 2.

Subd. 2. **Exemption from licensed setting requirement.** (a) A license holder with a home and community-based services license may provide out-of-home respite services for children in an unlicensed residential setting if:

(1) all background studies are completed according to the requirements in chapter 245C;

(2) a child's case manager conducts and documents an assessment of the residential setting and its environment before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence. The assessment must ensure that the setting is suitable for the child receiving respite services. The assessment must be conducted on the form and in the manner prescribed by the commissioner;

(3) the child's legal representative visits the residence and signs and dates a statement authorizing services in the residence before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence;

(4) the services are provided in a residential setting that is not licensed to provide any other licensed services;

(5) the services are provided to no more than four children at any one time. Each child must have an individual bedroom, with the exception of two siblings who may share a bedroom;

(6) services are not provided to children and adults over the age of 21 in the same residence at the same time;

(7) services are not provided to a single family for more than 46 calendar days in a calendar year and no more than ten consecutive days;

(8) the license holder's license was not made conditional, suspended, or revoked during the previous 24 months; and

(9) any individual who is in the home at the time services are provided meets the definition of "employee" under section 245C.02, subdivision 11f, for a provider licensed under chapter 245D and has a background study completed under chapter 245C. No other household members or other individuals may be present in the home while services are provided.

(b) The license holder must maintain documentation of the following:

(1) background studies completed under chapter 245C;

(2) service recipient records indicating the calendar dates and times when services were provided;

(3) the case manager's assessment for the initial residential setting assessment and each assessment completed thereafter; and

(4) the legal representative's approval of the residential setting before services are provided and each year thereafter.

(c) This subdivision does not apply to children placed in foster care under Minnesota Rules, part 9560.0529.

(d) A child may not receive out-of-home respite services in more than two unlicensed residential settings in a calendar year.

(e) The license holder must ensure the requirements in this subdivision are met.

Sec. 10. Minnesota Statutes 2023 Supplement, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

(1) but for excess earnings or assets meets the definition of disabled under the Supplemental Security Income program; and

(2) pays a premium and other obligations under paragraph ~~(e)~~ (d).

(b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than \$65 of earned income, be receiving an unemployment insurance benefit under chapter 268 that the person began receiving while eligible under this subdivision, or be receiving family and medical leave benefits under chapter 268B that the person began receiving while eligible under this subdivision. ~~Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding. A person who is self-employed must file and pay all applicable taxes.~~ Any spousal income shall be disregarded for purposes of eligibility and premium determinations.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who would otherwise be ineligible and be disenrolled due to one of the following circumstances may retain eligibility for up to four consecutive months after a month of job loss if the person:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, advanced practice registered nurse, or physician assistant; or

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income.

To receive a four-month extension of continued eligibility under this paragraph, enrollees must verify the medical condition or provide notification of job loss, continue to meet all other eligibility requirements, and continue to pay all calculated premium costs.

(d) All enrollees must pay a premium to be eligible for medical assistance under this subdivision, except as provided under clause (5).

(1) An enrollee must pay the greater of a \$35 premium or the premium calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(3) All enrollees who receive unearned income must pay one-half of one percent of unearned income in addition to the premium amount, except as provided under clause (5).

(4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(5) Effective July 1, 2009, American Indians are exempt from paying premiums 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.

(e) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(f) Any required premium shall be determined at application and redetermined at the enrollee's ~~six-month~~ 12-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ~~ten~~ 30 days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next ~~six-month~~ 12-month review.

(g) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(h) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse for the enrollee's failure to pay the required premium when due because the circumstances were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall determine whether good cause exists based on the weight of the supporting evidence submitted by the enrollee to demonstrate good cause. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(i) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

(j) The commissioner is authorized to determine that a premium amount was calculated or billed in error, make corrections to financial records and billing systems, and refund premiums collected in error.

Sec. 11. Minnesota Statutes 2022, section 256B.0911, subdivision 24, is amended to read:

Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the requirements of this subdivision. Remote reassessments conducted by interactive video or telephone may substitute for in-person reassessments.

(b) 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 an in-person reassessment.

(c) 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 an in-person reassessment.

(d) For personal care assistance provided under section 256B.0659 and community first services and supports provided under section 256B.85, remote reassessments may be substituted for two consecutive reassessments if followed by an in-person reassessment.

~~(d)~~ (e) A remote reassessment is permitted only if the lead agency provides informed choice and the person being reassessed or the person's legal representative provides informed consent for a remote assessment. Lead agencies must document that informed choice was offered.

~~(e)~~ (f) The person being reassessed, or the person's legal representative, may refuse a remote reassessment at any time.

~~(f)~~ (g) During a remote reassessment, if the certified assessor determines an in-person reassessment is necessary in order to complete the assessment, the lead agency shall schedule an in-person reassessment.

~~(g)~~ (h) All other requirements of an in-person reassessment apply to a remote reassessment, including updates to a person's support plan.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2022, section 256B.092, is amended by adding a subdivision to read:

**Subd. 3a. Authorization of technology services.** (a) Lead agencies must not implement additional requirements, in addition to those required by the commissioner, that could result in the delay of approval or implementation of technology.

(b) For individuals receiving waiver services under this section, approval or denial of technology must occur within 30 business days of the receipt of the initial request. If denied, the lead agency must submit a notice of action form clearly stating the reason for the denial, including information describing why the technology is not appropriate to meet the individual's assessed need.

Sec. 13. Minnesota Statutes 2022, section 256B.49, is amended by adding a subdivision to read:

**Subd. 16b. Authorization of technology services.** (a) Lead agencies must not implement additional requirements, in addition to those required by the commissioner, that could result in the delay of approval or implementation of technology.

(b) For individuals receiving waiver services under this section, approval or denial of technology must occur within 30 business days of the receipt of the initial request. If denied, the lead agency must submit a notice of action form clearly stating the reason for the denial, including information describing why the technology is not appropriate to meet the individual's assessed need.

Sec. 14. Minnesota Statutes 2022, section 256B.4905, subdivision 12, is amended to read:

**Subd. 12. Informed choice ~~in~~ and technology prioritization in implementation for disability waiver services.** The commissioner of human services shall ensure that:

(1) disability waivers under sections 256B.092 and 256B.49 support the presumption that all adults who have disabilities and children who have disabilities may use assistive technology, remote supports, or both to enhance the adult's or child's independence and quality of life; and

(2) each individual accessing waiver services is offered, after an informed decision-making process and during a person-centered planning process, the opportunity to choose assistive technology, remote support, or both prior to the commissioner offering or reauthorizing services that utilize direct support staff to ensure equitable access.

Sec. 15. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 4, is amended to read:

**Subd. 4. Data collection for rate determination.** (a) Rates for applicable home and community-based waived services, including customized rates under subdivision 12, are set by the rates management system.

(b) Data and information in the rates management system must be used to calculate an individual's rate.

(c) Service providers, with information from the support plan and oversight by lead agencies, shall provide values and information needed to calculate an individual's rate in the rates management system. Lead agencies must use forms provided by the commissioner to collect this information. The determination of service levels must be part of a discussion with members of the support team as defined in section 245D.02, subdivision 34. This discussion must occur prior to the final establishment of each individual's rate. The values and information include:

(1) shared staffing hours;

(2) individual staffing hours;

(3) direct registered nurse hours;

(4) direct licensed practical nurse hours;

(5) staffing ratios;

(6) information to document variable levels of service qualification for variable levels of reimbursement in each framework;

(7) shared or individualized arrangements for unit-based services, including the staffing ratio;

(8) number of trips and miles for transportation services; and

(9) service hours provided through monitoring technology.

(d) Updates to individual data must include:

(1) data for each individual that is updated annually when renewing service plans; and

(2) requests by individuals or lead agencies to update a rate whenever there is a change in an individual's service needs, with accompanying documentation.

(e) Lead agencies shall review and approve all services reflecting each individual's needs, and the values to calculate the final payment rate for services with variables under subdivisions 6 to 9 for each individual. Lead agencies must notify the individual and the service provider of the final agreed-upon values and rate, and provide information that is identical to what was entered into the rates management system. If a value used was mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead agencies to correct it. Lead agencies must respond to these requests. When responding to the request, the lead agency must consider:

(1) meeting the health and welfare needs of the individual or individuals receiving services by service site, identified in their support plan under section 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

(2) meeting the requirements for staffing under subdivision 2, paragraphs (h), (n), and (o); and meeting or exceeding the licensing standards for staffing required under section 245D.09, subdivision 1; and

(3) meeting the staffing ratio requirements under subdivision 2, paragraph (o), and meeting or exceeding the licensing standards for staffing required under section 245D.31.

**EFFECTIVE DATE.** This section is effective January 1, 2025.



Sec. 16. Minnesota Statutes 2022, section 256B.85, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section and section 256B.851, the terms defined in this subdivision have the meanings given.

(b) "Activities of daily living" or "ADLs" means:

(1) dressing, including assistance with choosing, applying, and changing clothing and applying special appliances, wraps, or clothing;

(2) grooming, including assistance with basic hair care, oral care, shaving, applying cosmetics and deodorant, and care of eyeglasses and hearing aids. Grooming includes nail care, except for recipients who are diabetic or have poor circulation;

(3) bathing, including assistance with basic personal hygiene and skin care;

(4) eating, including assistance with hand washing and applying orthotics required for eating, ~~transfers~~, or feeding;

(5) transfers, including assistance with transferring the participant from one seating or reclining area to another;

(6) mobility, including assistance with ambulation and use of a wheelchair. Mobility does not include providing transportation for a participant;

(7) positioning, including assistance with positioning or turning a participant for necessary care and comfort; and

(8) toileting, including assistance with bowel or bladder elimination and care, transfers, mobility, positioning, feminine hygiene, use of toileting equipment or supplies, cleansing the perineal area, inspection of the skin, and adjusting clothing.

(c) "Agency-provider model" means a method of CFSS under which a qualified agency provides services and supports through the agency's own employees and policies. The agency must allow the participant to have a significant role in the selection and dismissal of support workers of their choice for the delivery of their specific services and supports.

(d) "Behavior" means a description of a need for services and supports used to determine the home care rating and additional service units. The presence of Level I behavior is used to determine the home care rating.

(e) "Budget model" means a service delivery method of CFSS that allows the use of a service budget and assistance from a financial management services (FMS) provider for a participant to directly employ support workers and purchase supports and goods.

(f) "Complex health-related needs" means an intervention listed in clauses (1) to (8) that has been ordered by a physician, advanced practice registered nurse, or physician's assistant and is specified in an assessment summary, including:

(1) tube feedings requiring:

(i) a gastrojejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

- (ii) multiple wounds;
  - (iii) requiring sterile or clean dressing changes or a wound vac; or
  - (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;
  - (3) parenteral therapy described as:
    - (i) IV therapy more than two times per week lasting longer than four hours for each treatment; or
    - (ii) total parenteral nutrition (TPN) daily;
  - (4) respiratory interventions, including:
    - (i) oxygen required more than eight hours per day;
    - (ii) respiratory vest more than one time per day;
    - (iii) bronchial drainage treatments more than two times per day;
    - (iv) sterile or clean suctioning more than six times per day;
    - (v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and
    - (vi) ventilator dependence under section 256B.0651;
  - (5) insertion and maintenance of catheter, including:
    - (i) sterile catheter changes more than one time per month;
    - (ii) clean intermittent catheterization, and including self-catheterization more than six times per day; or
    - (iii) bladder irrigations;
  - (6) bowel program more than two times per week requiring more than 30 minutes to perform each time;
  - (7) neurological intervention, including:
    - (i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or
    - (ii) swallowing disorders diagnosed by a physician, advanced practice registered nurse, or physician's assistant and requiring specialized assistance from another on a daily basis; and
  - (8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.
- (g) "Community first services and supports" or "CFSS" means the assistance and supports program under this section needed for accomplishing activities of daily living, instrumental activities of daily living, and health-related tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task, or the purchase of goods as defined in subdivision 7, clause (3), that replace the need for human assistance.

(h) "Community first services and supports service delivery plan" or "CFSS service delivery plan" means a written document detailing the services and supports chosen by the participant to meet assessed needs that are within the approved CFSS service authorization, as determined in subdivision 8. Services and supports are based on the support plan identified in sections 256B.092, subdivision 1b, and 256S.10.

(i) "Consultation services" means a Minnesota health care program enrolled provider organization that provides assistance to the participant in making informed choices about CFSS services in general and self-directed tasks in particular, and in developing a person-centered CFSS service delivery plan to achieve quality service outcomes.

(j) "Critical activities of daily living" means transferring, mobility, eating, and toileting.

(k) "Dependency" in activities of daily living means a person requires hands-on assistance or constant supervision and cueing to accomplish one or more of the activities of daily living every day or on the days during the week that the activity is performed; however, a child must not be found to be dependent in an activity of daily living if, because of the child's age, an adult would either perform the activity for the child or assist the child with the activity and the assistance needed is the assistance appropriate for a typical child of the same age.

(l) "Extended CFSS" means CFSS services and supports provided under CFSS that are included in the CFSS service delivery plan through one of the home and community-based services waivers and as approved and authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan CFSS services for participants. Extended CFSS excludes the purchase of goods.

(m) "Financial management services provider" or "FMS provider" means a qualified organization required for participants using the budget model under subdivision 13 that is an enrolled provider with the department to provide vendor fiscal/employer agent financial management services (FMS).

(n) "Health-related procedures and tasks" means procedures and tasks related to the specific assessed health needs of a participant that can be taught or assigned by a state-licensed health care or mental health professional and performed by a support worker.

(o) "Instrumental activities of daily living" means activities related to living independently in the community, including but not limited to: meal planning, preparation, and cooking; shopping for food, clothing, or other essential items; laundry; housecleaning; assistance with medications; managing finances; communicating needs and preferences during activities; arranging supports; and assistance with traveling around and participating in the community, including traveling to medical appointments. For purposes of this paragraph, traveling includes driving and accompanying the recipient in the recipient's chosen mode of transportation and according to the individual CFSS service delivery plan.

(p) "Lead agency" has the meaning given in section 256B.0911, subdivision 10.

(q) "Legal representative" means parent of a minor, a court-appointed guardian, or another representative with legal authority to make decisions about services and supports for the participant. Other representatives with legal authority to make decisions include but are not limited to a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(r) "Level I behavior" means physical aggression toward self or others or destruction of property that requires the immediate response of another person.

(s) "Medication assistance" means providing verbal or visual reminders to take regularly scheduled medication, and includes any of the following supports listed in clauses (1) to (3) and other types of assistance, except that a support worker must not determine medication dose or time for medication or inject medications into veins, muscles, or skin:

(1) under the direction of the participant or the participant's representative, bringing medications to the participant including medications given through a nebulizer, opening a container of previously set-up medications, emptying the container into the participant's hand, opening and giving the medication in the original container to the participant, or bringing to the participant liquids or food to accompany the medication;

(2) organizing medications as directed by the participant or the participant's representative; and

(3) providing verbal or visual reminders to perform regularly scheduled medications.

(t) "Participant" means a person who is eligible for CFSS.

(u) "Participant's representative" means a parent, family member, advocate, or other adult authorized by the participant or participant's legal representative, if any, to serve as a representative in connection with the provision of CFSS. If the participant is unable to assist in the selection of a participant's representative, the legal representative shall appoint one.

(v) "Person-centered planning process" means a process that is directed by the participant to plan for CFSS services and supports.

(w) "Service budget" means the authorized dollar amount used for the budget model or for the purchase of goods.

(x) "Shared services" means the provision of CFSS services by the same CFSS support worker to two or three participants who voluntarily enter into a written agreement to receive services at the same time, in the same setting, and through the same agency-provider or FMS provider.

(y) "Support worker" means a qualified and trained employee of the agency-provider as required by subdivision 11b or of the participant employer under the budget model as required by subdivision 14 who has direct contact with the participant and provides services as specified within the participant's CFSS service delivery plan.

(z) "Unit" means the increment of service based on hours or minutes identified in the service agreement.

(aa) "Vendor fiscal employer agent" means an agency that provides financial management services.

(bb) "Wages and benefits" means the hourly 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, contributions to employee retirement accounts, or other forms of employee compensation and benefits.

(cc) "Worker training and development" means services provided according to subdivision 18a for developing workers' skills as required by the participant's individual CFSS service delivery plan that are arranged for or provided by the agency-provider or purchased by the participant employer. These services include training, education, direct observation and supervision, and evaluation and coaching of job skills and tasks, including supervision of health-related tasks or behavioral supports.

Sec. 17. Minnesota Statutes 2022, section 256B.85, subdivision 6, is amended to read:

Subd. 6. **Community first services and supports service delivery plan.** (a) The CFSS service delivery plan must be developed and evaluated through a person-centered planning process by the participant, or the participant's representative or legal representative who may be assisted by a consultation services provider. The CFSS service delivery plan must reflect the services and supports that are important to the participant and for the participant to meet the needs assessed by the certified assessor and identified in the support plan identified in sections 256B.092,

subdivision 1b, and 256S.10. The CFSS service delivery plan must be reviewed by the participant, the consultation services provider, and the agency-provider or FMS provider prior to starting services and at least annually upon reassessment, or when there is a significant change in the participant's condition, or a change in the need for services and supports.

(b) The commissioner shall establish the format and criteria for the CFSS service delivery plan.

(c) The CFSS service delivery plan must be person-centered and:

(1) specify the consultation services provider, agency-provider, or FMS provider selected by the participant;

(2) reflect the setting in which the participant resides that is chosen by the participant;

(3) reflect the participant's strengths and preferences;

(4) include the methods and supports used to address the needs as identified through an assessment of functional needs;

(5) include the participant's identified goals and desired outcomes;

(6) reflect the services and supports, paid and unpaid, that will assist the participant to achieve identified goals, including the costs of the services and supports, and the providers of those services and supports, including natural supports;

(7) identify the amount and frequency of face-to-face supports and amount and frequency of remote supports and technology that will be used;

(8) identify risk factors and measures in place to minimize them, including individualized backup plans;

(9) be understandable to the participant and the individuals providing support;

(10) identify the individual or entity responsible for monitoring the plan;

(11) be finalized and agreed to in writing by the participant and signed by individuals and providers responsible for its implementation;

(12) be distributed to the participant and other people involved in the plan;

(13) prevent the provision of unnecessary or inappropriate care;

(14) include a detailed budget for expenditures for budget model participants or participants under the agency-provider model if purchasing goods; and

(15) include a plan for worker training and development provided according to subdivision 18a detailing what service components will be used, when the service components will be used, how they will be provided, and how these service components relate to the participant's individual needs and CFSS support worker services.

(d) The CFSS service delivery plan must describe the units or dollar amount available to the participant. The total units of agency-provider services or the service budget amount for the budget model include both annual totals and a monthly average amount that cover the number of months of the service agreement. The amount used each month may vary, but additional funds must not be provided above the annual service authorization amount, determined according to subdivision 8, unless a change in condition is assessed and authorized by the certified assessor and documented in the support plan and CFSS service delivery plan.

(e) In assisting with the development or modification of the CFSS service delivery plan during the authorization time period, the consultation services provider shall:

(1) consult with the FMS provider on the spending budget when applicable; and

(2) consult with the participant or participant's representative, agency-provider, and case manager or care coordinator.

(f) The CFSS service delivery plan must be approved by the ~~consultation services provider~~ lead agency for participants without a case manager or care coordinator who is responsible for authorizing services. A case manager or care coordinator must approve the plan for a waiver or alternative care program participant.

Sec. 18. Minnesota Statutes 2022, section 256B.85, subdivision 6a, is amended to read:

Subd. 6a. **Person-centered planning process.** The person-centered planning process must:

(1) include people chosen by the participant;

(2) provide necessary information and support to ensure that the participant directs the process to the maximum extent possible, and is enabled to make informed choices and decisions;

(3) be timely and occur at times and locations convenient to the participant;

(4) reflect cultural considerations of the participant;

(5) include within the process strategies for solving conflict or disagreement, including clear conflict-of-interest guidelines as identified in Code of Federal Regulations, title 42, section ~~441.500~~ 441.540, for all planning;

(6) provide the participant choices of the services and supports the participant receives and the staff providing those services and supports;

(7) include a method for the participant to request updates to the plan; and

(8) record the alternative home and community-based settings that were considered by the participant.

Sec. 19. Minnesota Statutes 2022, section 256B.85, subdivision 11, is amended to read:

Subd. 11. **Agency-provider model.** (a) The agency-provider model includes services provided by support workers and staff providing worker training and development services who are employed by an agency-provider that meets the criteria established by the commissioner, including required training.

(b) The agency-provider shall allow the participant to have a significant role in the selection and dismissal of the support workers for the delivery of the services and supports specified in the participant's CFSS service delivery plan. The agency must make a reasonable effort to fulfill the participant's request for the participant's preferred support worker.

(c) A participant may use authorized units of CFSS services as needed within a service agreement that is not greater than 12 months. Using authorized units in a flexible manner in either the agency-provider model or the budget model does not increase the total amount of services and supports authorized for a participant or included in the participant's CFSS service delivery plan.

(d) A participant may share CFSS services. Two or three CFSS participants may share services at the same time provided by the same support worker.

(e) The agency-provider must use a minimum of 72.5 percent of the revenue generated by the medical assistance payment for CFSS for support worker wages and benefits, except all of the revenue generated by a medical assistance rate increase due to a collective bargaining agreement under section 179A.54 must be used for support worker wages and benefits. The agency-provider must document how this requirement is being met. The revenue generated by the worker training and development services and the reasonable costs associated with the worker training and development services must not be used in making this calculation.

(f) The agency-provider model must be used by participants who are restricted by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

(g) Participants purchasing goods under this model, along with support worker services, must:

(1) specify the goods in the CFSS service delivery plan and detailed budget for expenditures that must be approved by the ~~consultation services provider~~ lead agency, case manager, or care coordinator; and

(2) use the FMS provider for the billing and payment of such goods.

(h) The agency provider is responsible for ensuring that any worker driving a participant under subdivision 2, paragraph (o), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

Sec. 20. Minnesota Statutes 2023 Supplement, section 256B.85, subdivision 13a, is amended to read:

Subd. 13a. **Financial management services.** (a) Services provided by an FMS provider include but are not limited to: filing and payment of federal and state payroll taxes and premiums on behalf of the participant; initiating and complying with background study requirements under chapter 245C and maintaining documentation of background study requests and results; billing for approved CFSS services with authorized funds; monitoring expenditures; accounting for and disbursing CFSS funds; providing assistance in obtaining and filing for liability, workers' compensation, family and medical benefit insurance, and unemployment coverage; and providing participant instruction and technical assistance to the participant in fulfilling employer-related requirements in accordance with section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1.

(b) Agency-provider services shall not be provided by the FMS provider.

(c) The FMS provider shall provide service functions as determined by the commissioner for budget model participants that include but are not limited to:

(1) assistance with the development of the detailed budget for expenditures portion of the CFSS service delivery plan as requested by the consultation services provider or participant;

(2) data recording and reporting of participant spending;

(3) other duties established by the department, including with respect to providing assistance to the participant, participant's representative, or legal representative in performing employer responsibilities regarding support workers. The support worker shall not be considered the employee of the FMS provider; and

(4) billing, payment, and accounting of approved expenditures for goods.

(d) The FMS provider shall obtain an assurance statement from the participant employer agreeing to follow state and federal regulations and CFSS policies regarding employment of support workers.

(e) The FMS provider shall:

(1) not limit or restrict the participant's choice of service or support providers or service delivery models consistent with any applicable state and federal requirements;

(2) provide the participant, consultation services provider, and case manager or care coordinator, if applicable, with a monthly written summary of the spending for services and supports that were billed against the spending budget;

(3) be knowledgeable of state and federal employment regulations, including those under the Fair Labor Standards Act of 1938, and comply with the requirements under chapter 268B and section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability for vendor fiscal/employer agent, and any requirements necessary to process employer and employee deductions, provide appropriate and timely submission of employer tax liabilities, and maintain documentation to support medical assistance claims;

(4) have current and adequate liability insurance and bonding and sufficient cash flow as determined by the commissioner and have on staff or under contract a certified public accountant or an individual with a baccalaureate degree in accounting;

(5) assume fiscal accountability for state funds designated for the program and be held liable for any overpayments or violations of applicable statutes or rules, including but not limited to the Minnesota False Claims Act, chapter 15C;

(6) maintain documentation of receipts, invoices, and bills to track all services and supports expenditures for any goods purchased and maintain time records of support workers. The documentation and time records must be maintained for a minimum of five years from the claim date and be available for audit or review upon request by the commissioner. Claims submitted by the FMS provider to the commissioner for payment must correspond with services, amounts, and time periods as authorized in the participant's service budget and service plan and must contain specific identifying information as determined by the commissioner; and

(7) provide written notice to the participant or the participant's representative at least 30 calendar days before a proposed service termination becomes effective, except in cases where:

(i) the participant engages in conduct that significantly alters the terms of the CFSS service delivery plan with the FMS;

(ii) the participant or other persons at the setting where services are being provided engage in conduct that creates an imminent risk of harm to the support worker or other staff; or

(iii) an emergency or a significant change in the participant's condition occurs within a 24-hour period that results in the participant's service needs exceeding the participant's identified needs in the current CFSS service delivery plan so that the plan cannot safely meet the participant's needs.

(f) The commissioner shall:

(1) establish rates and payment methodology for the FMS provider;

(2) identify a process to ensure quality and performance standards for the FMS provider and ensure statewide access to FMS providers; and

(3) establish a uniform protocol for delivering and administering CFSS services to be used by eligible FMS providers.

Sec. 21. Minnesota Statutes 2022, section 256B.85, subdivision 17, is amended to read:

Subd. 17. **Consultation services duties.** Consultation services is a required service that includes:

(1) entering into a written agreement with the participant, participant's representative, or legal representative that includes but is not limited to the details of services, service delivery methods, dates of services, and contact information;



- (2) providing an initial and annual orientation to CFSS information and policies, including selecting a service model;
- (3) assisting with accessing FMS providers or agency-providers;
- (4) providing assistance with the development, implementation, management, documentation, and evaluation of the person-centered CFSS service delivery plan;
- ~~(5) approving the CFSS service delivery plan for a participant without a case manager or care coordinator who is responsible for authorizing services;~~
- ~~(6)~~ (5) maintaining documentation of the approved CFSS service delivery plan;
- ~~(7)~~ (6) distributing copies of the final CFSS service delivery plan to the participant and to the agency-provider or FMS provider, case manager or care coordinator, and other designated parties;
- ~~(8)~~ (7) assisting to fulfill responsibilities and requirements of CFSS, including modifying CFSS service delivery plans and changing service models;
- ~~(9)~~ (8) if requested, providing consultation on recruiting, selecting, training, managing, directing, supervising, and evaluating support workers;
- ~~(10)~~ (9) evaluating services upon receiving information from an FMS provider indicating spending or participant employer concerns;
- ~~(11)~~ (10) reviewing the use of and access to informal and community supports, goods, or resources;
- ~~(12)~~ (11) a semiannual review of services if the participant does not have a case manager or care coordinator and when the support worker is a paid parent of a minor participant or the participant's spouse;
- ~~(13)~~ (12) collecting and reporting of data as required by the department;
- ~~(14)~~ (13) providing the participant with a copy of the participant protections under subdivision 20 at the start of consultation services;
- ~~(15)~~ (14) providing assistance to resolve issues of noncompliance with the requirements of CFSS;
- ~~(16)~~ (15) providing recommendations to the commissioner for changes to services when support to participants to resolve issues of noncompliance have been unsuccessful; and
- ~~(17)~~ (16) other duties as assigned by the commissioner.

Sec. 22. Minnesota Statutes 2022, section 256B.85, is amended by adding a subdivision to read:

**Subd. 18b. Worker training and development services; remote visits.** (a) Except as provided in paragraph (b), the worker training and development services specified in subdivision 18a, paragraph (c), clauses (3) and (4), may be provided to recipients with chronic health conditions or severely compromised immune systems via two-way interactive audio and visual telecommunications if, at the recipient's request, the recipient's primary health care provider:

- (1) determines that remote worker training and development services are appropriate; and
- (2) documents the determination under clause (1) in a statement of need or other document that is subsequently included in the recipient's CFSS service delivery plan.

(b) The worker training and development services specified in subdivision 18a, paragraph (c), clause (3), provided at the start of services or the start of employment of a new support worker must not be conducted via two-way interactive audio and visual telecommunications.

(c) Notwithstanding any other provision of law, a CFSS service delivery plan developed or amended via remote worker training and development services may be executed by electronic signature.

(d) A recipient may request to return to in-person worker training and development services at any time.

**EFFECTIVE DATE.** This section is effective upon community first services and supports implementation. The commissioner of human services shall notify the revisor of statutes upon CFSS implementation.

Sec. 23. Minnesota Statutes 2022, section 256B.85, subdivision 20, is amended to read:

Subd. 20. **Participant protections.** (a) All CFSS participants have the protections identified in this subdivision.

(b) Participants or participant's representatives must be provided with adequate information, counseling, training, and assistance, as needed, to ensure that the participant is able to choose and manage services, models, and budgets. This information must be provided by the consultation services provider at the time of the initial or annual orientation to CFSS, at the time of reassessment, or when requested by the participant or participant's representative. This information must explain:

(1) person-centered planning;

(2) the range and scope of participant choices, including the differences between the agency-provider model and the budget model, available CFSS providers, and other services available in the community to meet the participant's needs;

(3) the process for changing plans, services, and budgets;

(4) identifying and assessing appropriate services; and

(5) risks to and responsibilities of the participant under the budget model.

(c) The consultation services provider must ensure that the participant chooses freely between the agency-provider model and the budget model and among available agency-providers and that the participant may change agency-providers after services have begun.

(d) A participant who appeals a reduction in previously authorized CFSS services may continue previously authorized services pending an appeal in accordance with section 256.045.

(e) If the units of service or budget allocation for CFSS are reduced, denied, or terminated, the commissioner must provide notice of the reasons for the reduction in the participant's notice of denial, termination, or reduction.

(f) If all or part of a CFSS service delivery plan is denied approval by the ~~consultation services provider~~ lead agency, the ~~consultation services provider~~ lead agency must provide a notice that describes the basis of the denial.

## ARTICLE 2 DEAF, DEAFBLIND, AND HARD-OF-HEARING SERVICES

Section 1. Minnesota Statutes 2022, section 256C.21, is amended to read:

### **256C.21 DEAF, DEAFBLIND, AND HARD-OF-HEARING SERVICES ACT; CITATION.**

Sections 256C.21 to ~~256C.26~~ 256C.261 may be cited as the "Deaf, DeafBlind, and Hard-of-Hearing Services Act."

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 256C.23, subdivision 1a, is amended to read:

Subd. 1a. **Culturally affirmative.** "Culturally affirmative" describes services that are designed and delivered within the context of the culture, identity, language, communication, and life experiences of a person ~~persons~~ who is ~~are~~ deaf, a person ~~persons~~ who is ~~are~~ deafblind, and a person ~~persons~~ who is ~~are~~ hard-of-hearing.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 256C.23, is amended by adding a subdivision to read:

Subd. 1b. **Linguistically affirmative.** "Linguistically affirmative" describes services that are designed and delivered within the context of the language and communication experiences of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 256C.23, subdivision 2, is amended to read:

Subd. 2. **Deaf.** "Deaf" means a hearing loss ~~of such severity that the individual must depend where the person communicates primarily on visual communication such as through~~ American Sign Language or other another signed language, visual and manual means of communication such as signing systems in English or, Cued Speech, reading and writing, speech reading, and gestures or other visual communication.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 256C.23, subdivision 2a, is amended to read:

Subd. 2a. **Hard-of-hearing.** "Hard-of-hearing" means a hearing loss ~~resulting in a functional loss of hearing, but not to the extent that the individual must depend where the person does not communicate primarily upon through~~ visual communication.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 256C.23, subdivision 2b, is amended to read:

Subd. 2b. **Deafblind.** "Deafblind" means any combination of vision and hearing loss ~~which interferes with acquiring information from the environment to the extent that compensatory where the person uses visual, auditory, or tactile strategies and skills are necessary such as the use of a tactile form of a visual or spoken language to access that communication, information from the environment, or other information.~~

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 256C.23, subdivision 2c, is amended to read:

Subd. 2c. **Interpreting services.** "Interpreting services" means services that include:

(1) interpreting between a spoken language, such as English, and a visual language, such as American Sign Language or another signed language;

(2) interpreting between a spoken language and a visual representation of a spoken language, such as Cued Speech ~~and or~~ signing systems in English;

(3) interpreting within one language where the interpreter ~~uses natural gestures and~~ silently repeats the spoken message, replacing some words or phrases to ~~give higher visibility on the lips~~ make the message more readable;

(4) interpreting using low vision or tactile methods, signing systems, or signed languages for persons who ~~have a combined hearing and vision loss or~~ are deafblind; and

(5) interpreting from one communication mode or language into another communication mode or language that is linguistically and culturally appropriate for the participants in the communication exchange.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 256C.23, subdivision 6, is amended to read:

Subd. 6. **Real-time captioning.** "Real-time captioning" means a method of captioning in which ~~a caption is~~ captions are simultaneously prepared and displayed or transmitted at the time of origination by specially trained real-time captioners.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 256C.23, subdivision 7, is amended to read:

Subd. 7. **Family and community intervener.** "Family and community intervener" means a ~~paraprofessional,~~ person who is specifically trained in deafblindness, ~~who~~ and works one-on-one with a child who is deafblind to provide critical ~~connections~~ access to language, communication, people, and the environment.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 256C.233, subdivision 1, is amended to read:

Subdivision 1. **Deaf, DeafBlind, and Hard-of-Hearing Hard of Hearing State Services Division.** The commissioners of commerce, education, employment and economic development, and health shall ~~advise partner~~ with the commissioner of human services on the interagency activities of the Deaf, DeafBlind, and Hard of Hearing Hard of Hearing State Services Division. This division ~~addresses the developmental and social-emotional needs of~~ provides services for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing through a statewide network of programs, services, and supports. This division also advocates on behalf of and provides information and training about how to best serve persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing. The commissioner of human services shall coordinate the work of the interagency ~~advisers and~~ partners, receive legislative appropriations for the division, and provide grants through the division for programs, services, and supports for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in identified areas of need such as deafblind services, family services, interpreting services, and mental health services.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 256C.233, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** The Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard of Hearing State Services Division shall:

(1) establish and maintain a statewide network of regional culturally and linguistically affirmative services for Minnesotans who are deaf, Minnesotans who are deafblind, and Minnesotans who are hard-of-hearing;

(2) work across divisions within the Department of Human Services, as well as with other agencies and counties, to ensure that there is an understanding of:

(i) the communication access challenges faced by persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;

- (ii) the best practices for accommodating and ~~mitigating~~ addressing communication access challenges; and
- (iii) the legal requirements for providing access to and effective communication with persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;
- (3) assess the supply and demand statewide for ~~interpreter~~ interpreting services and real-time captioning services, implement strategies to provide greater access to these services in areas without sufficient supply, and ~~build the base of partner with interpreting service providers and real-time captioning service providers~~ across the state;
- (4) maintain a statewide information resource that includes contact information and professional ~~certification~~ credentials certifications of interpreting service providers and real-time captioning service providers;
- (5) provide culturally and linguistically affirmative mental health services to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing who:
  - (i) use a visual language such as American Sign Language, another sign language, or a tactile form of a visual language; or
  - (ii) otherwise need culturally and linguistically affirmative therapeutic mental health services;
- (6) research and develop best practices and recommendations for emerging issues; and
- (7) provide as much information as practicable on the division's stand-alone website in American Sign Language; and
- (8) ~~report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services biennially, beginning on January 1, 2019, on the following:~~
  - (i) ~~the number of regional service center staff, the location of the office of each staff person, other service providers with which they are colocated, the number of people served by each staff person and a breakdown of whether each person was served on site or off site, and for those served off site, a list of locations where services were delivered and the number who were served in person and the number who were served via technology;~~
  - (ii) ~~the amount and percentage of the division budget spent on reasonable accommodations for staff;~~
  - (iii) ~~the number of people who use demonstration equipment and consumer evaluations of the experience;~~
  - (iv) ~~the number of training sessions provided by division staff, the topics covered, the number of participants, and consumer evaluations, including a breakdown by delivery method such as in person or via technology;~~
  - (v) ~~the number of training sessions hosted at a division location provided by another service provider, the topics covered, the number of participants, and consumer evaluations, including a breakdown by delivery method such as in person or via technology;~~
  - (vi) ~~for each grant awarded, the amount awarded to the grantee and a summary of the grantee's results, including consumer evaluations of the services or products provided;~~
  - (vii) ~~the number of people on waiting lists for any services provided by division staff or for services or equipment funded through grants awarded by the division;~~
  - (viii) ~~the amount of time staff spent driving to appointments to deliver direct one to one client services in locations outside of the regional service centers; and~~

~~(ix) the regional needs and feedback on addressing service gaps identified by the advisory committees.~~

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 256C.24, subdivision 1, is amended to read:

Subdivision 1. **Location.** The Deaf, ~~DeafBlind~~, and ~~Hard of Hearing~~ Hard of Hearing State Services Division shall establish at least six regional service centers for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing. The centers shall be distributed regionally to provide access for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in all parts of the state.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 256C.24, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** Each regional service center shall:

(1) employ qualified staff to work with persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;

~~(1) (2) establish connections and collaborations and explore colocating with other public and private entities providing services to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in the region;~~

~~(2) (3) for those in need of services, assist in coordinating services between service providers and persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, and the persons' families, and make referrals to the services needed;~~

~~(3) employ staff trained to work with persons who are deaf, persons who are deafblind, and persons who are hard of hearing;~~

~~(4) if adequate or accessible services are not available from another public or private service provider in the region, provide individual culturally and linguistically affirmative assistance with service supports and solutions to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, and the persons' families. Individual culturally affirmative assistance may be provided using technology only in areas of the state where a person has access to sufficient quality telecommunications or broadband services to allow effective communication. When a person who is deaf, a person who is deafblind, or a person who is hard of hearing does not have access to sufficient telecommunications or broadband service, individual assistance shall be available in person;~~

~~(5) identify regional training and resource needs, work with deaf and hard of hearing services training staff, and collaborate with others to and deliver training and resources for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, and the persons' families, and other service providers about subjects including the persons' rights under the law, American Sign Language, and the impact of hearing loss and options for accommodating it;~~

~~(6) have a mobile or permanent lab where persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing can try a selection of modern assistive technology, telecommunications equipment, and other technology and equipment to determine what would best meet the persons' needs;~~

~~(7) collaborate with the Resource Center for the Deaf and Hard of Hearing Persons, other divisions of the Department of Education and local school districts to develop and deliver programs and services for provide information and resources to families with children who are deaf, children who are deafblind, or children who are hard-of-hearing and to support school personnel serving these children;~~

(8) provide training, resources, and consultation to ~~the social service or income maintenance staff employed by counties or by organizations with whom counties contract for services to ensure that~~ human services providers about communication ~~barriers which prevent~~ access and other needs of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing ~~from using services are removed~~;

(9) ~~provide training to human service agencies in the region regarding program access for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing~~;

(40) (9) assess the ongoing need and supply of services for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in all parts of the state; annually consult with the division's advisory committees to identify regional needs and solicit feedback on addressing service gaps; and ~~cooperate~~ collaborate with public and private service providers ~~to develop these services~~ on service solutions;

(44) (10) provide culturally and linguistically affirmative mental health services to persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing who:

(i) use a visual language such as American Sign Language, another sign language, or a tactile form of a visual language; or

(ii) otherwise need culturally and linguistically affirmative ~~therapeutic~~ mental health services; and

(42) (11) establish partnerships with state and regional entities statewide ~~that have the technological capacity to~~ provide Minnesotans with virtual access to the division's services and ~~division-sponsored~~ training via through technology.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 256C.24, subdivision 3, is amended to read:

Subd. 3. **Advisory committee.** The director of the Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard of Hearing State Services Division shall appoint eight advisory committees of up to nine persons per advisory committee. Each committee shall represent a specific region of the state. The director shall determine the boundaries of each advisory committee region. The committees shall advise the director on the needs of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing and service gaps in the region of the state the committee represents. Members shall include persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing, persons who have communication disabilities, parents of children who are deaf, parents of children who are deafblind, and parents of children who are hard-of-hearing, parents of children who have communication disabilities, and representatives of county and regional human services, including representatives of private service providers. At least 50 percent of the members must be deaf or deafblind or hard-of-hearing or have a communication disability. Committee members shall serve for a three-year term, ~~and may be appointed to~~, Committee members shall serve no more than three consecutive terms and no more than nine years in total. Each advisory committee shall elect a chair. The director of the Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard of Hearing State Services Division ~~shall may~~ assign staff to serve as nonvoting members of the committee. Members shall not receive a per diem. Otherwise, the compensation, removal of members, and filling of vacancies on the committee shall be as provided in section 15.0575.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 256C.26, is amended to read:

**256C.26 EMPLOYMENT SERVICES.**

The commissioner of employment and economic development shall work with the Deaf, DeafBlind, and ~~Hard of Hearing~~ Hard of Hearing State Services Division to develop and implement a plan to deal with the underemployment of persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing persons.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 256C.261, is amended to read:

**256C.261 SERVICES FOR PERSONS WHO ARE DEAFBLIND.**

(a) The commissioner of human services shall use at least ~~35~~ 60 percent of the deafblind services biennial base level grant funding for programs, services, and other supports for a child adults who are deafblind and for children who is are deafblind and the child's family children's families. ~~The commissioner shall use at least 25 percent of the deafblind services biennial base level grant funding for services and other supports for an adult who is deafblind.~~

(b) The commissioner shall award grants for the purposes of:

(1) providing programs, services, and supports to persons who are deafblind; and,

(2) ~~developing and providing training to counties and the network of senior citizen service providers. The purpose of the training grants is to teach counties how to use existing programs that capture federal financial participation to meet the needs of eligible persons who are deafblind and to build capacity of senior service programs to meet the needs of seniors with a dual sensory hearing and vision loss.~~

(c) The commissioner may make grants:

(1) for services and training provided by organizations to persons who are deafblind; and

(2) to develop and administer consumer-directed services: for persons who are deafblind; and

(3) to develop and provide training to counties and service providers on how to meet the needs of persons who are deafblind.

(d) Consumer-directed services ~~shall~~ must be provided in whole by grant-funded providers. ~~The Deaf and Hard of Hearing Services Division's regional service centers shall not provide any aspect of a grant funded consumer directed services program.~~

(e) ~~Any entity that is able to satisfy the grant criteria is eligible to receive a grant under paragraph (a).~~

(f) Deafblind service providers may, but are not required to, provide ~~intervenor~~ intervener services as part of the service package provided with grant funds under this section. Intervener services include services provided by a family and community intervener as described in paragraph (f).

(g) The family and community intervener, as defined in section 256C.23, subdivision 7, provides services to open channels of communication between the child and others; facilitates the development or use of receptive and expressive communication skills by the child; and develops and maintains a trusting, interactive relationship that promotes social and emotional well-being. The family and community intervener also provides access to information and the environment; and facilitates opportunities for learning and development. A family and community intervener must have specific training in deafblindness, building language and communication skills, and intervention strategies.

**EFFECTIVE DATE.** This section is effective August 1, 2024.



Sec. 17. Minnesota Statutes 2022, section 256C.28, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Commission of the Deaf, DeafBlind and Hard of Hearing consists of ~~seven~~ ten members appointed at large and one member each from ~~each~~ up to five advisory ~~committee~~ committees established under section 256C.24, subdivision 3. At least 50 percent of the voting members must be deaf or deafblind or hard-of-hearing. Members shall include ~~persons who are deaf, deafblind, and hard-of-hearing, parents at least one parent or guardian of children a person who are is deaf, deafblind, and or hard-of-hearing, and representatives of county and regional human services, including representatives of private service providers. The commissioners of education, health, and employment and economic development and the director of the Deaf, DeafBlind, and Hard of Hearing State Services Division in the Department of Human Services, or their designees, shall serve as ex officio, nonvoting members of the commission. The commission may appoint additional ex officio members from other bureaus, divisions, or sections of state departments directly concerned with the provision of services to persons who are deaf, deafblind, or hard-of-hearing.~~

~~Commission~~ (b) Voting members of the commission are appointed by the governor for a four-year term and until successors are appointed and qualify. ~~Commission~~ Voting members of the commission shall serve no more than three consecutive full terms; ~~and no more than 12 years in total.~~

(c) Annually, by January 31, the commission shall select one member as chair and one member as vice-chair to serve until January 31 of the following year or until the commission selects a new chair or vice-chair, whichever occurs later.

### ARTICLE 3 PHASE-OUT OF SUBMINIMUM MINIMUM WAGE FOR PERSONS WITH DISABILITIES

Section 1. Minnesota Statutes 2022, section 177.24, is amended by adding a subdivision to read:

Subd. 6. **Special certificate prohibition.** (a) On or after August 1, 2026, an employer must not hire a new employee with a disability at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

(b) On or after August 1, 2028, an employer must not pay an employee with a disability less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 2. Minnesota Statutes 2022, section 252.44, is amended to read:

#### **252.44 LEAD AGENCY BOARD RESPONSIBILITIES.**

When the need for day services in a county or Tribe has been determined under section 252.28, the board of commissioners for that lead agency shall:

(1) authorize the delivery of services according to the support plans and support plan addendums required as part of the lead agency's provision of case management services under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision 15; and 256S.10 and Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) ensure that transportation is provided or arranged by the vendor in the most efficient and reasonable way possible; ~~and~~

(3) monitor and evaluate the cost and effectiveness of the services;

(4) ensure that on or after August 1, 2026, an employer does not hire a new employee at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act; and

(5) ensure that on or after August 1, 2028, a day service program, including county, Tribal, or privately funded day services, pays employees with disabilities the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4906, is amended to read:

**256B.4906 SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED SERVICES REPORTING.**

Subdivision 1. Data reporting. (a) A provider of home and community-based services for people with developmental disabilities under section 256B.092 or home and community-based services for people with disabilities under section 256B.49 that holds a credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner of human services data on individuals who are currently being paid subminimum wages or were being paid subminimum wages by the provider organization as of August 1, 2023:

(1) a certificate through the United States Department of Labor under United States Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of subminimum wages to workers with disabilities; or

(2) a permit by the Minnesota Department of Labor and Industry under section 177.28.

(b) The report required under paragraph (a) must include the following data about each individual being paid subminimum wages:

(1) name;

(2) date of birth;

(3) identified race and ethnicity;

(4) disability type;

(5) key employment status measures as determined by the commissioner; and

(6) key community-life engagement measures as determined by the commissioner.

(c) The information in paragraph (b) must be submitted in a format determined by the commissioner.

(d) A provider must submit the data required under this section annually on a date specified by the commissioner. The commissioner must give a provider at least 30 calendar days to submit the data following notice of the due date. If a provider fails to submit the requested data by the date specified by the commissioner, the commissioner may delay medical assistance reimbursement until the requested data is submitted.

(e) Individually identifiable data submitted to the commissioner under this section are considered private data on individuals as defined by section 13.02, subdivision 12.

(f) The commissioner must analyze data annually for tracking employment and community-life engagement outcomes.

Subd. 2. Prohibition of subminimum wages. A provider of home and community-based services must not pay a person with a disability a wage below the highest applicable minimum wage on the basis of the person's disability. A special certificate authorizing the payment of less than the highest applicable minimum wage to a person with a disability issued pursuant to a law of this state or to a federal law is without effect as of August 1, 2028.

Sec. 4. **PHASE-OUT OF USE OF SUBMINIMUM WAGE FOR MEDICAL ASSISTANCE DISABILITY SERVICES.**

The commissioner must seek all necessary amendments to Minnesota's federally approved disability waiver plans to require an individual receiving prevocational or employment support services be compensated at or above the highest applicable minimum wage no later than August 1, 2028.

ARTICLE 4  
AGING SERVICES

Section 1. Minnesota Statutes 2022, section 256.975, subdivision 7e, is amended to read:

Subd. 7e. **Long-term care options counseling for assisted living at critical care transitions.** (a) The purpose of long-term care options counseling ~~for assisted living~~ is to support persons with current or anticipated long-term care needs in making informed choices among options that include the most cost-effective and least restrictive settings. ~~Prospective residents maintain the right to choose assisted living if that option is their preference. Reaching people before a crisis and during care transitions is important to ensure quality of care and life, prevent unnecessary hospitalizations and readmissions, reduce the burden on the health care system, reduce costs, and support personal preferences.~~

(b) ~~Licensed assisted living facilities shall inform each prospective resident or the prospective resident's designated or legal representative of the availability of long term care options counseling for assisted living and the need to receive and verify the counseling prior to signing a contract. Long term care options counseling for assisted living is provided as determined by the commissioner of human services. The service is delivered under a partnership between lead agencies as defined in subdivision 10, paragraph (g), and the Area Agencies on Aging, and is a point of entry to a combination of telephone based long term care options counseling provided by Senior LinkAge Line and in person long term care consultation provided by lead agencies. The point of entry service must be provided within five working days of the request of the prospective resident as follows Counseling must be delivered by Senior LinkAge Line either by telephone or in person. Counseling must:~~

~~(1) the counseling shall be conducted with the prospective resident, or in the alternative, the resident's designated or legal representative, if:~~

~~(i) the resident verbally requests; or~~

~~(ii) the assisted living facility has documentation of the designated or legal representative's authority to enter into a lease or contract on behalf of the prospective resident and accepts the documentation in good faith;~~

~~(2) the counseling shall (1) be performed in a manner that provides objective and complete information;~~

~~(3) the counseling must (2) include a review of the prospective resident's reasons for considering assisted living services, the prospective resident's person's personal goals, a discussion of the prospective resident's person's immediate and projected long-term care needs, and alternative community services or settings that may meet the prospective resident's person's needs; and~~

~~(4) the prospective resident must be informed of the availability of an in person visit from a long term care consultation team member at no charge to the prospective resident to assist the prospective resident in assessment and planning to meet the prospective resident's long term care needs; and~~

~~(5) verification of counseling shall be generated and provided to the prospective resident by Senior LinkAge Line upon completion of the telephone-based counseling (3) include the counseling and referral protocols in subdivision 7, paragraph (b), clauses (11) to (13).~~

(c) An assisted living facility licensed under chapter 144G ~~shall:~~

~~(4) must~~ inform each prospective resident or the prospective resident's designated or legal representative of the availability of and contact information for long-term care options counseling services under this subdivision; by providing Senior LinkAge Line information at the facility tour.

~~(2) receive a copy of the verification of counseling prior to executing a contract with the prospective resident; and~~

~~(3) retain a copy of the verification of counseling as part of the resident's file.~~

~~(d) Emergency admissions to licensed assisted living facilities prior to consultation under paragraph (b) are permitted according to policies established by the commissioner. Prior to discharge, hospitals must refer older adults who are at risk of nursing home placement to the Senior LinkAge Line for long-term care options counseling. Hospitals must make these referrals using referral protocols and processes developed under subdivision 7.~~

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision to read:

**Subd. 6h. Continuity of care for seniors receiving personal assistance.** (a) If an individual 65 years of age or older is receiving personal assistance from the same agency continuously during the six months prior to being newly enrolled with any managed care or county-based purchasing plan, the managed care or county-based purchasing plan with which the individual is newly enrolled must offer the agency a contract for the purposes of allowing the enrollee to receive any personal assistance covered under the terms of the plan from the enrollee's current agency, provided the enrollee continues to live in the service area of the enrollee's current agency.

(b) For the purposes of this subdivision, the following terms have the meanings given:

(1) "agency" means any of the following:

(i) a personal care assistance provider agency as defined under section 256B.0659, subdivision 1, paragraph (1);

(ii) an agency provider as described in section 256B.85, subdivision 2, paragraph (c); or

(iii) a financial management services provider for an enrollee who directly employs direct care staff through the community first services and supports budget model or through the consumer-directed community supports option available under the elderly waiver; and

(2) "personal assistance" means any of the following:

(i) personal care assistance services, extended personal care assistance services, or enhanced rate personal care assistance services under section 256B.0659;

(ii) community first services and supports, extended community first services and supports, or enhanced rate community first services and supports under section 256B.85; or

(iii) personal assistance provided through the consumer-directed community supports option available under the elderly waiver.

(c) This subdivision applies only if the enrollee's current agency agrees to accept as payment in full the managed care plan's or county-based purchasing plan's in-network reimbursement rate for the same covered service at the time the service is provided, and agrees to enter into a managed care plan's or county-based purchasing plan's contract for services of like kind.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, 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 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 copy of its audited financial statements for each year an audit is conducted;

~~(2)~~ (3) provide the state agency with a statement of ownership for the facility;

~~(3)~~ (4) provide the state agency with separate, audited financial statements ~~or~~ and 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;

(5) provide the state agency with information regarding whether the licensee or a general partner, director, or officer of the licensee controls or has an ownership interest of five percent or more in a related organization that provides any services, facilities, or supplies to the nursing facility;

~~(4)~~ (6) upon request, provide the state agency with separate, audited financial statements ~~or~~ and 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)~~ (7) 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)~~ (8) 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) If the licensee or the general partner, director, or officer of the licensee controls or has an interest as described in paragraph (a), clause (5), the licensee must disclose all services, facilities, or supplies provided to the nursing facility; the number of individuals who provide services, facilities, or supplies at the nursing facility; and any other information requested by the state agency.

~~(b)~~ (c) Audited financial statements submitted under ~~paragraph~~ paragraphs (a) and (b) 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 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~~ paragraphs (a) and (b).

~~(e)~~ (d) Documents or information provided to the state agency pursuant to this subdivision 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)~~ (e) If the requirements of paragraphs (a) ~~and~~, (b), and (c) 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 must continue until the requirements are met.

(f) Licensees must provide the information required in this section to the commissioner in a manner prescribed by the commissioner.

(g) For purposes of this section, "related organization" and "control" have the meaning given in section 256R.02, subdivision 43.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 256R.08, is amended by adding a subdivision to read:

Subd. 5. **Notice of costs associated with leases, rent, and use of land or other real property by nursing homes.** (a) Nursing homes must annually report to the commissioner, in a manner determined by the commissioner, their cost associated with leases, rent, and use of land or other real property and any other related information requested by the state agency.

(b) A nursing facility that violates this subdivision is subject to the penalties and procedures under section 256R.04, subdivision 7.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 5. **REPEALER.**

(a) Minnesota Statutes 2022, section 256.975, subdivisions 7f and 7g, are repealed.

(b) Minnesota Statutes 2022, section 256R.18, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2024. Paragraph (b) is effective July 1, 2024.

## ARTICLE 5 SUBSTANCE USE DISORDER SERVICES

Section 1. Minnesota Statutes 2022, section 245F.02, subdivision 17, is amended to read:

Subd. 17. **Peer recovery support services.** "Peer recovery support services" means ~~mentoring and education, advocacy, and nonclinical recovery support provided by a recovery peer~~ services provided according to section 245F.08, subdivision 3.

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

Sec. 2. Minnesota Statutes 2022, section 245F.02, subdivision 21, is amended to read:

Subd. 21. **Recovery peer.** "Recovery peer" means a person who has progressed in the person's own recovery from substance use disorder and is willing to serve as a peer to assist others in their recovery and is qualified according to section 245F.15, subdivision 7.

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

Sec. 3. Minnesota Statutes 2022, section 245F.08, subdivision 3, is amended to read:

Subd. 3. **Peer recovery support services.** ~~(a) Peers in recovery serve as mentors or recovery support partners for individuals in recovery, and may provide encouragement, self-disclosure of recovery experiences, transportation to appointments, assistance with finding resources that will help locate housing, job-search resources, and assistance finding and participating in support groups.~~

~~(b) Peer recovery support services are provided by a recovery peer and must be supervised by the responsible staff person.~~

Peer recovery support services must meet the requirements in section 245G.07, subdivision 2, clause (8), and must be provided by a person who is qualified according to the requirements in section 245F.15, subdivision 7.

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

Sec. 4. Minnesota Statutes 2022, section 245F.15, subdivision 7, is amended to read:

Subd. 7. **Recovery peer qualifications.** Recovery peers must:

- ~~(1) be at least 21 years of age and have a high school diploma or its equivalent;~~
  - ~~(2) have a minimum of one year in recovery from substance use disorder;~~
  - ~~(3) have completed a curriculum designated by the commissioner that teaches specific skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support; and~~
  - ~~(4) receive supervision in areas specific to the domains of their role by qualified supervisory staff.~~
- (1) meet the qualifications in section 245I.04, subdivision 18; and
  - (2) provide services according to the scope of practice established in section 245I.04, subdivision 19, under the supervision of an alcohol and drug counselor.

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

Sec. 5. Minnesota Statutes 2022, section 245G.04, is amended by adding a subdivision to read:

Subd. 3. **Opioid educational material.** (a) If a client is identified as having opioid use issues, the license holder must provide opioid educational material to the client on the day of service initiation. The license holder must use the opioid educational material approved by the commissioner that contains information on:

- (1) risks for opioid use disorder and dependence;
  - (2) treatment options, including the use of a medication for opioid use disorder;
  - (3) the risk and recognition of opioid overdose; and
  - (4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.
- (b) If the client is identified as having opioid use issues at a later date, the required educational material must be provided at that time.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 6. Minnesota Statutes 2023 Supplement, section 245G.05, subdivision 3, is amended to read:

Subd. 3. **Comprehensive assessment requirements.** ~~(a)~~ A comprehensive assessment must meet the requirements under section 245I.10, subdivision 6, paragraphs (b) and (c). It must also include:

(1) a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder;

(2) a determination of whether the individual screens positive for co-occurring mental health disorders using a screening tool approved by the commissioner pursuant to section 245.4863;

(3) a risk rating and summary to support the risk ratings within each of the dimensions listed in section 254B.04, subdivision 4; and

(4) a recommendation for the ASAM level of care identified in section 254B.19, subdivision 1.

~~(b) If the individual is assessed for opioid use disorder, the program must provide educational material to the client within 24 hours of service initiation on:~~

~~(1) risks for opioid use disorder and dependence;~~

~~(2) treatment options, including the use of a medication for opioid use disorder;~~

~~(3) the risk and recognition of opioid overdose; and~~

~~(4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.~~

~~If the client is identified as having opioid use disorder at a later point, the required educational material must be provided at that point. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.~~

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2023 Supplement, 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~~ 245G.04, subdivision 3, ~~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 individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

(5) an individual treatment plan according to section 245G.06, subdivisions 1 and 1a;

(6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, 3, and 3a; and



(7) a summary at the time of service termination according to section 245G.06, subdivision 4.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 8. Minnesota Statutes 2023 Supplement, section 245G.11, subdivision 10, is amended to read:

Subd. 10. **Student interns and former students.** (a) 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, individual treatment plan, and treatment plan review prepared by a student intern.

(b) An alcohol and drug counselor must supervise and be responsible for a treatment service performed by a former student and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by the former student.

(c) A student intern or former student 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, student interns or former students, or licensing candidates~~ with time documented to be directly related to the provision of treatment services for which the staff are authorized.

Sec. 9. Minnesota Statutes 2023 Supplement, 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) "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.~~

(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.

Sec. 10. Minnesota Statutes 2022, section 245G.22, subdivision 6, is amended to read:

Subd. 6. **Criteria for unsupervised use.** (a) To limit the potential for diversion of medication used for the treatment of opioid use disorder to the illicit market, medication dispensed to a client for unsupervised use shall be subject to the requirements of this subdivision. Any client in an opioid treatment program may receive ~~a single unsupervised use dose for a day that the clinic is closed for business, including Sundays and state and federal holidays~~ individualized unsupervised use doses as ordered for days that the clinic is closed for business, including one weekend day and state and federal holidays, no matter the client's length of time in treatment, as allowed under Code of Federal Regulations, title 42, section 8.12(i)(1).

(b) ~~For unsupervised use doses beyond those allowed in paragraph (a), a practitioner with authority to prescribe must review and document the criteria in this paragraph and paragraph (c) Code of Federal Regulations, title 42, section 8.12(i)(2), when determining whether dispensing medication for a client's unsupervised use is safe and when it is appropriate to implement, increase, or extend the amount of time between visits to the program. The criteria are:~~

- ~~(1) absence of recent abuse of drugs including but not limited to opioids, non-narcotics, and alcohol;~~
- ~~(2) regularity of program attendance;~~
- ~~(3) absence of serious behavioral problems at the program;~~
- ~~(4) absence of known recent criminal activity such as drug dealing;~~
- ~~(5) stability of the client's home environment and social relationships;~~
- ~~(6) length of time in comprehensive maintenance treatment;~~
- ~~(7) reasonable assurance that unsupervised use medication will be safely stored within the client's home; and~~
- ~~(8) whether the rehabilitative benefit the client derived from decreasing the frequency of program attendance outweighs the potential risks of diversion or unsupervised use.~~

(c) The determination, including the basis of the determination must be documented in the client's medical record.

Sec. 11. Minnesota Statutes 2023 Supplement, section 245G.22, subdivision 17, is amended to read:

Subd. 17. **Policies and procedures.** (a) A license holder must develop and maintain the policies and procedures required in this subdivision.

(b) For a program that is not open every day of the year, the license holder must maintain a policy and procedure that covers requirements under ~~section 245G.22, subdivisions 6 and 7~~ subdivision 6. Unsupervised use of medication used for the treatment of opioid use disorder for days that the program is closed for business, including ~~but not limited to Sundays~~ one weekend day and state and federal holidays, must meet the requirements under ~~section 245G.22, subdivisions 6 and 7~~ subdivision 6.

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of diversion. The policy and procedure must:

- (1) specifically identify and define the responsibilities of the medical and administrative staff for performing diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication, excluding clients approved solely under subdivision 6, paragraph (a), to require clients to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid use disorder treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the client's record. The medical director must be informed of each outcome that results in a situation in which a possible diversion issue was identified.

(d) Medication used for the treatment of opioid use disorder must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable accreditation entities. If a medication order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits an assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor the person administering or dispensing the medication for compliance with state and federal regulations and the relevant standards of the license holder's accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

~~(e) A counselor in an opioid treatment program must not supervise more than 50 clients. The license holder must maintain a ratio of one full-time equivalent alcohol and drug counselor for every 60 clients enrolled in the program. The license holder must determine the appropriate number of clients for which each counselor is responsible based on the needs of each client. The license holder must maintain documentation of the clients assigned to each counselor to demonstrate compliance with this paragraph. For the purpose of this paragraph, "full-time equivalent" means working at least 32 hours each week.~~

~~(f) Notwithstanding paragraph (e), From July 1, 2023, to June 30, 2024, a counselor in an opioid treatment program may supervise up to 60 clients. The license holder may continue to serve a client who was receiving services at the program on June 30, 2024, at a counselor to client ratio of up to one to 60 and is not required to discharge any clients in order to return to the counselor to client ratio of one to 50. The license holder may not, however, serve a new client after June 30, 2024, unless the counselor who would supervise the new client is supervising fewer than 50 existing clients.~~

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 12. Minnesota Statutes 2023 Supplement, section 245I.04, subdivision 18, is amended to read:

Subd. 18. **Recovery peer qualifications.** (a) A recovery peer must:

(1) have a minimum of one year in recovery from substance use disorder; and

(2) hold a current credential from the Minnesota Certification Board, the Upper Midwest Indian Council on Addictive Disorders, or the National Association for Alcoholism and Drug Abuse Counselors that demonstrates skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support.

(b) A recovery peer who receives a credential from a Tribal Nation when providing peer recovery support services in a tribally licensed program satisfies the requirement in paragraph (a), clause (2).

(c) A recovery peer must not be classified as an independent contractor.

Sec. 13. Minnesota Statutes 2023 Supplement, section 254A.19, subdivision 3, is amended to read:

Subd. 3. **Comprehensive assessments.** (a) An eligible vendor under section 254B.05 conducting a comprehensive assessment for an individual seeking treatment shall ~~approve~~ recommend 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.

(b) When a comprehensive assessment is completed while the individual is in a substance use disorder treatment program, the comprehensive assessment must meet the requirements of section 245G.05.

(c) When a comprehensive assessment is completed for purposes of payment under section 254B.05, subdivision 1, paragraph (b), (c), or (h), or if the assessment is completed prior to service initiation by a licensed substance use disorder treatment program licensed under chapter 245G or applicable Tribal license, the assessor must:

(1) include all components under section 245G.05, subdivision 3;

(2) provide the assessment within five days of request or refer the individual to other locations where they may access this service sooner;

(3) provide information on payment options for substance use disorder services when the individual is uninsured or underinsured;

(4) provide the individual with a notice of privacy practices;

(5) provide a copy of the completed comprehensive assessment, upon request;

(6) provide resources and contact information for the level of care being recommended; and

(7) provide an individual diagnosed with an opioid use disorder with educational material approved by the commissioner that contains information on:

(i) risks for opioid use disorder and opioid dependence;

(ii) treatment options, including the use of a medication for opioid use disorder;

(iii) the risk and recognition of opioid overdose; and

(iv) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.

Sec. 14. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 6, is amended to read:

**Subd. 6. 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 section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of ~~comprehensive assessment request~~. 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 only forms prescribed by the ~~department commissioner unless the local agency has a reasonable basis for believing that the information submitted on a form is false.~~ To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) 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.

(c) The local agency must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's birth or adoptive parents; and

(iii) the client's siblings who are minors; and

(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's spouse;

(iii) the client's minor children; and

(iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.

(f) The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

(g) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.

(h) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 15. Minnesota Statutes 2023 Supplement, section 254B.04, is amended by adding a subdivision to read:

Subd. 6a. **Span of eligibility.** The local agency must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.

Sec. 16. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by Tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization that meets the requirements of clauses (1) to (10) and meets ~~membership certification~~ or accreditation requirements of the ~~Association of Recovery Community Organizations~~, Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery community organization identified by the commissioner is an eligible vendor of peer support services. Eligible vendors under this paragraph must:

- (1) be nonprofit organizations;
- (2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;
- (3) primarily focus on recovery from substance use disorders, with missions and visions that support this primary focus;
- (4) be grassroots and reflective of and engaged with the community served;
- (5) be accountable to the recovery community through processes that promote the involvement and engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;
- (6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building groups, and harm-reduction activities;
- (7) allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;
- (8) be purposeful in meeting the diverse needs of Black, Indigenous, and people of color communities, including board and staff development activities, organizational practices, service offerings, advocacy efforts, and culturally informed outreach and service plans;
- (9) be stewards of recovery-friendly language that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma; ~~and~~
- (10) maintain an employee and volunteer code of ethics and easily accessible grievance procedures posted in physical spaces, on websites, or on program policies or forms; and
- (11) not classify any recovery peer as an independent contractor.

(e) Recovery community organizations approved by the commissioner before June 30, 2023, shall retain their designation as recovery community organizations.

(f) A recovery community organization that is aggrieved by an accreditation or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (15), for reconsideration as an eligible vendor.

(g) All recovery community organizations must be certified or accredited by an entity listed in paragraph (d) by January 1, 2025.

~~(g)~~ (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by Tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

~~(h)~~ (i) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 245G.05 and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

Sec. 17. Minnesota Statutes 2023 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) those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);

(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and

(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);

(2) comprehensive assessments provided according to ~~sections 245.4863, paragraph (a), and 245G.05~~ section 254A.19, subdivision 3;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) substance use disorder treatment services with medications for opioid use disorder provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or under an applicable Tribal license;

~~(7)~~ (8) 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;

~~(8)~~ (9) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(9)~~ (10) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to ~~two hours~~ one hour per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;



~~(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and 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~~ the program employs a mental health professional as defined in section 245I.04, subdivision 2;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (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.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

(j) Payment rates for the following substance use disorder treatment services must use the base payment rate specified:

(1) for services under paragraph (b), clause (1), item (v), the base payment rate is \$166.13 per day; and

(2) for services under paragraph (b), clause (1), items (vi) and (vii), the base payment rate is \$224.06 per day.

(k) A license holder that is unable to provide all residential treatment services because a client missed services remains eligible to bill for the client's intensity level of services under this paragraph if the license holder can document the reason the client missed services and the interventions done to address the client's absence.

(1) Hours in a treatment week may be reduced in observance of federally recognized holidays.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2023 Supplement, section 254B.181, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** All sober homes must comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. In addition, all sober homes must:

(1) maintain a supply of an opiate antagonist in the home in a conspicuous location and post information on proper use;

(2) have written policies regarding access to all prescribed medications;

(3) have written policies regarding evictions;

(4) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect them upon discharge. The owner must make an effort to contact persons listed as emergency contacts for the discharged person so that the items are returned;

(5) document the names and contact information for persons to contact in case of an emergency or upon discharge and notification of a family member, or other emergency contact designated by the resident under certain circumstances, including but not limited to death due to an overdose;

(6) maintain contact information for emergency resources in the community to address mental health and health emergencies;

(7) have policies on staff qualifications and prohibition against fraternization;

(8) ~~have a policy on whether the use of medications for opioid use disorder is permissible~~ permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration for the treatment of opioid use disorder and other medications approved by the United States Food and Drug Administration to treat co-occurring substance use disorders and mental health conditions;

(9) have a fee schedule and refund policy;

(10) have rules for residents;

(11) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;

(12) have policies requiring abstinence from alcohol and illicit drugs; and

(13) distribute the sober home bill of rights.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 19. Minnesota Statutes 2023 Supplement, section 254B.19, subdivision 1, is amended to read:

Subdivision 1. **Level of care requirements.** For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of skilled treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of skilled treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Peer recovery services and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of skilled treatment services. Services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide ~~at least 5~~ between nine and 19 hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, ~~at a minimum, daily skilled treatment services seven days a~~ 20 or more hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, ~~at a minimum, daily skilled treatment services seven days a~~ 20 or more hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

**EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval has been obtained.

Sec. 20. Minnesota Statutes 2023 Supplement, section 256B.0759, subdivision 2, is amended to read:

Subd. 2. **Provider participation.** (a) Programs licensed by the Department of Human Services as nonresidential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(b) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(c) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter ~~and~~ are licensed as a hospital under sections 144.50 to 144.581 ~~must, and provide only ASAM 3.7 medically monitored inpatient level of care are not required to~~ enroll as demonstration project providers ~~and meet the requirements of subdivision 3 by January 1, 2025.~~ Programs meeting these criteria must submit evidence of providing the required level of care to the commissioner to be exempt from enrolling in the demonstration.

(d) Programs licensed by the Department of Human Services as withdrawal management programs according to chapter 245F that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(e) Out-of-state residential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(f) Tribally licensed programs may elect to participate in the demonstration project and meet the requirements of subdivision 3. The Department of Human Services must consult with Tribal Nations to discuss participation in the substance use disorder demonstration project.

(g) The commissioner shall allow providers enrolled in the demonstration project before July 1, 2021, to receive applicable rate enhancements authorized under subdivision 4 for all services provided on or after the date of enrollment, except that the commissioner shall allow a provider to receive applicable rate enhancements authorized under subdivision 4 for services provided on or after July 22, 2020, to fee-for-service enrollees, and on or after January 1, 2021, to managed care enrollees, if the provider meets all of the following requirements:

(1) the provider attests that during the time period for which the provider is seeking the rate enhancement, the provider took meaningful steps in their plan approved by the commissioner to meet the demonstration project requirements in subdivision 3; and

(2) the provider submits attestation and evidence, including all information requested by the commissioner, of meeting the requirements of subdivision 3 to the commissioner in a format required by the commissioner.

(h) The commissioner may recoup any rate enhancements paid under paragraph (g) to a provider that does not meet the requirements of subdivision 3 by July 1, 2021.

Sec. 21. Minnesota Statutes 2022, 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), 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)~~ (c) For outpatient individual and group substance use disorder services under section 254B.05, subdivision 5, paragraph (b), clauses clause (1), (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)~~ (d) 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 paragraph (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)~~ (e) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph ~~(e)~~ (d) applies must allow recovery of payments from those providers if, for any contract year, federal approval for the provisions of paragraph ~~(e)~~ (d) 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.

(f) For substance use disorder services with medications for opioid use disorder under section 254B.05, subdivision 5, clause (7), provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020. Upon implementation of new rates according to section 254B.121, the 20 percent increase will no longer apply.

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

Sec. 22. Laws 2021, First Special Session chapter 7, article 11, section 38, as amended by Laws 2022, chapter 98, article 4, section 50, is amended to read:

Sec. 38. **DIRECTION TO THE COMMISSIONER; SUBSTANCE USE DISORDER TREATMENT PAPERWORK REDUCTION.**

(a) The commissioner of human services, in consultation with counties, tribes, managed care organizations, substance use disorder treatment professional associations, and other relevant stakeholders, shall develop, assess, and recommend systems improvements to minimize regulatory paperwork and improve systems for substance use disorder programs licensed under Minnesota Statutes, chapter 245A, and regulated under Minnesota Statutes, chapters 245F and 245G, and Minnesota Rules, chapters 2960 and 9530. The commissioner of human services shall make available any resources needed from other divisions within the department to implement systems improvements.

(b) The commissioner of health shall make available needed information and resources from the Division of Health Policy.

(c) The Office of MN.IT Services shall provide advance consultation and implementation of the changes needed in data systems.

(d) The commissioner of human services shall contract with a vendor that has experience with developing statewide system changes for multiple states at the payer and provider levels. If the commissioner, after exercising reasonable diligence, is unable to secure a vendor with the requisite qualifications, the commissioner may select the best qualified vendor available. When developing recommendations, the commissioner shall consider input from all stakeholders. The commissioner's recommendations shall maximize benefits for clients and utility for providers, regulatory agencies, and payers.

(e) The commissioner of human services and the contracted vendor shall follow the recommendations from the report issued in response to Laws 2019, First Special Session chapter 9, article 6, section 76.

(f) ~~Within two years of contracting with a qualified vendor according to paragraph (d)~~ By December 15, 2024, the commissioner of human services shall take steps to implement paperwork reductions and systems improvements within the commissioner's authority and submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services a report that includes recommendations for changes in statutes that would further enhance systems improvements to reduce paperwork. The report shall include a summary of the approaches developed and assessed by the commissioner of human services and stakeholders and the results of any assessments conducted.

Sec. 23. **REPEALER.**

Minnesota Statutes 2022, section 245G.22, subdivisions 4 and 7, are repealed.

ARTICLE 6  
DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2022, section 246.71, subdivision 3, is amended to read:

Subd. 3. **Patient.** "Patient" means any person who is receiving treatment from or committed to a ~~secure~~ state-operated treatment facility program, including the Minnesota Sex Offender Program.

Sec. 2. Minnesota Statutes 2022, section 246.71, subdivision 4, is amended to read:

Subd. 4. **Employee of a ~~secure treatment facility~~ state-operated treatment program or employee.** "Employee of a ~~secure treatment facility~~ state-operated treatment program" or "employee" means an employee of ~~the Minnesota Security Hospital or a secure treatment facility operated by the Minnesota Sex Offender Program~~ any state-operated treatment program.

Sec. 3. Minnesota Statutes 2022, section 246.71, subdivision 5, is amended to read:

Subd. 5. **~~Secure treatment facility~~ State-operated treatment program.** "~~Secure treatment facility~~" "State-operated treatment program" means ~~the Minnesota Security Hospital and the Minnesota Sex Offender Program facility in Moose Lake and any portion of the Minnesota Sex Offender Program operated by the Minnesota Sex Offender Program at the Minnesota Security Hospital~~ any state-operated treatment program under the jurisdiction of the executive board, including the Minnesota Sex Offender Program, community behavioral health hospitals, crisis centers, residential facilities, outpatient services, and other community-based services under the executive board's control.

Sec. 4. Minnesota Statutes 2022, section 246.711, is amended to read:

**246.711 CONDITIONS FOR APPLICABILITY OF PROCEDURES.**

Subdivision 1. **Request for procedures.** An employee of a ~~secure treatment facility~~ state-operated treatment program may request that the procedures of sections 246.71 to 246.722 be followed when the employee may have experienced a significant exposure to a patient.

Subd. 2. **Conditions.** The ~~secure treatment facility~~ state-operated treatment program shall follow the procedures in sections 246.71 to 246.722 when all of the following conditions are met:

(1) a licensed physician, advanced practice registered nurse, or physician assistant determines that a significant exposure has occurred following the protocol under section 246.721;

(2) the licensed physician, advanced practice registered nurse, or physician assistant for the employee needs the patient's blood-borne pathogens test results to begin, continue, modify, or discontinue treatment in accordance with the most current guidelines of the United States Public Health Service, because of possible exposure to a blood-borne pathogen; and

(3) the employee consents to providing a blood sample for testing for a blood-borne pathogen.

Sec. 5. Minnesota Statutes 2022, section 246.712, subdivision 1, is amended to read:

Subdivision 1. **Information to patient.** (a) Before seeking any consent required by the procedures under sections 246.71 to 246.722, a ~~secure treatment facility~~ state-operated treatment program shall inform the patient that the patient's blood-borne pathogen test results, without the patient's name or other uniquely identifying information, shall be reported to the employee if requested and that test results collected under sections 246.71 to 246.722 are for medical purposes as set forth in section 246.718 and may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

(b) The ~~secure treatment facility~~ state-operated treatment program shall inform the patient of the insurance protections in section 72A.20, subdivision 29.

(c) The ~~secure treatment facility~~ state-operated treatment program shall inform the patient that the patient may refuse to provide a blood sample and that the patient's refusal may result in a request for a court order to require the patient to provide a blood sample.

(d) The ~~secure treatment facility~~ state-operated treatment program shall inform the patient that the ~~secure treatment facility~~ state-operated treatment program will advise the employee of a ~~secure treatment facility~~ state-operated treatment program of the confidentiality requirements and penalties before the employee's health care provider discloses any test results.

Sec. 6. Minnesota Statutes 2022, section 246.712, subdivision 2, is amended to read:

Subd. 2. **Information to ~~secure treatment facility~~ state-operated treatment program employee.** (a) Before disclosing any information about the patient, the ~~secure treatment facility~~ state-operated treatment program shall inform the employee of a ~~secure treatment facility~~ state-operated treatment program of the confidentiality requirements of section 246.719 and that the person may be subject to penalties for unauthorized release of test results about the patient under section 246.72.

(b) The ~~secure treatment facility~~ state-operated treatment program shall inform the employee of the insurance protections in section 72A.20, subdivision 29.

Sec. 7. Minnesota Statutes 2022, section 246.713, is amended to read:

**246.713 DISCLOSURE OF POSITIVE BLOOD-BORNE PATHOGEN TEST RESULTS.**

If the conditions of sections 246.711 and 246.712 are met, the ~~secure treatment facility~~ state-operated treatment program shall ask the patient if the patient has ever had a positive test for a blood-borne pathogen. The ~~secure treatment facility~~ state-operated treatment program must attempt to get existing test results under this section before taking any steps to obtain a blood sample or to test for blood-borne pathogens. The ~~secure treatment facility~~ state-operated treatment program shall disclose the patient's blood-borne pathogen test results to the employee without the patient's name or other uniquely identifying information.

Sec. 8. Minnesota Statutes 2022, section 246.714, is amended to read:

**246.714 CONSENT PROCEDURES GENERALLY.**

(a) For purposes of sections 246.71 to 246.722, whenever the ~~secure treatment facility~~ state-operated treatment program is required to seek consent, the ~~secure treatment facility~~ state-operated treatment program shall obtain consent from a patient or a patient's representative consistent with other law applicable to consent.

(b) Consent is not required if the ~~secure treatment facility~~ state-operated treatment program has made reasonable efforts to obtain the representative's consent and consent cannot be obtained within 24 hours of a significant exposure.

(c) If testing of available blood occurs without consent because the patient is unconscious or unable to provide consent, and a representative cannot be located, the ~~secure treatment facility~~ state-operated treatment program shall provide the information required in section 246.712 to the patient or representative whenever it is possible to do so.

(d) If a patient dies before an opportunity to consent to blood collection or testing under sections 246.71 to 246.722, the ~~secure treatment facility~~ state-operated treatment program does not need consent of the patient's representative for purposes of sections 246.71 to 246.722.

Sec. 9. Minnesota Statutes 2022, section 246.715, subdivision 1, is amended to read:

Subdivision 1. **Procedures with consent.** If a sample of the patient's blood is available, the ~~secure treatment facility~~ state-operated treatment program shall ensure that blood is tested for blood-borne pathogens with the consent of the patient, provided the conditions in sections 246.711 and 246.712 are met.

Sec. 10. Minnesota Statutes 2022, section 246.715, subdivision 2, is amended to read:

Subd. 2. **Procedures without consent.** If the patient has provided a blood sample, but does not consent to blood-borne pathogens testing, the ~~secure treatment facility~~ state-operated treatment program shall ensure that the blood is tested for blood-borne pathogens if the employee requests the test, provided all of the following criteria are met:

(1) the employee and ~~secure treatment facility~~ state-operated treatment program have documented exposure to blood or body fluids during performance of the employee's work duties;

(2) a licensed physician, advanced practice registered nurse, or physician assistant has determined that a significant exposure has occurred under section 246.711 and has documented that blood-borne pathogen test results are needed for beginning, modifying, continuing, or discontinuing medical treatment for the employee as recommended by the most current guidelines of the United States Public Health Service;

(3) the employee provides a blood sample for testing for blood-borne pathogens as soon as feasible;



(4) the ~~secure treatment facility~~ state-operated treatment program asks the patient to consent to a test for blood-borne pathogens and the patient does not consent;

(5) the ~~secure treatment facility~~ state-operated treatment program has provided the patient and the employee with all of the information required by section 246.712; and

(6) the ~~secure treatment facility~~ state-operated treatment program has informed the employee of the confidentiality requirements of section 246.719 and the penalties for unauthorized release of patient information under section 246.72.

Sec. 11. Minnesota Statutes 2022, section 246.715, subdivision 3, is amended to read:

Subd. 3. **Follow-up.** The ~~secure treatment facility~~ state-operated treatment program shall inform the patient whose blood was tested of the results. The ~~secure treatment facility~~ state-operated treatment program shall inform the employee's health care provider of the patient's test results without the patient's name or other uniquely identifying information.

Sec. 12. Minnesota Statutes 2022, section 246.716, subdivision 1, is amended to read:

Subdivision 1. **Procedures with consent.** (a) If a blood sample is not otherwise available, the ~~secure treatment facility~~ state-operated treatment program shall obtain consent from the patient before collecting a blood sample for testing for blood-borne pathogens. The consent process shall include informing the patient that the patient may refuse to provide a blood sample and that the patient's refusal may result in a request for a court order under subdivision 2 to require the patient to provide a blood sample.

(b) If the patient consents to provide a blood sample, the ~~secure treatment facility~~ state-operated treatment program shall collect a blood sample and ensure that the sample is tested for blood-borne pathogens.

(c) The ~~secure treatment facility~~ state-operated treatment program shall inform the employee's health care provider about the patient's test results without the patient's name or other uniquely identifying information. The ~~secure treatment facility~~ state-operated treatment program shall inform the patient of the test results.

(d) If the patient refuses to provide a blood sample for testing, the ~~secure treatment facility~~ state-operated treatment program shall inform the employee of the patient's refusal.

Sec. 13. Minnesota Statutes 2022, section 246.716, subdivision 2, is amended to read:

Subd. 2. **Procedures without consent.** (a) A ~~secure treatment facility~~ state-operated treatment program or an employee of a ~~secure treatment facility~~ state-operated treatment program may bring a petition for a court order to require a patient to provide a blood sample for testing for blood-borne pathogens. The petition shall be filed in the district court in the county where the patient is receiving treatment from the ~~secure treatment facility~~ state-operated treatment program. The ~~secure treatment facility~~ state-operated treatment program shall serve the petition on the patient three days before a hearing on the petition. The petition shall include one or more affidavits attesting that:

(1) the ~~secure treatment facility~~ state-operated treatment program followed the procedures in sections 246.71 to 246.722 and attempted to obtain blood-borne pathogen test results according to those sections;

(2) a licensed physician, advanced practice registered nurse, or physician assistant knowledgeable about the most current recommendations of the United States Public Health Service has determined that a significant exposure has occurred to the employee of a ~~secure treatment facility~~ state-operated treatment program under section 246.721; and

(3) a physician, advanced practice registered nurse, or physician assistant has documented that the employee has provided a blood sample and consented to testing for blood-borne pathogens and blood-borne pathogen test results are needed for beginning, continuing, modifying, or discontinuing medical treatment for the employee under section 246.721.

(b) Facilities shall cooperate with petitioners in providing any necessary affidavits to the extent that facility staff can attest under oath to the facts in the affidavits.

(c) The court may order the patient to provide a blood sample for blood-borne pathogen testing if:

(1) there is probable cause to believe the employee of a ~~secure treatment facility~~ state-operated treatment program has experienced a significant exposure to the patient;

(2) the court imposes appropriate safeguards against unauthorized disclosure that must specify the persons who have access to the test results and the purposes for which the test results may be used;

(3) a licensed physician, advanced practice registered nurse, or physician assistant for the employee of a ~~secure treatment facility~~ state-operated treatment program needs the test results for beginning, continuing, modifying, or discontinuing medical treatment for the employee; and

(4) the court finds a compelling need for the test results. In assessing compelling need, the court shall weigh the need for the court-ordered blood collection and test results against the interests of the patient, including, but not limited to, privacy, health, safety, or economic interests. The court shall also consider whether involuntary blood collection and testing would serve the public interests.

(d) The court shall conduct the proceeding in camera unless the petitioner or the patient requests a hearing in open court and the court determines that a public hearing is necessary to the public interest and the proper administration of justice.

(e) The patient may arrange for counsel in any proceeding brought under this subdivision.

Sec. 14. Minnesota Statutes 2022, section 246.717, is amended to read:

**246.717 NO DISCRIMINATION.**

A ~~secure treatment facility~~ state-operated treatment program shall not withhold care or treatment on the requirement that the patient consent to blood-borne pathogen testing under sections 246.71 to 246.722.

Sec. 15. Minnesota Statutes 2022, section 246.72, is amended to read:

**246.72 PENALTY FOR UNAUTHORIZED RELEASE OF INFORMATION.**

Unauthorized release of the patient's name or other uniquely identifying information under sections 246.71 to 246.722 is subject to the remedies and penalties under sections 13.08 and 13.09. This section does not preclude private causes of action against an individual, state agency, statewide system, political subdivision, or person responsible for releasing private data, or confidential or private information on the ~~inmate~~ patient.

Sec. 16. Minnesota Statutes 2022, section 246.721, is amended to read:

**246.721 PROTOCOL FOR EXPOSURE TO BLOOD-BORNE PATHOGENS.**

(a) A ~~secure treatment facility~~ state-operated treatment program shall follow applicable Occupational Safety and Health Administration guidelines under Code of Federal Regulations, title 29, part 1910.1030, for blood-borne pathogens.

(b) Every ~~secure treatment facility~~ state-operated treatment program shall adopt and follow a postexposure protocol for employees at a ~~secure treatment facility~~ state-operated treatment program who have experienced a significant exposure. The postexposure protocol must adhere to the most current recommendations of the United States Public Health Service and include, at a minimum, the following:

(1) a process for employees to report an exposure in a timely fashion;

(2) a process for an infectious disease specialist, or a licensed physician, advanced practice registered nurse, or physician assistant who is knowledgeable about the most current recommendations of the United States Public Health Service in consultation with an infectious disease specialist, (i) to determine whether a significant exposure to one or more blood-borne pathogens has occurred, and (ii) to provide, under the direction of a licensed physician, advanced practice registered nurse, or physician assistant, a recommendation or recommendations for follow-up treatment appropriate to the particular blood-borne pathogen or pathogens for which a significant exposure has been determined;

(3) if there has been a significant exposure, a process to determine whether the patient has a blood-borne pathogen through disclosure of test results, or through blood collection and testing as required by sections 246.71 to 246.722;

(4) a process for providing appropriate counseling prior to and following testing for a blood-borne pathogen regarding the likelihood of blood-borne pathogen transmission and follow-up recommendations according to the most current recommendations of the United States Public Health Service, recommendations for testing, and treatment;

(5) a process for providing appropriate counseling under clause (4) to the employee of a ~~secure treatment facility~~ state-operated treatment program and to the patient; and

(6) compliance with applicable state and federal laws relating to data practices, confidentiality, informed consent, and the patient bill of rights.

Sec. 17. Minnesota Statutes 2022, section 246.722, is amended to read:

#### **246.722 IMMUNITY.**

A ~~secure treatment facility~~ state-operated treatment program, licensed physician, advanced practice registered nurse, physician assistant, and designated health care personnel are immune from liability in any civil, administrative, or criminal action relating to the disclosure of test results of a patient to an employee of a ~~secure treatment facility~~ state-operated treatment program and the testing of a blood sample from the patient for blood-borne pathogens if a good faith effort has been made to comply with sections 246.71 to 246.722.

Sec. 18. Laws 2023, chapter 61, article 8, section 13, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The task force shall consist of the following members, appointed as follows:

(1) a member appointed by the governor;

(2) the commissioner of human services, or a designee;

(3) a member representing Department of Human Services direct care and treatment services who has experience with civil commitments, appointed by the commissioner of human services;

(4) the ombudsman for mental health and developmental disabilities;

- (5) a hospital representative, appointed by the Minnesota Hospital Association;
  - (6) a county representative, appointed by the Association of Minnesota Counties;
  - (7) a county social services representative, appointed by the Minnesota Association of County Social Service Administrators;
  - (8) a member appointed by the ~~Minnesota Civil Commitment Defense Panel~~ Hennepin County Commitment Defense Project;
  - (9) a county attorney, appointed by the Minnesota County Attorneys Association;
  - (10) a county sheriff, appointed by the Minnesota Sheriffs' Association;
  - (11) a member appointed by the Minnesota Psychiatric Society;
  - (12) a member appointed by the Minnesota Association of Community Mental Health Programs;
  - (13) a member appointed by the National Alliance on Mental Illness Minnesota;
  - (14) the Minnesota Attorney General;
  - (15) three individuals from organizations representing racial and ethnic groups that are overrepresented in the criminal justice system, appointed by the commissioner of corrections; and
  - (16) one member of the public with lived experience directly related to the task force's purposes, appointed by the governor.
- (b) Appointments must be made no later than July 15, 2023.
- (c) Member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3.
- (d) A member of the legislature may not serve as a member of the task force.

#### ARTICLE 7 MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 254A.03, subdivision 1, is amended to read:

Subdivision 1. **Alcohol and Other Drug Abuse Section.** There is hereby created an Alcohol and Other Drug Abuse Section in the Department of Human Services. This section shall be headed by a director. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. The section shall:

- (1) conduct and foster basic research relating to the cause, prevention and methods of diagnosis, treatment and recovery of persons with substance misuse and substance use disorder;
- (2) coordinate and review all activities and programs of all the various state departments as they relate to problems associated with substance misuse and substance use disorder;
- (3) develop, demonstrate, and disseminate new methods and techniques for prevention, early intervention, treatment and recovery support for substance misuse and substance use disorder;

(4) gather facts and information about substance misuse and substance use disorder, and about the efficiency and effectiveness of prevention, treatment, and recovery support services from all comprehensive programs, including programs approved or licensed by the commissioner of human services or the commissioner of health or accredited by the Joint Commission on Accreditation of Hospitals. The state authority is authorized to require information from comprehensive programs which is reasonable and necessary to fulfill these duties. When required information has been previously furnished to a state or local governmental agency, the state authority shall collect the information from the governmental agency. The state authority shall disseminate facts and summary information about problems associated with substance misuse and substance use disorder to public and private agencies, local governments, local and regional planning agencies, and the courts for guidance to and assistance in prevention, treatment and recovery support;

(5) inform and educate the general public on substance misuse and substance use disorder;

(6) serve as the state authority concerning substance misuse and substance use disorder by monitoring the conduct of diagnosis and referral services, research and comprehensive programs. The state authority shall submit a biennial report to the governor ~~and the legislature~~ containing a description of public services delivery and recommendations concerning increase of coordination and quality of services, and decrease of service duplication and cost;

(7) establish a state plan which shall set forth goals and priorities for a comprehensive continuum of care for substance misuse and substance use disorder for Minnesota. All state agencies operating substance misuse or substance use disorder programs or administering state or federal funds for such programs shall annually set their program goals and priorities in accordance with the state plan. Each state agency shall annually submit its plans and budgets to the state authority for review. The state authority shall certify whether proposed services comply with the comprehensive state plan and advise each state agency of review findings;

(8) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using federal funds, and state funds as authorized to pay for costs of state administration, including evaluation, statewide programs and services, research and demonstration projects, and American Indian programs;

(9) receive and administer money available for substance misuse and substance use disorder programs under the alcohol, drug abuse, and mental health services block grant, United States Code, title 42, sections 300X to 300X-9;

(10) solicit and accept any gift of money or property for purposes of Laws 1973, chapter 572, and any grant of money, services, or property from the federal government, the state, any political subdivision thereof, or any private source;

(11) with respect to substance misuse and substance use disorder programs serving the American Indian community, establish guidelines for the employment of personnel with considerable practical experience in substance misuse and substance use disorder, and understanding of social and cultural problems related to substance misuse and substance use disorder, in the American Indian community.

Sec. 2. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Evaluation of information and data.** (a) The commissioner shall, within available resources, conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state;

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(b) The commissioner, in consultation with stakeholders, shall review and evaluate the following values already in subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates;

(2) values for services where monitoring technology replaces staff time;

(3) values for indirect services;

(4) values for nursing;

(5) values for the facility use rate in day services, and the weightings used in the day service ratios and adjustments to those weightings;

(6) values for workers' compensation as part of employee-related expenses;

(7) values for unemployment insurance as part of employee-related expenses;

(8) direct care workforce labor market measures;

(9) any changes in state or federal law with a direct impact on the underlying cost of providing home and community-based services;

(10) outcome measures, determined by the commissioner, for home and community-based services rates determined under this section; and

(11) different competitive workforce factors by service, as determined under subdivision 10b.

~~(c) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (a) and (b) on January 15, 2021, with a full report, and a full report once every four years thereafter.~~

~~(d)~~ (c) Beginning July 1, 2022, the commissioner shall renew analysis and implement changes to the regional adjustment factors once every six years. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a) ~~and, in consultation with stakeholders identified in subdivision 17, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services once every four years beginning January 1, 2021. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (e).~~ The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

(e) The commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

Sec. 4. Minnesota Statutes 2022, section 256B.69, subdivision 5k, is amended to read:

Subd. 5k. **Actuarial soundness.** ~~(a)~~ Rates paid to managed care plans and county-based purchasing plans shall satisfy requirements for actuarial soundness. In order to comply with this subdivision, the rates must:

- (1) be neither inadequate nor excessive;
- (2) satisfy federal requirements;
- (3) in the case of contracts with incentive arrangements, not exceed 105 percent of the approved capitation payments attributable to the enrollees or services covered by the incentive arrangement;

(4) be developed in accordance with generally accepted actuarial principles and practices;

(5) be appropriate for the populations to be covered and the services to be furnished under the contract; and

(6) be certified as meeting the requirements of federal regulations by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board.

~~(b) Each year within 30 days of the establishment of plan rates the commissioner shall report to the chairs and ranking minority members of the senate Health and Human Services Budget Division and the house of representatives Health Care and Human Services Finance Division to certify how each of these conditions have been met by the new payment rates.~~

Sec. 5. Minnesota Statutes 2022, section 402A.16, subdivision 2, is amended to read:

Subd. 2. **Duties.** The Human Services Performance Council shall:

(1) hold meetings at least quarterly that are in compliance with Minnesota's Open Meeting Law under chapter 13D;

(2) annually review the annual performance data submitted by counties or service delivery authorities;

(3) review and advise the commissioner on department procedures related to the implementation of the performance management system and system process requirements and on barriers to process improvement in human services delivery;

(4) advise the commissioner on the training and technical assistance needs of county or service delivery authority and department personnel;

(5) review instances in which a county or service delivery authority has not made adequate progress on a performance improvement plan and make recommendations to the commissioner under section 402A.18;

(6) consider appeals from counties or service delivery authorities that are in the remedies process and make recommendations to the commissioner on resolving the issue;

(7) convene working groups to update and develop outcomes, measures, and performance thresholds for the performance management system and, on an annual basis, present these recommendations to the commissioner, including recommendations on when a particular essential human services program has a balanced set of program measures in place;

(8) make recommendations on human services administrative rules or statutes that could be repealed in order to improve service delivery; and

(9) provide information to stakeholders on the council's role and regularly collect stakeholder input on performance management system performance; and

~~(10) submit an annual report to the legislature and the commissioner, which includes a comprehensive report on the performance of individual counties or service delivery authorities as it relates to system measures; a list of counties or service delivery authorities that have been required to create performance improvement plans and the areas identified for improvement as part of the remedies process; a summary of performance improvement training and technical assistance activities offered to the county personnel by the department; recommendations on administrative rules or state statutes that could be repealed in order to improve service delivery; recommendations for system improvements, including updates to system outcomes, measures, and thresholds; and a response from the commissioner.~~



Sec. 6. **REPEALER.**

Minnesota Statutes 2022, sections 245G.011, subdivision 5; 252.34; 256.01, subdivisions 39 and 41; 256B.79, subdivision 6; and 256K.45, subdivision 2, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions related to disability services, aging services, and substance use disorder services; modifying the Deaf and Hard-of-Hearing Services Act; phasing out subminimum wages; expanding blood-borne pathogen provisions to all state-operated treatment programs; removing expired reports; amending Minnesota Statutes 2022, sections 144G.45, subdivision 3; 177.24, by adding a subdivision; 245A.11, subdivision 2; 245D.071, subdivisions 3, 4; 245D.081, subdivisions 2, 3; 245D.09, subdivision 3; 245D.10, subdivision 1; 245F.02, subdivisions 17, 21; 245F.08, subdivision 3; 245F.15, subdivision 7; 245G.04, by adding a subdivision; 245G.22, subdivision 6; 246.71, subdivisions 3, 4, 5; 246.711; 246.712, subdivisions 1, 2; 246.713; 246.714; 246.715, subdivisions 1, 2, 3; 246.716, subdivisions 1, 2; 246.717; 246.72; 246.721; 246.722; 252.44; 254A.03, subdivision 1; 256.975, subdivision 7e; 256B.0759, subdivision 4; 256B.0911, subdivision 24; 256B.092, by adding a subdivision; 256B.49, by adding a subdivision; 256B.4905, subdivision 12; 256B.69, subdivision 5k, by adding a subdivision; 256B.85, subdivisions 2, 6, 6a, 11, 17, 20, by adding a subdivision; 256C.21; 256C.23, subdivisions 1a, 2, 2a, 2b, 2c, 6, 7, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2, 3; 256C.26; 256C.261; 256C.28, subdivision 1; 256R.08, subdivision 1, by adding a subdivision; 402A.16, subdivision 2; Minnesota Statutes 2023 Supplement, sections 245G.05, subdivision 3; 245G.09, subdivision 3; 245G.11, subdivision 10; 245G.22, subdivisions 2, 17; 245I.04, subdivision 18; 254A.19, subdivision 3; 254B.04, subdivision 6, by adding a subdivision; 254B.05, subdivisions 1, 5; 254B.181, subdivision 1; 254B.19, subdivision 1; 256B.057, subdivision 9; 256B.0759, subdivision 2; 256B.4906; 256B.4914, subdivisions 4, 10, 10a; 256B.85, subdivision 13a; Laws 2021, First Special Session chapter 7, article 11, section 38, as amended; Laws 2023, chapter 61, article 8, section 13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 245D; repealing Minnesota Statutes 2022, sections 245G.011, subdivision 5; 245G.22, subdivisions 4, 7; 252.34; 256.01, subdivisions 39, 41; 256.975, subdivisions 7f, 7g; 256B.79, subdivision 6; 256K.45, subdivision 2; 256R.18."

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 Children and Families Finance and Policy to which was referred:

H. F. No. 4425, A bill for an act relating to real estate; prohibiting restrictions on home day care; amending Minnesota Statutes 2023 Supplement, sections 515B.2-103; 515B.3-102; proposing coding for new law in Minnesota Statutes, chapter 500.

Reported the same back with the following amendments:

Page 1, line 10, after "prohibit" insert ", restrict,"

Page 1, line 12, after the period, insert "A private entity must not impose a fee, assessment, or other cost upon the owner of a dwelling in connection with providing child care."

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

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 4444, A bill for an act relating to employees; prohibiting misclassification of employees; imposing penalties; classifying data; amending Minnesota Statutes 2022, sections 177.27, subdivision 3; 181.171, subdivision 1; 181.722; 181.723; 270B.14, subdivision 17, by adding a subdivision; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; Minnesota Statutes 2023 Supplement, section 177.27, subdivisions 1, 2, 4, 7; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Page 5, line 11, delete everything after "(b)"

Page 5, delete line 12

Page 5, line 13, delete "any" and insert "An" and after "agent" insert ", on behalf of the person,"

Page 11, line 1, delete "satisfactory"

Page 11, line 13, after "acting" insert "as an agent of and"

Page 11, after line 19, insert:

"(4) Clauses (1) to (3) do not create an employee-employer relationship between a person and an employee at any tier under the person if there is an intervening business entity in the contractual chain that meets the requirements of subdivision 4, paragraph (a)."

Page 11, line 30, delete "the person's" and insert "an"

Page 12, lines 1, 4, 6, 10, 14, 17, and 19, delete "the person's" and insert "an"

Page 12, line 19, after "employee" insert "under this section"

Page 14, line 23, after the first comma, insert "paid family medical leave, earned sick and safe time,"

Page 17, delete subdivision 5 and insert:

"Subd. 5. **Separation.** The Intergovernmental Misclassification Enforcement and Education Partnership is not a separate agency or board and is not subject to chapter 13D. Data shared or created by the partnership entities under this section or section 181.724 are subject to chapter 13 and hold the data classification prescribed by law."

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. 4558, A bill for an act relating to energy; providing for and regulating shared-metered utility service in residential buildings; amending Minnesota Statutes 2022, sections 216B.022; 216B.098, subdivision 6; 504B.285, subdivision 4; Minnesota Statutes 2023 Supplement, section 216B.172, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 504B; repealing Minnesota Statutes 2022, section 504B.215.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 216B.022, is amended to read:

**216B.022 SUBMETERING.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and sections 216B.023 and 216B.024, the following terms have the meanings given.

(b) "Landlord" has the meaning given in section 504B.001, subdivision 7. Landlord includes a third-party billing agent.

(c) "Nonresidential building" means a building that is not a residential building.

(d) "Shared-metered residential building" means a residential building with multiple separate living units where the building's utility service is measured by fewer meters than there are separate living units. Shared-metered residential building does not include a manufactured home park.

(e) "Submeter" means a meter that is owned by a landlord and installed by the landlord or by a third-party billing agent or other agent and that measures utility service consumed solely within an individual living unit in the shared-metered residential building.

(f) "Tenant" means a person who is occupying a living unit in a residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services, and all other regular occupants of that unit.

(g) "Third-party billing agent" means a person or entity other than the property owner that performs one or more utility management services at a shared-metered residential building on behalf of a landlord that include but are not limited to installing submeters, reading submeters, or handling utility billing and collections.

(h) "Utility provider" means a public utility, a municipal utility, or a cooperative electric association providing utility service.

(i) "Utility service" means natural gas and electricity.

Subd. 2. **Submetering in shared-metered residential buildings.** (a) A landlord who has installed submeters in a shared-metered residential building is subject to the commission's authority under this chapter.

(b) On or after January 1, 2025, all submeters installed by a landlord to measure utility service must meet standards established by the American National Standards Institute.

(c) All submeters, regardless of when they were installed, must accurately measure utility service.

Subd. 3. **Submetering in nonresidential buildings.** Nothing in this chapter grants the commission or a public utility the authority to limit the availability of submetering to a nonresidential building occupant when the building is served by a public utility's master meter which measures the total electric energy delivered to the building.

Subd. 4. **Inaccurate submeters.** (a) If a tenant notifies the landlord in writing that the tenant suspects the submeter is incorrectly registering the tenant's utility service and includes an explanation for the suspicion, the landlord must promptly initiate an investigation to determine whether the submeter is inaccurate. If the submeter is found to be inaccurate, the landlord must either repair or replace the submeter or inform the tenant in writing why no corrective action is believed necessary.

(b) If the inaccurate submeter has resulted in an overcharge, the landlord must promptly refund the difference between what the tenant paid and what the tenant would have paid if the submeter correctly registered the tenant's utility service.

(c) If the inaccurate submeter has resulted in an undercharge, the landlord may bill the tenant the difference between what the tenant paid and what the tenant would have paid if the submeter correctly registered the tenant's utility service for a period not exceeding the previous six months. Any undercharge the landlord seeks to collect must be recovered in accordance with section 216B.023, subdivision 8.

(d) If a tenant has notified the landlord that the tenant suspects the tenant's submeter is incorrectly registering the tenant's utility service, as provided in paragraph (a), and the landlord has failed within a reasonable time to check the submeter and provide the tenant with the results of a meter test showing the submeter is accurate, the landlord is prohibited from recovering from the tenant any undercharge for the period between the date of the tenant's notification and the date the submeter was checked.

Subd. 5. **Submeter fees.** (a) A landlord is prohibited from charging to or collecting from tenants any administrative, capital, or any other expenses associated with the installation, maintenance, repair, replacement, or reading of submeters, unless the expense is due to the tenant's willful, malicious, or negligent conduct.

(b) A landlord may provide an administrative billing fee as provided in section 504B.216, subdivision 8.

## Sec. 2. **[216B.023] BILLING; CONSUMER PROTECTIONS.**

Subdivision 1. **Billing.** (a) Where utility service is submetered, bills for utility service provided by landlords to tenants must be based on actual submeter readings. Where natural gas service is apportioned, billing for the service must comply with section 504B.216, subdivisions 5 and 6.

(b) Landlords are prohibited from billing tenants who are submetered or whose natural gas service is apportioned less frequently than the landlord is billed by the utility. Landlords must include in the lease or, if there is no written lease, provide a written statement at the outset of the lease term, notification of when utility bills will be issued.

(c) Bills rendered by landlords to tenants for submetered utility service must include, at a minimum, the following information:

(1) the present and last preceding submeter readings;

(2) the date of the present reading;

(3) the rate or rates, including peak and off-peak rates, at which the utility service is being billed, the amount of the service billed at each separate rate, and the rate at which the landlord is being billed by the utility provider for the utility service;

(4) any administrative charge charged in accordance with subdivision 4;

(5) the tenant's portion of taxes and surcharges;

(6) if any, the portion of any bill credit the landlord received from the utility provider that is apportioned to the tenant;

(7) the total amount of the bill; and

(8) the date by which payment is due; the date after which, if the bill is not paid, a late payment charge may be imposed; and the amount of the charge, if any.

(d) Bills for utility service rendered by landlords who apportion natural gas service must:

(1) describe the formula used to apportion the service, as provided in section 504B.216, subdivision 6;

(2) if any, the portion of any portion of a bill credit the landlord received from the utility provider that is apportioned to the tenant;

(3) identify what portion of the bill the landlord received from the utility provider that is for common areas that is not being apportioned among tenants;

(4) include any administrative charge charged in accordance with subdivision 8; and

(5) the date by which payment is due; the date after which, if the bill is not paid, a late payment charge will be imposed; and the amount of the charge, if any.

**Subd. 2. Separate billing for electricity.** (a) A landlord who bills a tenant separately from rent for electricity may not apportion electricity usage and must comply with this section, section 216B.022, and applicable subdivisions of 504B.216, and is subject to section 216B.024.

(b) A landlord who submeters electricity must:

(1) charge only for the electricity used in the tenant's unit, calculated by multiplying the kilowatt-hours used during the billing period as measured by the submeter by the rate charged by the utility provider as shown on the bill issued to the landlord by the provider. A landlord may not charge any tenant for electricity consumed in common areas or in spaces used exclusively or primarily by the landlord;

(2) charge a tenant only for the tenant's pro rata share of the fixed meter or service charge, calculated by dividing the charge as shown on the bill issued to the landlord by the utility provider equally among the number of units in the building; and

(3) charge a tenant only for the tenant's pro rata share of the taxes, surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued to the landlord by the provider equally among the number of units in the building.

(c) A landlord must deduct from a tenant's total bill the tenant's pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility provider by dividing the credit or adjustment equally among the number of units in the building.

**Subd. 3. Separate billing for natural gas.** A landlord who bills tenants separately from rent for natural gas may either install submeters or apportion natural gas. A landlord who submeters natural gas usage must comply with this section, section 216B.022, and applicable subdivisions of 504B.216, and is subject to section 216B.024. A landlord who apportions natural gas usage must comply with subdivisions 4, 5, 6, 7, and 8 of this section, and applicable subdivisions of 504B.216, and is subject to section 216B.024.

**Subd. 4. Administrative billing charges.** A landlord who bills separately from rent for utility service separately may charge a tenant an administrative billing fee, as provided in section 504B.216, subdivision 8. No other fees may be charged to or collected from tenants for utility service, except as provided in section 216B.022, subdivision 5.

**Subd. 5. Billing errors.** (a) If a billing error occurs that has resulted in an overcharge, the landlord must promptly refund the difference between what the tenant paid and what the tenant would have paid but for the error.

(b) If a billing error has occurred that has resulted in an undercharge, the landlord may bill the tenant for the difference between what the tenant paid and what the tenant would have paid but for the billing error for a period not exceeding six months. Any undercharge must be recovered in accordance with subdivision 8.

Subd. 6. **Late payment charges.** A landlord may impose one late payment fee per billing period if a tenant's utility bill payment is not received by the landlord by the next scheduled billing date. The late fee may not be added to subsequent bills on which subsequent late fees are imposed. The amount of the late charge may not exceed one and one-half percent per billing period on the delinquent amount.

Subd. 7. **Payment plans.** A landlord must offer a payment plan for the payment of utility service arrears. Payment plans must be consistent with the tenant's financial circumstances and any extenuating circumstances of the household.

Subd. 8. **Undercharges.** A landlord must offer a payment plan to tenants who have been undercharged if no culpable conduct by the tenant or member of the tenant's household caused the undercharge. The plan must cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the tenant and the landlord. The plan must be consistent with the financial circumstances and any extenuating circumstances. No interest or delinquency fee may be charged as part of a payment plan under this subdivision.

### Sec. 3. **[216B.024] SHARED-METERED RESIDENTIAL BUILDINGS; DISPUTE RESOLUTION.**

A tenant disputing a bill or claiming a violation of section 216B.022 or 216B.023 must first attempt to resolve the dispute or claim with the landlord. If the tenant disagrees with the landlord's proposed resolution, the landlord must notify the tenant of the tenant's right to file a complaint with the commission and provide the phone number and email address of the commission's consumer affairs office. The consumer affairs office must follow the procedures set forth in section 216B.172, subdivision 2, and Minnesota Rules, part 7829.3200, and the procedures under section 216B.72, subdivisions 3 and 4, apply.

Sec. 4. Minnesota Statutes 2022, section 216B.098, subdivision 6, is amended to read:

Subd. 6. **Commission authority.** (a) In addition to any other authority, the commission has the authority to resolve customer complaints against a public utility, as defined in section 216B.02, subdivision 4, or a landlord in a shared-metered building, whether or not the complaint involves a violation of this chapter. The commission may delegate this authority to commission staff as it deems appropriate.

(b) The commission has the authority to levy a fine as provided under section 216B.57 for a violation of section 216B.022, 216B.023, or 216B.024 with respect to complaints filed by tenants under section 216B.023, subdivision 7. Nothing in this chapter limits the right of a tenant to seek or obtain judicial remedies.

Sec. 5. Minnesota Statutes 2023 Supplement, section 216B.172, subdivision 1, is amended to read:

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

(b) "Appeal" means a request a complainant files with the commission to review and make a final decision regarding the resolution of the complainant's complaint by the consumer affairs office.

(c) "Complainant" means an individual residential customer or tenant who files with the consumer affairs office a complaint against a public utility or a landlord of a shared-metered residential building.

(d) "Complaint" means an allegation submitted to the consumer affairs office by a complainant that a public utility's or landlord's action or practice regarding billing or terms and conditions of service:

(1) violates a statute, rule, tariff, service contract, or other provision of law;

- (2) is unreasonable; or
- (3) has harmed or, if not addressed, harms a complainant.

Complaint does not include an objection to or a request to modify any natural gas or electricity rate contained in a tariff that has been approved by the commission. A complaint under this section is an informal complaint under Minnesota Rules, chapter 7829.

(e) "Consumer affairs office" means the staff unit of the commission that is organized to receive and respond to complaints.

(f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100, subpart 8.

(g) "Landlord" has the meaning given in section 216B.022, subdivision 1.

~~(g)~~ (h) "Public assistance" has the meaning given in section 550.37, subdivision 14.

~~(h)~~ (i) "Public utility" has the meaning given in section 216B.02, subdivision 4.

(j) "Shared-metered residential building" has the meaning given in section 216B.022, subdivision 1.

(k) "Tenant" has the meaning given in section 216B.022, subdivision 1.

(l) "Third-party billing agent" has the meaning given in section 216B.022, subdivision 1.

Sec. 6. Minnesota Statutes 2023 Supplement, section 216B.172, subdivision 2, is amended to read:

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility or a landlord. If dissatisfied with the proposed resolution by the public utility or the landlord, the complainant may seek assistance of the commission to resolve the matter by filing a complaint with the consumer affairs office. The consumer affairs office must: (1) notify the complainant of the resolution of the complaint; and (2) provide written notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the steps the complainant may take to appeal the resolution. Upon request, the consumer affairs office must provide to the complainant a written notice containing the substance of and basis for the resolution. Nothing in this section affects any other rights existing under this chapter or other law.

Sec. 7. **[504B.216] UTILITY SERVICE IN SHARED-METERED RESIDENTIAL BUILDINGS.**

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

(b) "Commission" means the Public Utilities Commission.

(c) "Landlord" has the meaning given in section 504B.001, subdivision 7. For the purposes of this section, landlord includes a third-party billing agent.

(d) "Shared-metered residential building" means a building with multiple separate living units where the building's utility service is measured by fewer meters than there are separate living units. Shared-metered residential building does not include a manufactured home park.

(e) "Submeter" means a meter that is owned by a landlord and installed by the landlord or by a third-party billing agent or other agent and that measures utility service consumed solely within an individual living unit in the shared-metered residential building.

(f) "Third-party billing agent" has the meaning given in section 216B.022, subdivision 1.

(g) "Utility provider" means a public utility, a municipal utility, a cooperative electric association, or a local municipal water company providing utility service.

(h) "Utility service" means natural gas, electricity, or water and sewer.

**Subd. 2. Landlord is bill payer and customer of record.** (a) The landlord of a shared-metered residential building must be the bill payer responsible and must be the customer of record contracting with a utility provider for utility service. The landlord must advise the utility provider that the utility services apply to a shared-metered residential building.

(b) A landlord is prohibited from removing a directly metered tenant from the tenant's existing utility account or requesting that a utility remove the tenant from the tenant's existing utility account.

(c) This subdivision may not be waived by contract or otherwise.

**Subd. 3. Submetering of electricity or natural gas.** A landlord who is authorized to submeter natural gas or electricity must comply with this section and sections 216B.022 and 216B.023, and is subject to section 216B.024.

**Subd. 4. Submetering of water.** (a) On or after January 1, 2025, any submeters installed by a landlord to measure water and sewer usage must comply with standards established by the local municipal water company for meters the company uses to measure water and sewer service provided to the company's customers.

(b) A landlord who submeters water must:

(1) bill tenants according to the provisions of section 216B.023, subdivision 1, paragraphs (a) to (c);

(2) charge tenants according to the provisions of section 216B.023, subdivision 2, paragraphs (a) to (c); and

(3) comply with sections 216B.022, subdivision 4, and 216B.023, subdivisions 5, 6, 7, and 8.

**Subd. 5. Apportionment generally.** (a) Apportionment of electricity is prohibited.

(b) A landlord who apportions natural gas or water and sewer, or both, must include in the lease a provision that, upon a tenant's request, the landlord must provide a copy of the actual natural gas water or sewer utility bill for the building along with each apportioned water or sewer utility bill. Upon a tenant's request, a landlord must also provide past copies of water or sewer utility bills for any period of the tenancy for which the tenant received an apportioned utility bill.

**Subd. 6. Apportionment of natural gas.** A landlord may apportion natural gas used only in the tenant's unit and may apportion fixed meter or services charges and taxes only according to the formula set forth in clauses (1) to (4) and as agreed to by the landlord and tenant in the lease or a written agreement:

(1) a tenant's apportioned natural gas usage must be based solely on the square footage in the tenant's unit. A landlord may not charge any tenant for natural gas consumed in common areas or in spaces used exclusively or primarily by the landlord;

(2) if there is a fixed meter or service charge on the bill the landlord receives from the utility provider, the landlord may apportion to the tenant only the tenant's pro rata share of that charge, calculated by dividing the charge as shown on the bill issued to the landlord by the utility provider equally among the number of units in the building;



(3) the landlord may charge a tenant only for the tenant's pro rata share of the taxes, surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued to the landlord by the provider equally among the number of units in the building; and

(4) the landlord must deduct from a tenant's total bill the tenant's pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility provider by dividing the credit or adjustment equally among the number of units in the building.

**Subd. 7. Apportionment of water and sewer.** A landlord may apportion water used only in the tenant's unit and may apportion fixed meter or services charges, fixed sewer charges, and taxes only according to the formula set forth in clauses (1) to (4) and as agreed to by the landlord and tenant in the lease or a written agreement:

(1) a tenant's apportioned water usage must be based solely on a combination of square footage in the tenant's unit and the unit's occupancy. A landlord may not charge any tenant for water usage in common areas, for maintenance of the property, for amenities including but not limited to laundry facilities and pools, or in spaces used exclusively or primarily by the landlord;

(2) if there is a fixed meter or service charge on the bill the landlord receives from the utility provider, the landlord may apportion to the tenant only the tenant's pro rata share of that charge, calculated by dividing the charge as shown on the bill issued to the landlord by the utility provider equally among the number of units in the building;

(3) the landlord may charge a tenant only for the tenant's pro rata share of the taxes, surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued to the landlord by the provider equally among the number of units in the building; and

(4) the landlord must deduct from a tenant's total bill the tenant's pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility provider by dividing the credit or adjustment equally among the number of units in the building.

**Subd. 8. Administrative billing charge.** (a) A landlord who bills separately from rent for any utility service may charge a tenant a single administrative billing fee for all the utilities that are separately billed that does not exceed \$8.

(b) No other fees may be charged to or collected from tenants for utility service, including but not limited to any administrative, capital, or any other expenses associated with the installation, maintenance, repair, replacement, or reading of submeters, unless the expense involving a submeter is due to the tenant's willful, malicious, or negligent conduct.

**Subd. 9. Disconnection of utility service prohibited.** (a) Disconnection of a tenant's utility service by a landlord for the failure to pay utility service charges is prohibited. Nothing in this subdivision prohibits a public utility, a municipal utility, or a cooperative electric association from disconnecting service to a landlord's single meter as otherwise allowed by law.

(b) If a landlord asserts a tenant owes rent and utilities, sums paid by the tenant to the landlord must first be applied to unpaid rent.

(c) Tenant payments toward rent may not be designated as payments toward utility service and tenant utility service payments may not be designated as rent. A landlord may bring a claim for breach of lease under section 504B.285, subdivision 4, for the failure of a tenant to pay for utilities billed separately from rent as allowed under this section, except for the failure to pay for utilities is material or warrants entry of a writ of recovery or other eviction remedy.

(d) Notwithstanding paragraph (c):

(1) a landlord may not bring a claim for breach unless the landlord has offered an eligible tenant and the tenant has defaulted on a payment agreement to pay amounts owed for utility charges, as required under section 216B.023, subdivision 7;

(2) an eviction action may not be filed and any eviction already filed must be stayed for the failure to pay utility service charges:

(i) during the cold weather period;

(ii) during a heat emergency; and

(iii) if the tenant notifies the landlord or the court that the tenant or a member of the tenant's household is experiencing a medical emergency or where medical equipment requiring electricity necessary to sustain life is in use and certification of the emergency is provided to the landlord or the court by a licensed medical health care professional within three days of notification to the landlord or the court; and

(3) the tenant may, at any time before possession has been delivered, cure the breach by bringing to court the amount of the utility charges that are in arrears, with an additional charge as provided under section 216B.023, subdivision 7.

(e) If the failure to pay utility charges occurs during the cold weather period or in the event of a medical emergency or where medical equipment requiring electricity necessary to sustain life is in use, a landlord must follow the procedures set forth in section 216B.023, subdivision 7.

(f) For the purposes of this subdivision:

(1) "cold weather period" has the meaning given in section 216B.096, subdivision 2;

(2) "disconnection" includes installation of a service or load limiter or any device that limits or interrupts utility service in any way; and

(3) "heat emergency" means any period when an excessive heat watch, heat advisory, or excessive heat warning issued by the National Weather Service is in effect.

**Subd. 10. Landlord is bill payer and customer of record.** (a) The landlord of a shared-metered residential building must be the bill payer responsible and must be the customer of record contracting with a utility provider for utility service. The landlord must advise the utility provider that the utility services apply to a shared-metered residential building.

(b) A landlord is prohibited from removing a directly metered tenant from the tenant's existing utility account or requesting that a utility remove the tenant from the tenant's existing utility account.

(c) This subdivision may not be waived by contract or otherwise.

**Subd. 11. Procedure where landlord defaults on payments to the utility.** (a) A utility provider supplying natural gas, electricity, or water, or another company supplying home heating oil or propane, to a building who issues a final notice proposing to disconnect or discontinue the service to the building because a landlord who has contracted for the service has failed to pay for it or because a landlord is required by law or contract to pay for the service and fails to do so must provide notice to the residents of the impending disconnection by posting in the building. The posting must be placed in at least one conspicuous location in or on the building and provide tenants with, at a minimum, the following information:

(1) the date the service will be discontinued;

(2) the telephone number to call at the utility to obtain further information;

(3) a brief description of the rights of tenants under this section to continue or restore service; and

(4) advice to consider seeking assistance from legal aid, a private attorney, or a housing organization in exercising the rights of tenants under Minnesota law to maintain their utility service.

A tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the landlord of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the landlord has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the landlord within 24 hours after oral notice is given.

(b) In the case of natural gas or electricity, if the landlord has not paid the bill by the time of the tenant's intended payment or if the service remains discontinued, the tenant or tenants may pay the current charges for the most recent billing period and the utility company or municipality must restore the service for at least one billing period. In a residential building with less than five units, one of the tenants may notify the utility company or municipality that the tenant agrees to become the bill payer responsible and customer of record and the utility company or municipality must place the account disconnected or subject to disconnection in the tenant's name and provide service prospectively, provided the tenant satisfies all requirements for establishing service. A tenant becoming the customer of record of a cooperative electric association does not acquire membership rights. Exercise of the right to pay the current charges for the most recent billing period does not preclude exercising the right to become the bill payer responsible and customer of record, provided that if there are multiple tenants in an affected multifamily building, the utility company or municipality is not required to offer the right to become the bill payer responsible and the customer of record to more than one tenant in a 12-month period.

(c) In the case of water, if the landlord has not paid the bill by the time of the tenant's intended payment or if the service remains discontinued, upon request from a tenant a municipality must provide a copy of each bill the landlord fails to pay. The tenant:

(1) has a continuing right to pay the current charges for the most recent billing period and retain service;

(2) has the period of time provided by the governing ordinance, policy, or practice within which to pay the charges;

(3) is not subject to any deposit requirements; and

(4) is entitled to reasonable notice of any disconnection.

This paragraph does not require a municipality to alter its accounting system or billing records if the tenant exercises the right to pay current charges and retain water service. If there are multiple tenants in an affected property, the municipality is not required to offer the right to pay current charges and retain service to more than one tenant in a 12-month period.

(d) For purposes of this subdivision, "current charges" does not include arrears or late payment fees incurred by the landlord.

(e) In a shared-metered residential building, other residential tenants in the building may contribute payments to the utility company or municipality on the account of the tenant who is the customer of record under paragraph (b) or on the landlord's account under paragraph (c).

(f) A landlord who satisfies all requirements for reestablishing service, including paying, or entering into an agreement acceptable to the utility company or municipality to pay, all arrears and other lawful charges incurred by the landlord on the account that was placed in the tenant's name, may reestablish service in the landlord's name.

(g) This section does not restrict or prohibit a municipal utility provider from exercising its authority pursuant to section 444.075, subdivisions 3 and 3e, to make contracts with and impose utility charges against property owners and to certify unpaid charges to the county auditor with taxes against the property served for collection as a tax.

(h) In the case of home heating oil or propane, if the landlord has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

(i) After submitting documentation to the landlord of the tenant's payment to the utility company or municipality, a tenant may deduct the amount of the tenant's payment to the utility company or municipality from the rental payment next paid to the landlord. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the landlord for purposes of section 504B.291.

Subd. 12. **Limitations; waiver prohibited; rights as additional.** The tenant rights under this section:

(1) do not extend to conditions caused by the willful, malicious, or negligent conduct of the tenant or of a person under the tenant's direction or control;

(2) may not be waived or modified; and

(3) are in addition to and do not limit other rights that may be available to the tenant in law or equity, including the right to damages and the right to restoration of possession of the premises under section 504B.291.

Subd. 13. **Additional requirement.** By September 30 of each year, a landlord of a shared-metered residential building who bills for gas and electric utility charges separate from rent must inform tenants in writing of the possible availability of energy assistance from the low-income home energy assistance program. The information must contain the toll-free telephone number of the administering agency.

Subd. 14. **Violations.** A violation of subdivisions 2 to 8 is a violation of sections 504B.161 and 504B.221.

Subd. 15. **Attorney general authority.** The attorney general has authority under section 8.31 to investigate and prosecute violations of this section.

Sec. 8. Minnesota Statutes 2022, section 504B.285, subdivision 4, is amended to read:

Subd. 4. **Nonlimitation of landlord's rights.** (a) Nothing contained in subdivisions 2 and 3 limits the right of the landlord pursuant to the provisions of subdivision 1 to terminate a tenancy for a violation by the tenant of a lawful, material provision of a lease or contract, whether written or oral, or to hold the tenant liable for damage to the premises caused by the tenant or a person acting under the tenant's direction or control.

(b) If landlord takes an action to terminate a tenancy for failure to pay for utility services in a shared-metered building, the court:

(1) if the tenant has filed a complaint involving utility service with the Public Utilities Commission under section 216B.024, must stay the action until the commission has made a final determination and may not require the defendant to pay any amount of money into court, post a bond, make a payment directly to a landlord, or by any

other means post security for any purpose prior to final disposition of the complaint pursuant to section 216B.172, subdivisions 3 and 4. The procedures described in clauses (2) and (3) regarding payment of money into court or to the landlord or posting a bond or security apply to any subsequent action taken under this subdivision;

(2) if the tenant has not filed a complaint involving utility service with the Public Utilities Commission under section 216B.024, and the tenant meets the requirements for a fee waiver, may not require the tenant to post any amount of money into court, post a bond, make a payment directly to a landlord, or by any other means post security for utility charges; and

(3) if the tenant has not filed a complaint involving utility service with the Public Utilities Commission under section 216B.024, and the tenant does not meet the requirements to proceed in forma pauperis, may, in its discretion, require the tenant to pay an amount of money or post security as it deems appropriate for prospective utility charges only.

(c) A court may not require a tenant to post rent as a condition of a tenant asserting an affirmative claim or defense, or a counterclaim related to landlord utility billings or practices.

Sec. 9. **REPEALER.**

Minnesota Statutes 2022, section 504B.215, is repealed.

Sec. 10. **EFFECTIVE DATE.**

(a) Sections 1 to 6, 8, and 9 are effective January 1, 2025.

(b) Section 7 is effective January 1, 2025, for leases entered into or renewed on or after that date."

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

The report was adopted.

Howard from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 4613, A bill for an act relating to housing; requiring landlords to test for radon and provide disclosures; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 504B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[504B.153] RADON TESTING; TENANT RIGHT TO TERMINATE.**

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

(b) "Elevated radon concentration" has the meaning given in section 144.496, subdivision 2.

(c) "Licensed radon professional" means a person licensed under section 144.4961.

(d) "Mitigation" has the meaning given in section 144.496, subdivision 2.

(e) "Radon test" means a measurement of indoor radon concentrations according to established industry standards for a residential building.

Subd. 2. **Right to terminate.** A tenant has the right to terminate a lease if:

(1) the tenant performs a radon test at the tenant's expense in the dwelling unit and the test result indicates an elevated radon concentration;

(2) the tenant provides the landlord with copies of the radon test results within ten days of performing the radon test;

(3) the landlord does not perform mitigation within 90 days of receiving the radon test results from the tenant; and

(4) the landlord does not hire a licensed radon professional to perform an additional test within 90 days of receiving the radon test results or the landlord hires a licensed radon professional to perform a radon test within 90 days of receiving the radon test results and the additional test indicates an elevated radon concentration.

Subd. 3. **Limitations.** This section does not:

(1) prevent a tenant or landlord from conducting a radon test at any time;

(2) impose an obligation on a landlord or tenant to conduct any radon testing or perform any radon mitigation; or

(3) limit or waive any rights, remedies, or obligations under other applicable state or federal law.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to leases entered into on or after that date."

Delete the title and insert:

"A bill for an act relating to housing; permitting tenants to terminate a lease based on elevated radon concentration; proposing coding for new law in Minnesota Statutes, chapter 504B."

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

A roll call was requested and properly seconded on the adoption of the report from the Committee on Housing Finance and Policy relating to H. F. No. 4613.

The question was taken on the adoption of the report from the Committee on Housing Finance and Policy relating to H. F. No. 4613 and the roll was called. There were 65 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Acomb	Carroll	Frazier	Hanson, J.	Hornstein	Koegel
Agbaje	Clardy	Frederick	Hassan	Howard	Kotzya-Witthuhn
Bahner	Coulter	Freiberg	Hemmingsen-Jaeger	Huot	Kraft
Becker-Finn	Edelson	Gomez	Her	Hussein	Lee, F.
Berg	Elkins	Greenman	Hicks	Jordan	Lee, K.
Bierman	Feist	Grossell	Hill	Keeler	Liebling
Brand	Fischer	Hansen, R.	Hollins	Klevorn	Lillie

Lislegard	Newton	Pelowski	Pursell	Smith	Xiong
Long	Noor	Pérez-Vega	Rehm	Stephenson	Youakim
Moller	Norris	Pinto	Reyer	Vang	Spk. Hortman
Nelson, M.	Olson, L.	Pryor	Sencer-Mura	Virnig	

Those who voted in the negative were:

Anderson, P. E.	Demuth	Igo	Mueller	Olson, B.	Torkelson
Anderson, P. H.	Dotseth	Jacob	Murphy	Perryman	Urdahl
Backer	Engen	Johnson	Myers	Petersburg	Wiens
Bakeberg	Fogelman	Joy	Nadeau	Quam	Witte
Baker	Franson	Knudsen	Nash	Robbins	Zeleznikar
Bliss	Garofalo	Koznick	Nelson, N.	Schomacker	
Burkel	Harder	Kresha	Neu Brindley	Schultz	
Daniels	Heintzeman	Lawrence	Niska	Scott	
Davids	Hudella	McDonald	Novotny	Skraba	
Davis	Hudson	Mekeland	O'Driscoll	Swedzinski	

The report from the Committee on Housing Finance and Policy relating to H. F. No. 4613 was adopted.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4657, A bill for an act relating to public safety; limiting criminal defenses and authorization for the use of force relating to a victim's sexual orientation or identity; amending Minnesota Statutes 2022, sections 609.06, subdivision 1, by adding a subdivision; 609.075; 609.20.

Reported the same back with the following amendments:

Page 2, line 20, delete "2023" and insert "2024"

Page 2, line 30, delete "2023" and insert "2024"

Page 3, line 14, delete "2023" and insert "2024"

Page 3, delete section 4

Correct the title numbers accordingly

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

The report was adopted.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 4738, A bill for an act relating to health; establishing an Office of Emergency Medical Services to replace the Emergency Medical Services Regulatory Board; specifying duties for the office; transferring duties; establishing an advisory council; establishing alternative EMS response model pilot program; making conforming changes; amending Minnesota Statutes 2022, sections 62J.49, subdivision 1; 144E.001, by adding subdivisions; 144E.16, subdivision 5; 144E.19, subdivision 3; 144E.27, subdivision 5; 144E.28, subdivisions 5, 6; 144E.285,

subdivision 6; 144E.287; 144E.305, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; Minnesota Statutes 2023 Supplement, sections 15A.0815, subdivision 2; 43A.08, subdivision 1a; 152.126, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.50, subdivision 3.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 24, delete "17" and insert "16"

Page 2, line 4, delete "18" and insert "17"

Page 3, after line 13, insert:

"Sec. 4. **[144E.015] MEDICAL SERVICES DIVISION.**

A Medical Services Division is created in the Office of Emergency Medical Services. The Medical Services Division shall be under the supervision of a deputy director of medical services appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include overseeing the clinical aspects of prehospital medical care and education programs for emergency medical service personnel.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 5. **[144E.016] AMBULANCE SERVICES DIVISION.**

An Ambulance Services Division is created in the Office of Emergency Medical Services. The Ambulance Services Division shall be under the supervision of a deputy director of ambulance services appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include operating standards and licensing of ambulance services; registration and operation of medical response units; establishment and modification of primary service areas; authorization of ambulance services to provide service in a primary service area and revocation of such authorization; coordination of ambulance services within regions and across the state; and administration of grants.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 6. **[144E.017] EMERGENCY MEDICAL SERVICE PROVIDERS DIVISION.**

An Emergency Medical Service Providers Division is created in the Office of Emergency Medical Services. The Emergency Medical Service Providers Division shall be under the supervision of a deputy director of emergency medical service providers appointed by the director. The deputy director, under the direction of the director, shall enforce and coordinate the laws, rules, and policies assigned by the director, which may include certification and registration of individual emergency medical service providers; overseeing worker safety, worker well-being, and working conditions; implementation of education programs; and administration of grants.

**EFFECTIVE DATE.** This section is effective January 1, 2025."

Page 3, line 22, delete "Minnesota" and insert "National Association of EMS Physicians, Minnesota Chapter;"

Page 3, delete line 23



Page 3, line 27, delete "by the Board of Nursing" and insert "jointly by the regional emergency services boards of the designated regional emergency medical services systems"

Page 4, delete lines 2 and 3 and insert:

"(10) one member with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(11) one member representing a local government, appointed by the League of Minnesota Cities;

(12) one member representing a local government in the seven-county metropolitan area, appointed by the League of Minnesota Cities;"

Page 4, line 4, delete "(11)" and insert "(13)"

Page 4, line 6, delete "(12)" and insert "(14)"

Page 4, line 16, delete "(10)" and insert "(12)"

Page 4, line 25, after "director" insert "and the deputy director of ambulance services" and delete the comma

Page 4, line 26, delete "ambulance service personnel," and insert "and" and delete ", and emergency medical responders"

Page 5, line 2, delete "COMMITTEE" and insert "COUNCIL"

Page 5, line 4, delete "Committee" and insert "Council" and delete everything after "established"

Page 5, line 5, delete everything before "and" and delete "shall consist" and insert "consists"

Page 5, delete lines 7 and 8 and insert "subdivision 1, with one physician appointed by each of the regional emergency services boards of the designated regional emergency medical services systems;"

Page 5, lines 18, 19, 21, 22, and 23, delete "committee" and insert "council"

Page 5, line 24, delete "advisory council" and insert "director and deputy director of medical services"

Page 5, lines 25 and 26, delete "committee" and insert "council"

Page 5, line 28, delete "the advisory council and" and after "director" insert "and deputy director of medical services"

Page 5, after line 31, insert:

"Sec. 9. **[144E.04] LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

**Subdivision 1. Establishment; membership.** The Labor and Emergency Medical Service Providers Advisory Council is established and consists of the following members:

(1) one emergency medical service provider of any type from each of the designated regional emergency medical services systems, appointed by their respective regional emergency services boards;

(2) one emergency medical technician instructor, appointed by an employee organization representing emergency medical service providers;

(3) two members with experience working as an employee organization representative representing emergency medical service providers, appointed by an employee organization representing emergency medical service providers;

(4) one emergency medical service provider based in a fire department, appointed jointly by the Minnesota State Fire Chiefs Association and the Minnesota Professional Fire Fighters Association; and

(5) one emergency medical service provider not based in a fire department, appointed by the League of Minnesota Cities.

Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation and reimbursement for expenses for members appointed under subdivision 1; removal of members; filling of vacancies of members; and, except for initial appointments, membership terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the Labor and Emergency Medical Service Providers Advisory Council does not expire.

Subd. 3. **Officers; meetings.** (a) The Labor and Emergency Medical Service Providers Advisory Council must elect a chair and vice-chair from among its membership and may elect other officers as the advisory council deems necessary.

(b) The Labor and Emergency Medical Service Providers Advisory Council must meet quarterly or at the call of the chair.

(c) Meetings of the Labor and Emergency Medical Service Providers Advisory Council are subject to chapter 13D.

Subd. 4. **Duties.** The Labor and Emergency Medical Service Providers Advisory Council must review and make recommendations to the director and deputy director of emergency medical service providers on the laws, rules, and policies assigned to the Emergency Medical Service Providers Division and other topics as directed by the director.

**EFFECTIVE DATE.** This section is effective January 1, 2025."

Page 16, line 9, delete "six" and insert "eight"

Page 16, line 10, delete "seven" and insert "eight"

Page 16, line 15, delete "COMMITTEE" and insert "COUNCIL"

Page 16, line 17, delete "Committee" and insert "Council"

Page 16, line 21, delete "advisory committee" and insert "Emergency Medical Services Physician Advisory Council"

Page 16, line 22, delete "advisory council" and insert "Emergency Medical Services Advisory Council"

Page 16, line 24, delete "Committee" and insert "Council"

Page 16, after line 25, insert:

**"Sec. 21. INITIAL MEMBERS AND FIRST MEETING; LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

(a) Initial appointments of members to the Labor and Emergency Medical Service Providers Advisory Council must be made by January 1, 2025. The terms of initial appointees shall be determined by lot by the secretary of state and shall be as follows:

(1) six members shall serve two-year terms; and

(2) seven members shall serve three-year terms.

(b) The emergency medical technician instructor appointee must convene the first meeting of the Labor and Emergency Medical Service Providers Advisory Council by February 1, 2025.

**EFFECTIVE DATE.** This section is effective July 1, 2024."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "an" and delete "council" and insert "councils"

With the recommendation that when so amended the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Klevorn from the Committee on State and Local Government Finance and Policy to which was referred:

H. F. No. 4744, A bill for an act relating to Hennepin County; requiring a majority vote to approve budget; amending Minnesota Statutes 2022, section 383B.908, subdivision 5.

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4744 was re-referred to the Committee on Rules and Legislative Administration.

Stephenson from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 4757, A bill for an act relating to state government; modifying cannabis provisions; appropriating money; amending Minnesota Statutes 2023 Supplement, sections 3.9224; 151.72, subdivisions 1, 2, 4, 5a, 5b, 6, 7; 256B.0625, subdivision 13d; 290.0132, subdivision 29; 290.0134, subdivision 19; 295.81, subdivisions 1, 4; 297A.70, subdivision 2; 342.01, subdivisions 3, 4, 14, 16, 17, 19, 20, 48, 64, 65, 66, by adding a subdivision; 342.02, subdivisions 2, 3, 5, 6; 342.07, subdivision 3; 342.09, subdivisions 1, 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, subdivisions 1, 2, by adding a subdivision; 342.17; 342.18, subdivision 3, by adding subdivisions;

342.19, subdivisions 1, 3, 4, 5; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding a subdivision; 342.29, subdivisions 1, 4; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1, by adding a subdivision; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivisions 1, 3; 342.44, subdivision 1; 342.51; 342.515; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.58; 342.60; 342.61, subdivisions 4, 5; 342.63, subdivisions 2, 3, 4, 6; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, section 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 52, 53, 54, 55; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; 342.52, subdivision 8; Laws 2023, chapter 63, article 7, sections 4; 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 3.9224, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Medical cannabis law" or "medical cannabis program" means the regulatory framework for cultivation, production, distribution, and sale of cannabis to qualifying patients for therapeutic use in the treatment of a qualifying condition.

(c) "Medical cannabis flower" means cannabis flower approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(d) "Medical cannabis product" means a cannabis product approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(e) "Medical cannabis business" means a ~~medical cannabis cultivator, processor, or retailer~~ business with a medical cannabis endorsement.

(f) "Medical cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to medical cannabis flower or medical cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered into under this section.

(g) "Cannabis product" means any of the following:

(1) cannabis concentrate;

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

(3) any other product that contains cannabis concentrate.

(h) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

- (3) Grand Portage Band;
- (4) Leech Lake Band;
- (5) Mille Lacs Band;
- (6) White Earth Band;
- (7) Red Lake Nation;
- (8) Lower Sioux Indian Community;
- (9) Prairie Island Indian Community;
- (10) Shakopee Mdewakanton Sioux Community; and
- (11) Upper Sioux Indian Community.

(i) "Tribal medical cannabis business" means a medical cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (e), as well as any others that may be provided under the law of a Minnesota Tribal government.

(j) "Tribally regulated land" means:

- (1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");
- (2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) trust land, or fee land held, including leased land, by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held, including leased land, by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

Sec. 2. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) grosses no more than \$250,000 per year from the sale of farm products; and

(3) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland.

(c) "Emerging farmer" means a farmer experiencing limited land access or limited market access.

~~(e)~~ (d) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(e) "Limited land access" means farming (1) under a lease or other rental arrangement of no more than three years in duration when the person leasing or renting the land to the farmer is not related to the farmer by blood or marriage, or (2) by renting land from an incubator farm.

(f) "Limited market access" means the majority of a farmer's annual farm product sales are direct sales to the consumer.

Sec. 3. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 1, is amended to read:

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

(a) "Artificially derived cannabinoid" means a cannabinoid extracted from a hemp plant or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol.

(b) "Batch" means a specific quantity of a specific product containing cannabinoids derived from hemp, including an edible cannabinoid product, that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

(c) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

~~(d) "Commissioner" means the commissioner of health.~~

~~(e)~~ (d) "Distributor" means a person who sells, arranges a sale, or delivers a product containing cannabinoids derived from hemp, including an edible cannabinoid product, that the person did not manufacture to a retail establishment for sale to consumers. Distributor does not include a common carrier used only to complete delivery to a retailer.

~~(f)~~ (e) "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.

~~(g)~~ (f) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(h)~~ (g) "Label" has the meaning given in section 151.01, subdivision 18.

~~(i)~~ (h) "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;

(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.

~~(j)~~ (i) "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.

~~(k)~~ (j) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(k) "Office" means the Office of Cannabis Management.

(l) "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid, but which is not extracted or derived from hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 4. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 2, is amended to read:

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp 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 ~~commissioner~~ office 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.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 5. Minnesota Statutes 2023 Supplement, 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~~ must not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product ~~does~~ must not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) A product containing nonintoxicating cannabinoids, other than an edible cannabinoid product, may be sold for human or animal consumption only if it is intended for application externally to a part of the body of a human or animal. Such a product must not be manufactured, marketed, distributed, or intended to be consumed:

- (1) by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;
- (2) through chewing, drinking, or swallowing; or
- (3) through injection or application to a mucous membrane or nonintact skin.

(c) 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.

(d) 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.

(e) Products that meet the requirements of this section are not controlled substances under section 152.02.

(f) Products may be sold for on-site consumption ~~provided that~~ if all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products, other than products that are intended to be consumed as a beverage, must be served in original packaging, but may be removed from the products' packaging by customers and consumed on site;

(3) products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated;

(4) products must not be permitted to be mixed with an alcoholic beverage; and

(5) products that have been removed from packaging must not be removed from the premises.

(g) Edible cannabinoid products that are intended to be consumed as a beverage may be served outside of the products' packaging if the information that is required to be contained on the label of an edible cannabinoid product is posted or otherwise displayed by the retailer.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 6. Minnesota Statutes 2023 Supplement, 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 each batch of the product to an independent, accredited laboratory in order to certify that the product complies with the standards ~~adopted by the board on or before July 1, 2023, or the standards~~ adopted by the ~~commissioner~~ office. 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 or other catalysts, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) A manufacturer of a product regulated under this section must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages of any batch from which a representative sample has been sent for



testing, including any catalysts used to create artificially derived cannabinoids. The disclosure must be made to the laboratory performing testing or sampling and, upon request, to the ~~commissioner~~ office. The disclosure must include all information known to the ~~licensee~~ manufacturer regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

(c) Upon the request of the ~~commissioner~~ office, the manufacturer of the product must provide the ~~commissioner~~ office with the results of the testing required in this section.

(d) The ~~commissioner~~ office may determine that any testing laboratory that does not operate formal management systems under the International Organization for Standardization is not an accredited laboratory and require that a representative sample of a batch of the product be retested by a testing laboratory that meets this requirement.

(e) 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.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 7. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5a, is amended 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) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) 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;

(6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(7) 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.

(d) If an edible cannabinoid product, other than a product that is intended to be consumed as a beverage, 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 that appear on the edible cannabinoid product.

(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. An edible cannabinoid product, other than a product that is intended to be consumed as a beverage, may not contain more than a total of 50 milligrams of any tetrahydrocannabinol per package. An edible cannabinoid product that is intended to be consumed as a beverage may not contain more than two servings per container.

(g) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is an artificially derived cannabinoid. Edible cannabinoid products are prohibited from containing any other artificially derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the ~~commissioner~~ office authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.

(h) Every person selling edible cannabinoid products to consumers, other than products that are intended to be consumed as a beverage, must ensure that all edible cannabinoid products are displayed behind a checkout counter where the public is not permitted or in a locked case.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 8. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, is amended to read:

Subd. 5b. **Registration; prohibitions.** ~~(a) On or before October 1, 2023, every person selling edible cannabinoid products to consumers must register with the commissioner in a form and manner established by the commissioner. After October 1, 2023, the sale of edible cannabinoid products by a person that is not registered is prohibited.~~

(a) Every person selling an edible cannabinoid product to a consumer must be registered with the office. Existing registrations through the Department of Health must be transferred to the office by July 1, 2024. All other persons required to register must register in a form and manner established by the office. The sale of edible cannabinoid products by a person who is not registered with the office is prohibited and subject to the penalties in section 342.09, subdivision 6; any applicable criminal penalty; and any other applicable civil or administrative penalty.

(b) The registration form must contain an attestation of compliance and each registrant must affirm that it is operating and will continue to operate in compliance with the requirements of this section and all other applicable state and local laws and ordinances.

(c) ~~The commissioner shall~~ office must not charge a fee for registration under this subdivision.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 9. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 6, is amended to read:

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered a noncompliant product if the product is offered for sale in this state or if the product is manufactured, imported, distributed, or stored with the intent to be offered for sale in this state in violation of any provision of this section, including but not limited to 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;
  - (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 regulated under this section shall be considered a noncompliant product if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.
- (c) The ~~commissioner~~ office may assume that any product regulated under this section that is present in the state, other than a product lawfully possessed for personal use, has been manufactured, imported, distributed, or stored with the intent to be offered for sale in this state if a product of the same type and brand was sold in the state on or after July 1, 2023, or if the product is in the possession of a person who has sold any product in violation of this section.
- (d) The ~~commissioner~~ office may enforce this section, including enforcement against a manufacturer or distributor of a product regulated under this section, under ~~sections 144.989 to 144.993~~ section 342.19.
- (e) ~~The commissioner may enter into an interagency agreement with~~ The office of Cannabis Management and may enter into an interagency agreement with the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the ~~commissioner~~ office.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 10. Minnesota Statutes 2023 Supplement, section 151.72, subdivision 7, is amended to read:

Subd. 7. **Violations; criminal penalties.** (a) ~~Notwithstanding section 144.99, subdivision 11,~~ A person who does any of the following regarding a product regulated under this section is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both:

- (1) knowingly alters or otherwise falsifies testing results;

(2) intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product; or

(3) intentionally makes a false material statement to the ~~commissioner~~ office.

~~(b) Notwithstanding section 144.99, subdivision 11,~~ A person who does any of the following on the premises of a registered retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both:

(1) sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids that a product may contain;

(2) sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) sells an edible cannabinoid product to a person under the age of 21, except that it is an affirmative defense to a charge under this clause if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in subdivision 5c.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 152.22, subdivision 14, is amended to read:

Subd. 14. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

(1) cancer, if the underlying condition or treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting;

(2) glaucoma;

(3) human immunodeficiency virus or acquired immune deficiency syndrome;

(4) Tourette's syndrome;

(5) amyotrophic lateral sclerosis;

(6) seizures, including those characteristic of epilepsy;

(7) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

(8) inflammatory bowel disease, including Crohn's disease;

(9) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting; or

(10) any other medical condition ~~or its treatment approved by the commissioner.~~ that is:

(i) approved by a patient's health care practitioner; or

(ii) if the patient is a veteran receiving care from the United States Department of Veterans Affairs, certified under section 152.27, subdivision 3a.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 12. Minnesota Statutes 2022, 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.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 152.27, is amended by adding a subdivision to read:

Subd. 3a. **Application procedure for veterans.** (a) Beginning July 1, 2024, the commissioner shall establish an alternative certification procedure for veterans to enroll in the patient registry program.

(b) A patient who is a veteran receiving care from the United States Department of Veterans Affairs and is seeking to enroll in the registry program must submit a copy of the patient's veteran health identification card issued by the United States Department of Veterans Affairs and an application established by the commissioner to confirm that the veteran has been diagnosed with a condition that may benefit from the therapeutic use of medical cannabis.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 152.27, subdivision 6, is amended to read:

Subd. 6. **Patient enrollment.** (a) After receipt of a patient's application, ~~application fees,~~ and signed disclosure, the commissioner shall enroll the patient in the registry program and issue the patient and patient's registered designated caregiver or parent, legal guardian, or spouse, if applicable, a registry verification. The commissioner shall approve or deny a patient's application for participation in the registry program within 30 days after the commissioner receives the patient's application and application fee. The commissioner may approve applications up to 60 days after the receipt of a patient's application and application fees until January 1, 2016. A patient's enrollment in the registry program shall only be denied if the patient:

(1) does not have certification from a health care practitioner or, if the patient is a veteran receiving care from the United States Department of Veterans Affairs, does not have the documentation required under subdivision 3a that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed and returned the disclosure form required under subdivision 3, paragraph (c), to the commissioner;

(3) does not provide the information required;

(4) has previously been removed from the registry program for violations of section 152.30 or 152.33; or

(5) provides false information.

(b) The commissioner shall give written notice to a patient of the reason for denying enrollment in the registry program.

(c) Denial of enrollment into the registry program is considered a final decision of the commissioner and is subject to judicial review under the Administrative Procedure Act pursuant to chapter 14.

(d) A patient's enrollment in the registry program may only be revoked upon the death of the patient or if a patient violates a requirement under section 152.30 or 152.33.

(e) The commissioner shall develop a registry verification to provide to the patient, the health care practitioner identified in the patient's application, and to the manufacturer. The registry verification shall include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as a caregiver.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 181.950, subdivision 10, is amended to read:

Subd. 10. **Positive test result.** "Positive test result" means a finding of the presence of drugs, cannabis, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection levels contained in the standards of one of the programs listed in section 181.953, subdivision 1.

Sec. 16. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 4, is amended to read:

Subd. 4. **Random testing.** An employer may request or require employees to undergo cannabis testing ~~or~~ and drug and alcohol testing on a random selection basis only if (1) they are employed in safety-sensitive positions, or (2) they are employed as professional athletes if the professional athlete is subject to a collective bargaining agreement permitting random testing but only to the extent consistent with the collective bargaining agreement.

Sec. 17. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 5, is amended to read:

Subd. 5. **Reasonable suspicion testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employer has a reasonable suspicion that the employee:

(1) is under the influence of drugs, cannabis, or alcohol;

(2) has violated the employer's written work rules prohibiting the use, possession, impairment, sale, or transfer of drugs or alcohol, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products while the employee is working or while the employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment, ~~provided if~~ the work rules are in writing and contained in the employer's written cannabis testing or drug and alcohol testing policy;

(3) has sustained a personal injury, as that term is defined in section 176.011, subdivision 16, or has caused another employee to sustain a personal injury; or

(4) has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

Sec. 18. Minnesota Statutes 2023 Supplement, section 181.951, subdivision 8, is amended to read:

Subd. 8. **Limitations on cannabis testing.** (a) An employer must not request or require a job applicant to undergo cannabis testing ~~solely for the purpose of determining the presence or absence of cannabis~~ as a condition of employment unless otherwise required by state or federal law.

(b) Unless otherwise required by state or federal law, an employer must not refuse to hire a job applicant solely because the job applicant submits to a cannabis test or a drug and alcohol test authorized by this section and the results of the test indicate the presence of cannabis.

(c) An employer must not request or require an employee or job applicant to undergo cannabis testing on an arbitrary or capricious basis.

(d) Cannabis testing authorized under ~~paragraph (d)~~ this section must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

Sec. 19. Minnesota Statutes 2022, section 181.952, as amended by Laws 2023, chapter 63, article 6, section 38, is amended to read:

**181.952 POLICY CONTENTS; PRIOR WRITTEN NOTICE.**

Subdivision 1. **Contents of the policy.** An employer's drug and alcohol and cannabis testing policy must, at a minimum, set forth the following information:

- (1) the employees or job applicants subject to testing under the policy;
- (2) the circumstances under which drug or alcohol and cannabis testing may be requested or required;
- (3) the right of an employee or job applicant to refuse to undergo drug and alcohol and cannabis testing and the consequences of refusal;
- (4) any disciplinary or other adverse personnel action that may be taken based on a confirmatory test verifying a positive test result on an initial screening test;
- (5) the right of an employee or job applicant to explain a positive test result on a confirmatory test or request and pay for a confirmatory retest; and
- (6) any other appeal procedures available.

Subd. 2. **Notice.** An employer shall provide written notice of its drug and alcohol testing and cannabis testing policy to all affected employees upon adoption of the policy, to a previously nonaffected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and before any testing of the applicant if the job offer is made contingent on the applicant passing drug and alcohol testing. An employer shall also post notice in an appropriate and conspicuous location on the employer's premises that the employer has adopted a drug and alcohol testing and cannabis testing policy and that copies of the policy are available for inspection during regular business hours by its employees or job applicants in the employer's personnel office or other suitable locations.

Subd. 3. **Cannabis policy work rules.** (a) Unless otherwise provided by state or federal law, an employer is not required to permit or accommodate cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment.



(b) An employer may only enact and enforce written work rules prohibiting cannabis flower, cannabis product, lower-potency hemp edible, and hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee, is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment in a written policy that contains the minimum information required by this section.

Sec. 20. Minnesota Statutes 2023 Supplement, section 181.954, subdivision 1, is amended to read:

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, cannabis, alcohol, or their metabolites in a sample tested.

Sec. 21. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 14, is amended to read:

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

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service; and
- ~~(11) medical cannabis cultivator;~~
- ~~(12) medical cannabis processor;~~
- ~~(13) medical cannabis retailer; and~~
- ~~(14)~~ (11) medical cannabis combination business.

Sec. 22. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 17, is amended to read:

Subd. 17. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis plants, cannabis flower, and cannabis products ~~and subject to regulation under this chapter.~~

Sec. 23. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 19, is amended to read:

Subd. 19. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested ~~and has a delta 9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, including but not limited to a mother plant; a mature, flowering plant; an immature plant; or a seedling.~~ Cannabis plant does not include a hemp plant.

Sec. 24. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 31a. **Endorsement.** "Endorsement" means an authorization from the office to conduct a specified operation activity.

Sec. 25. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 48, is amended to read:

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

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer; or
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

Sec. 26. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 50, is amended to read:

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

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

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

(3) is not a drug;

~~(4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;~~

~~(5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;~~

~~(6) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol;~~

~~(7) (4) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and~~

~~(8) (5) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods; and~~

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

(b) A lower-potency hemp edible includes:

(1) a product that:

(i) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol; no more than 25 milligrams of cannabidiol, cannabigerol, cannabiol, or cannabichromene; any other cannabinoid authorized by the office; or any combination of those cannabinoids that does not exceed the identified amounts;

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

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

(2) a product that:

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

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

Sec. 27. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 52, is amended to read:

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

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

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

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

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

(2) pill;

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

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

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

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

(7) topical formulation; or

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

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

Sec. 28. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 54, is amended to read:

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

Sec. 29. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 63, is amended to read:

Subd. 63. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

(1) Alzheimer's disease;

(2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

- (3) cancer, if the underlying condition or treatment produces one or more of the following:
- (i) severe or chronic pain;
  - (ii) nausea or severe vomiting; or
  - (iii) cachexia or severe wasting;
- (4) chronic motor or vocal tic disorder;
- (5) chronic pain;
- (6) glaucoma;
- (7) human immunodeficiency virus or acquired immune deficiency syndrome;
- (8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);
- (9) obstructive sleep apnea;
- (10) post-traumatic stress disorder;
- (11) Tourette's syndrome;
- (12) amyotrophic lateral sclerosis;
- (13) seizures, including those characteristic of epilepsy;
- (14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;
- (15) inflammatory bowel disease, including Crohn's disease;
- (16) irritable bowel syndrome;
- (17) obsessive-compulsive disorder;
- (18) sickle cell disease;
- (19) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:
- (i) severe or chronic pain;
  - (ii) nausea or severe vomiting; or
  - (iii) cachexia or severe wasting; or
- (20) any other medical condition ~~or its treatment approved by the office.~~ that is:
- (i) approved by a patient's health care practitioner; or
  - (ii) if the patient is a veteran receiving care from the United States Department of Veterans Affairs, certified under section 342.52, subdivision 3.

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

Sec. 30. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 64, is amended to read:

Subd. 64. **Registered designated caregiver.** "Registered designated caregiver" means an individual who:

(1) is at least 18 years old;

~~(2) is not disqualified for a criminal offense according to rules adopted pursuant to section 342.15, subdivision 2;~~

~~(3) (2) has been approved by the Division of Medical Cannabis office to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer business with a medical cannabis retail endorsement and with administering medical cannabis flower and medical cannabinoid products; and~~

~~(4) (3) is authorized by the Division of Medical Cannabis office to assist a patient with the use of medical cannabis flower and medical cannabinoid products.~~

Sec. 31. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 65, is amended to read:

Subd. 65. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients; registered designated caregivers; and any parent, legal guardian, or spouse of a patient who is authorized to perform the following acts either as a patient or to assist a patient:

(1) obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from a cannabis retailers and medical cannabis retailers business with a medical cannabis retail endorsement; and

(2) administer medical cannabis flower and medical cannabinoid products.

Sec. 32. Minnesota Statutes 2023 Supplement, section 342.01, subdivision 66, is amended to read:

Subd. 66. **Registry verification.** "Registry verification" means the verification provided by the ~~Division of Medical Cannabis office~~ that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

Sec. 33. Minnesota Statutes 2023 Supplement, section 342.01, is amended by adding a subdivision to read:

Subd. 69a. **Total THC.** "Total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

Sec. 34. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 2, is amended to read:

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

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

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

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

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

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

(6) to issue and renew licenses;

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

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

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

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

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

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

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

(14) to provide reports as required by law;

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

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

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

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

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

~~(19)~~ (20) to exercise other powers and authority and perform other duties required by law.

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

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

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

Sec. 35. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 3, is amended to read:

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment and the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

(c) This subdivision is effective July 1, 2025.



Sec. 36. Minnesota Statutes 2023 Supplement, section 342.02, subdivision 6, is amended to read:

Subd. 6. **Director.** (a) The governor shall appoint a director of the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor.

~~(b) The salary of the director must not exceed the salary limit established under section 15A.0815, subdivision 3.~~

(b) The director may appoint and employ no more than two deputy directors.

(c) The director has administrative control of the office. The director has the powers described in section 15.06, subdivision 6.

(d) The director may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the director.

(e) Pursuant to state law, the director may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the director.

(f) The director may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

Sec. 37. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The Cannabis Advisory Council is created consisting of the following members:

- (1) the director of the Office of Cannabis Management or a designee;
- (2) the commissioner of employment and economic development or a designee;
- (3) the commissioner of revenue or a designee;
- (4) the commissioner of health or a designee;
- (5) the commissioner of human services or a designee;
- (6) the commissioner of public safety or a designee;
- (7) the commissioner of human rights or a designee;
- (8) the commissioner of labor or a designee;
- (9) the commissioner of agriculture or a designee;
- (10) the commissioner of the Pollution Control Agency or a designee;
- (11) the superintendent of the Bureau of Criminal Apprehension or a designee;
- (12) the colonel of the State Patrol or a designee;
- (13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;

- (14) a representative from the League of Minnesota Cities appointed by the league;
- (15) a representative from the Association of Minnesota Counties appointed by the association;
- (16) an expert in minority business development appointed by the governor;
- (17) an expert in economic development strategies for under-resourced communities appointed by the governor;
- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;
- (24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;
- (25) an expert in minority business ownership appointed by the governor;
- (26) an expert in women-owned businesses appointed by the governor;
- (27) an expert in cannabis retailing appointed by the governor;
- (28) an expert in cannabis product manufacturing appointed by the governor;
- (29) an expert in laboratory sciences and toxicology appointed by the governor;
- (30) an expert in providing legal services to cannabis businesses appointed by the governor;
- (31) an expert in cannabis cultivation appointed by the governor;
- (32) an expert in pediatric medicine appointed by the governor;
- (33) an expert in adult medicine appointed by the governor;
- (34) an expert in clinical pharmacy appointed by the governor;
- (35) three patient advocates, one who is a patient enrolled in the medical cannabis program; one who is a parent or caregiver of a patient in the medical cannabis program; and one patient with experience in the mental health system or substance use disorder treatment system appointed by the governor;
- ~~(35)~~ (36) two licensed mental health professionals appointed by the governor;

~~(36)~~ (37) a veteran appointed by the governor;

~~(37)~~ (38) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:

- (i) the Fond du Lac Band;
- (ii) the Grand Portage Band;
- (iii) the Mille Lacs Band;
- (iv) the White Earth Band;
- (v) the Bois Forte Band;
- (vi) the Leech Lake Band;
- (vii) the Red Lake Nation;
- (viii) the Upper Sioux Community;
- (ix) the Lower Sioux Indian Community;
- (x) the Shakopee Mdewakanton Sioux Community; and
- (xi) the Prairie Island Indian Community; and

~~(38)~~ (39) a representative from the Local Public Health Association of Minnesota appointed by the association.

Sec. 38. Minnesota Statutes 2023 Supplement, section 342.06, is amended to read:

**342.06 APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.**

**Subdivision 1. Approval of cannabis flower and products.** (a) For the purposes of this section, "product category" means a type of product that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

(b) The office shall approve product categories of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for retail sale.

(c) The office may establish limits on the total THC of cannabis flower, cannabis products, and hemp-derived consumer products. As used in this paragraph, "total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

(d) The office shall not approve any cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

- (1) is or appears to be a lollipop or ice cream;

(2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(3) is modeled after a type or brand of products primarily consumed by or marketed to children;

(4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contains a synthetic cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to an artificially derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

**Subd. 2. Approval of cannabinoids.** (a) The office may designate any cannabinoid as nonintoxicating and may approve the use of any cannabinoid in lower-potency hemp edibles. The office may establish limits on the amount of an intoxicating cannabinoid that may be present in a lower-potency hemp edible.

(b) Beginning January 1, 2026, any person may petition the office to designate a cannabinoid as nonintoxicating or to allow the use of any cannabinoid in lower-potency hemp edibles. Petitions must be filed in the form and manner established by the office and must:

(1) specify the cannabinoid that is the subject of the petition;

(2) indicate whether the petition seeks to have the cannabinoid designated as nonintoxicating or approved for use in lower-potency hemp edibles;

(3) indicate whether the cannabinoid has been identified in cannabis plants, cannabis extract, hemp plant parts, or hemp extract; and

(4) include verified data, validated studies, or other evidence that is generally relied upon in the scientific community to support the petition.

(c) The office must post all final determinations on the office's publicly facing website.

(d) If the office denies a petition to designate a cannabinoid as nonintoxicating or to allow the cannabinoid's use in lower-potency hemp edibles, that denial shall be in effect for two years. Any petition filed under this subdivision within two years of a final determination denying a petition for the same cannabinoid must be summarily denied.

Sec. 39. Minnesota Statutes 2023 Supplement, section 342.07, subdivision 3, is amended to read:

**Subd. 3. Edible cannabinoid product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers ~~and assess penalties in the same in a manner provided for~~ consistent with Department of Agriculture regulation of food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

- (1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;
- (2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;
- (3) the office may not charge a fee for issuing or renewing the endorsement;
- (4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and
- (5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) The edible cannabinoid product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

Sec. 40. Minnesota Statutes 2023 Supplement, section 342.09, subdivision 3, is amended to read:

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, medical cannabis ~~processor~~ combination business, or lower-potency hemp edible manufacturer license issued under this chapter.

Sec. 41. Minnesota Statutes 2023 Supplement, section 342.10, is amended to read:

**342.10 LICENSES; TYPES.**

The office shall issue the following types of license:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;

- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer; and
- ~~(13) medical cannabis cultivator;~~
- ~~(14) medical cannabis processor;~~
- ~~(15) medical cannabis retailer; or~~
- ~~(16)~~ (13) medical cannabis combination business.

Sec. 42. Minnesota Statutes 2023 Supplement, section 342.11, is amended to read:

**342.11 LICENSES; FEES.**

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

- (1) for a cannabis microbusiness:
  - (i) an application fee of \$500;
  - (ii) an initial license fee of \$0; and
  - (iii) a renewal license fee of \$2,000;
- (2) for a cannabis mezzobusiness:
  - (i) an application fee of \$5,000;
  - (ii) an initial license fee of \$5,000; and
  - (iii) a renewal license fee of \$10,000;
- (3) for a cannabis cultivator:
  - (i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(7) for a cannabis transporter:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(8) for a cannabis testing facility:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(9) for a cannabis delivery service:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(10) for a cannabis event organizer:

- (i) an application fee of \$750; and
- (ii) an initial license fee of \$750;

(11) for a lower-potency hemp edible manufacturer:

- (i) an application fee of \$250;
- (ii) an initial license fee of \$1,000; and
- (iii) a renewal license fee of \$1,000;

(12) for a lower-potency hemp edible retailer:

- (i) an application fee of \$250 per retail location;
- (ii) an initial license fee of \$250 per retail location; and
- (iii) a renewal license fee of \$250 per retail location; and

~~(13) for a medical cannabis cultivator:~~

- ~~(i) an application fee of \$250;~~
- ~~(ii) an initial license fee of \$0; and~~
- ~~(iii) a renewal license fee of \$0;~~

~~(14) for a medical cannabis processor:~~

- ~~(i) an application fee of \$250;~~
- ~~(ii) an initial license fee of \$0; and~~
- ~~(iii) a renewal license fee of \$0;~~

~~(15) for a medical cannabis retailer:~~

- ~~(i) an application fee of \$250;~~
- ~~(ii) an initial license fee of \$0; and~~
- ~~(iii) a renewal license fee of \$0; and~~

~~(16)~~ (13) for a medical cannabis combination business:

- (i) an application fee of \$10,000;
- (ii) an initial license fee of \$20,000; and
- (iii) a renewal license fee of \$70,000.



Sec. 43. Minnesota Statutes 2023 Supplement, section 342.12, is amended to read:

**342.12 LICENSES; TRANSFERS; ADJUSTMENTS.**

(a) Licenses issued under this chapter ~~that are available to all applicants pursuant to section 342.18, subdivision 4, paragraph (g), may be freely transferred subject to the prior written approval of the office, which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant.~~

(b) Licenses issued as social equity licenses pursuant to either section 342.18, subdivision 4, paragraph (f), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license. Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) License preapproval issued pursuant to section 342.125 may not be transferred.

(d) A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

~~(b) Transfers between social equity applicants must be reviewed by the Division of Social Equity.~~

~~(e)~~ (e) Licenses must be renewed annually.

~~(d)~~ (f) License holders may petition the office to adjust the tier of a license issued within a license category ~~provided that~~ if the license holder meets all applicable requirements.

~~(e)~~ (g) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; adopt requirements for the submission of a license relocation application; establish standards for the approval of a relocation application; and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Sec. 44. **[342.125] LICENSE PREAPPROVAL.**

Subdivision 1. **Preapproval.** (a) The office may establish a license preapproval process for applicants who meet the requirements in section 342.17.

(b) The office may issue up to the following number of license preapprovals:

(1) cannabis microbusiness licenses, 100;

(2) cannabis mezzobusiness licenses, 11;

- (3) cannabis cultivator licenses, 13;
- (4) cannabis manufacturer licenses, six;
- (5) cannabis retailer licenses, 50;
- (6) cannabis wholesaler licenses, 20;
- (7) cannabis transporter licenses, 20;
- (8) cannabis testing facility licenses, 25;
- (9) cannabis event organizer licenses, ten; and
- (10) cannabis delivery service licenses, ten.

(c) License preapproval remains valid for 18 months from the date that preapproval is granted unless the office revokes the preapproval. If a person has not converted a preapproval into a license within 18 months, the preapproval expires.

Subd. 2. **Eligibility.** (a) Only a social equity applicant who meets the requirements in section 342.17 is eligible for license preapproval.

(b) The office must not issue a license preapproval if the applicant would be prohibited from holding the license under section 342.18, subdivision 2.

Subd. 3. **Application; contents.** (a) An applicant for preapproval must:

(1) complete an application that contains the information described in section 342.14, subdivision 1, on a form approved by the office; and

(2) pay the applicable application fee required under section 342.11, paragraph (b), for the license being sought.

(b) The office shall not require an applicant to possess or identify any property on which the cannabis business will operate.

Subd. 4. **Application process.** (a) The office must announce the commencement of an application period for license preapproval at least 14 days before the date that the office begins to accept applications. The announcement must include:

(1) the types of licenses that will be available for preapproval during the application period;

(2) the number of each type of license available;

(3) the date on which the application period will begin; and

(4) the date on which the application period will end.

(b) The office must accept applications for license preapproval for 30 calendar days during an application period.

(c) Before proceeding with a review of the application, the office must verify the applicant's status as a social equity applicant.

(d) The office may deny an application for preapproval that:

(1) is incomplete;

(2) contains a material false statement about the applicant or omits material information about the applicant;

(3) is from an applicant that does not meet the requirements in section 342.17;

(4) fails to meet the minimum qualifications for the license in section 342.18, subdivision 3;

(5) is from an applicant who fails to pay the applicable application fee; or

(6) is not submitted by the deadline established by the office.

(e) If the office denies an application for preapproval, the office must notify the applicant of the denial and the basis for the denial.

(f) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

**Subd. 5. Issuance of preapproval; lottery.** (a) An applicant who meets the requirements in subdivisions 2, 3, and 4 is a qualified applicant and the office may issue a license preapproval to the applicant.

(b) If there are fewer license preapprovals available than the number of qualified applicants for that license type, the office must conduct a lottery to select applicants for preapproval. The lottery must include all qualified applicants seeking preapproval for the license type and must be impartial, random, and in a format determined by the office.

(c) The office may remove an applicant from the lottery if the office determines that:

(1) the applicant has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter that would justify revocation or nonrenewal of a license;

(2) the applicant is disqualified from holding a license pursuant to section 342.15; or

(3) the applicant is determined to be in arrears on property, business, or personal taxes.

(d) If the office removes an applicant from a lottery, the office must notify the applicant of the removal and the basis for the removal. If an applicant is not selected in a lottery, the office must notify the applicant that the applicant was not selected.

**Subd. 6. License preapproval; purpose; restrictions.** (a) License preapproval issued by the office is evidence that the applicant has submitted all necessary information to the office; the office has determined that the applicant is qualified to hold a license of the type that is preapproved; and the office will issue the person a license after the office adopts initial rules pursuant to section 342.02, subdivision 5, unless the office revokes preapproval pursuant to subdivision 7.

(b) Upon request by a person who has been preapproved for a license, the office must provide confirmation of the preapproval to third parties to assist the person in taking the steps necessary to prepare for business operations, including:

(1) establishing legal control of the site of the cannabis business through lease, purchase, or other means;

(2) gaining zoning or planning approval for the site of the cannabis business from a local unit of government; and

(3) raising capital for the person's business operations.

(c) License preapproval does not authorize a person to open a cannabis business or engage in any activity that requires a license issued under this chapter.

(d) A person with a license preapproval shall not:

(1) purchase, possess, cultivate, manufacture, distribute, dispense, or sell cannabis plants, cannabis flower, cannabis products, medical cannabis flower, or medical cannabinoid products;

(2) manufacture, distribute, or sell edible cannabinoid products or lower-potency hemp edibles unless the person has explicit permission to engage in those activities from the office and has a valid license authorizing those actions or is registered pursuant to section 151.72;

(3) make any transfer of an ownership interest that causes a change in the individual or entity that holds the controlling ownership interest;

(4) make any change or transfer of ownership or control that would require a new business registration with the secretary of state; or

(5) make any transfer of ownership interest that causes the person with a license preapproval to no longer qualify as a social equity applicant under section 342.17.

Subd. 7. **Revocation of preapproval.** The office may revoke a license preapproval if the individual holding the preapproval or, if preapproval is granted to a business entity, any cooperative member or director, manager, or general partner of the business entity:

(1) fraudulently or deceptively obtained preapproval;

(2) fails to reveal any material fact pertaining to the qualification for preapproval;

(3) violates any provision of this chapter;

(4) is not registered or in good standing with the Office of the Secretary of State; or

(5) is in arrears on property, business, or personal taxes.

Subd. 8. **Conversion of preapproval.** (a) The office must grant a license to any person who has received a license preapproval after the office:

(1) adopts initial rules pursuant to section 342.02, subdivision 5; and

(2) receives the applicable license fee pursuant to section 342.11.

(b) The office must not grant a license to a person who has received a license preapproval if:

(1) the ownership of the business has changed since the office granted a license preapproval and the person has not filed an updated ownership disclosure as required by section 342.14, subdivision 1, paragraph (b); or

(2) the cannabis business for which the office granted a license preapproval does not meet local zoning and land use laws.

**Subd. 9. Applicants; right to a reconsideration.** (a) If the office denies an application for a license preapproval or removes an application from a lottery, the applicant may request a records review of the submitted application materials within seven calendar days of receiving notification that the office denied or removed the application.

(b) Upon an applicant's request, the office must allow the applicant to examine the applicant's records received by the office.

(c) A person whose license preapproval is later revoked by the office may request reconsideration by the director.

(d) A person whose application is denied, removed from a lottery, or not selected in a lottery may not appeal or request a hearing.

**Subd. 10. Retention of applications.** (a) A qualified applicant whose application is not selected for a license preapproval in a lottery may request that the office retain the application for subsequent application periods.

(b) If a qualified applicant requests that the office retain an application, the office must retain the application for one year after the date of the request.

(c) The office may request additional information from any applicant whose application is retained if the office determines that the information is necessary to determine if the applicant meets the requirements for a subsequent application period. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

(d) The office may disqualify an application from retention under the grounds specified in subdivision 5, paragraph (c).

(e) If the office announces an application period, any application retained by the office may be granted a license preapproval or be entered in a lottery if the applicant:

(1) pays the relevant application fee; and

(2) at the request of the office, amends an application or provides additional information.

Sec. 45. Minnesota Statutes 2023 Supplement, section 342.13, is amended to read:

### **342.13 LOCAL CONTROL.**

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

~~(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license an endorsement to a cannabis business if a the cannabis business does not meet local zoning and land use laws.~~

~~(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business or sharing public information about an applicant.~~

~~(h)~~ (g) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. ~~Complaints may include alleged violations of local ordinances or other alleged violations. The office may only investigate complaints alleging a violation of this chapter.~~ At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness or cannabis mezzobusiness with a retail operations endorsement, ~~cannabis mezzobusiness~~, lower-potency hemp edible retailer, ~~medical cannabis retailer~~, or medical cannabis combination business operating a retail location poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(+) (h) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(+) (i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

(+) (j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (+) (h).

(+) (k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 46. Minnesota Statutes 2023 Supplement, section 342.14, is amended to read:

#### **342.14 CANNABIS LICENSE APPLICATION AND RENEWAL.**

Subdivision 1. **Application; contents.** (a) The office by rule shall establish forms and procedures for the processing of cannabis business licenses issued under this chapter. ~~At a minimum, any application to obtain or renew a cannabis license shall~~ The office must direct an applicant to include the following information, if applicable in an application to obtain or renew a cannabis license:

- (1) the name, address, and date of birth of the applicant;
- (2) the disclosure of ownership and control required under paragraph (b);
- (3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;
- (4) the address and legal property description of the business, if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;
- (5) a general description of the location or locations that the applicant plans to operate, including the planned square feet of ~~planned~~ space for cultivation, wholesaling, and retailing, as applicable;
- (6) a copy of the security plan;
- (7) proof of trade name registration;
- (8) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;
- (9) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;
- (10) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a cannabis business;

(11) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(12) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(b) An applicant must file and update as necessary a disclosure of ownership and control. The office by rule shall establish the contents and form of the disclosure. Except as provided in paragraph (f), the disclosure shall, at a minimum, include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner, or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) an explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

(f) The office may, by rule, establish exceptions to the disclosures required under paragraph (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.



Subd. 2. **Application; process.** (a) An applicant must submit all required information to the office on the forms and in the manner prescribed by the office.

(b) If the office receives an application that fails to provide the required information, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

~~(d) Upon receipt of a completed application and fee, the office shall forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.~~

~~(e)~~ (d) Within 90 days of receiving a completed application and the results of any required criminal history check, the office shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Subd. 3. **License revocation.** The office may revoke a cannabis business license if the licensee has not made good faith efforts to obtain an endorsement within 18 months of the date that the license was issued. The office may give a licensee a onetime extension to obtain an endorsement if the licensee demonstrates that the licensee made good faith efforts to obtain an endorsement within 18 months of the date that the license was issued.

Sec. 47. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a subdivision to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** The office may, by rule, determine whether any civil or regulatory violations, as determined by another state agency, local unit of government, or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business and the length of the disqualification. The office must have access to all investigative or regulatory data, regardless of its data classification under chapter 13, relating to an individual who applies for a cannabis license or applies to work for a cannabis business, when the data is held by any other state agency that has regulatory authority over the individual.

Sec. 48. **[342.151] EMPLOYEES OF LICENSE HOLDERS.**

Subdivision 1. **Definitions.** For purposes of this section, a "license holder" includes a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis retailer, cannabis wholesaler, cannabis transporter, cannabis testing facility, cannabis event organizer, cannabis delivery service, lower-potency hemp edible manufacturer, lower-potency hemp edible retailer, or medical cannabis combination business.

Subd. 2. **Disqualification.** (a) A license holder must not employ an individual as a cannabis worker if the individual has been convicted of any of the following crimes that would constitute a felony:

(1) human trafficking;

(2) noncannabis controlled substance crimes in the first or second degree;

(3) labor trafficking;

(4) fraud;

(5) embezzlement;

(6) extortion;

(7) money laundering; or

(8) insider trading;

if committed in this state or any other jurisdiction for which a full pardon or similar relief has not been granted.

(b) A license holder must not employ an individual as a cannabis worker if the individual made any false statement in an application for employment.

Sec. 49. Minnesota Statutes 2023 Supplement, section 342.17, is amended to read:

**342.17 SOCIAL EQUITY APPLICANTS.**

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a military veteran, including status as a service-disabled veteran, current or former member of the national guard, or any military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

(5) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), and reported in the preliminary report, final report, or both;

(6) is an emerging farmer as defined in section ~~17.055, subdivision 1~~ 17.133, subdivision 1; or

(7) has been a resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, ~~every cooperative member or director, manager, and general partner~~ apply to at least 65 percent of the controlling ownership of the business entity.

Sec. 50. **[342.175] SOCIAL EQUITY LICENSE CLASSIFICATION.**

(a) The office must classify licenses listed in section 342.10, clauses (1) to (10) and (13) as:

(1) available to social equity applicants who meet the requirements of section 342.17; and

(2) available to all applicants.

(b) The office must classify any license issued to a social equity applicant as a social equity license.

Sec. 51. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 2, is amended to read:

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses ~~or~~ mezzobusiness licenses, or medical cannabis combination business licenses, or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

Sec. 52. Minnesota Statutes 2023 Supplement, section 342.18, subdivision 3, is amended to read:

Subd. 3. **Application score; license priority review.** (a) The office shall ~~award points to~~ review each completed application for a license to operate a cannabis business in the following categories:

~~(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);~~

~~(2) status as a veteran or retired national guard applicant who does not meet the definition of social equity applicant;~~

~~(3)~~ (1) security and record keeping;

~~(4)~~ (2) employee training plan;

~~(5)~~ (3) business plan and financial situation;

~~(6)~~ (4) labor and employment practices;

~~(7)~~ (5) knowledge and experience; and

~~(8)~~ (6) environmental plan.

~~(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market, including but not limited to participation in the medical cannabis program.~~

~~(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant, including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.~~

~~(d)~~ (b) The office shall by rule establish policies and guidelines, which the office must ~~be made~~ make available to the public, regarding the ~~number of points available~~ minimum qualifications in each category and the ~~basis for~~ awarding those points. ~~Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants~~ criteria that the office uses to determine whether an applicant meets the minimum qualifications in each category.

~~(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.~~

Sec. 53. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 4. **Maximum number of licenses.** (a) Through as many licensing periods as the office deems necessary, the office shall issue up to the maximum number of licenses in each license category listed in paragraphs (e) and (f) to applicants that meet the minimum qualifications in subdivision 3. After 24 months from the beginning of the license application process, the office may adjust the maximum number of licenses of any type listed in this subdivision based on market demand, consistent with the objectives in section 342.02, subdivision 1, and the annual report required under section 342.04, paragraph (f).

(b) If there are insufficient licenses available for all applicants that meet the minimum qualifications in subdivision 3, the office shall hold a lottery to randomly select license recipients from among the applicants.

(c) The office may issue as many licenses as the office deems necessary of a license type that is not listed in this subdivision. The office is not required to issue a license for a license type that is not listed in this subdivision.

(d) Cannabis mezzobusiness license holders must earn no fewer than two distinctly different endorsements for authorized actions under the license category within 18 months of license issuance or the office may revoke the license holder's license or take appropriate enforcement action.

(e) The office is not required to issue licenses to meet the maximum number of licenses that may be issued under paragraphs (f) and (g).

(f) For licenses that are available to social equity applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 100; and

(4) cannabis mezzobusiness licenses, 22.

(g) For licenses that are available to all applicants, the maximum number of licenses that the office may issue are:

(1) cannabis cultivator licenses, 25;

(2) cannabis manufacturer licenses, 12;

(3) cannabis retailer licenses, 100; and

(4) cannabis mezzobusiness licenses, 22.

Sec. 54. Minnesota Statutes 2023 Supplement, section 342.18, is amended by adding a subdivision to read:

Subd. 5. **Conversion to hemp business license.** (a) After the office adopts initial rules pursuant to section 342.02, subdivision 5, the office may permit a person selling edible cannabinoid products who has registered pursuant to section 151.72, subdivision 5b, to convert the registration to a comparable hemp business license if:

(1) the registration was active before the office adopted initial rules;

(2) the person submits documentation to the office sufficient to meet the minimum requirements in section 342.44;

(3) the person pays the applicable application and licensing fee as required by section 342.11; and

(4) the person is in good standing with the state.

(b) A person selling edible cannabinoid products who has registered pursuant to section 151.72, subdivision 5b, and remains in good standing with the state may continue operations under an active registration for the longer of:

(1) 30 days after the date that the office begins accepting applications for hemp business licenses; or

(2) if the person submits an application for a hemp business license, until the office makes a determination regarding the registrant's application.

Sec. 55. Minnesota Statutes 2023 Supplement, section 342.19, is amended by adding a subdivision to read:

Subd. 6. **Inspection of unlicensed businesses and facilities.** (a) The office may inspect any commercial premises that is not licensed under this chapter where cultivation, manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate, artificially derived cannabinoids, hemp-derived consumer products, or edible cannabinoid products is taking place.

(b) A representative of the office performing an inspection under this subdivision must present appropriate credentials to the owner, operator, or agent in charge and clearly state the purpose of the inspection.

(c) After providing the notice required under paragraph (b), a representative of the office may enter the commercial premises and perform any of the following to determine if any person is engaging in activities that are regulated by this chapter and not authorized without the possession of a license and to determine the appropriate penalty under section 342.09, subdivision 6:

(1) inspect and investigate the commercial premises;

(2) inspect and copy records; and

(3) question privately any employer, owner, operator, agent, or employee of the commercial operation.

(d) Entry of a commercial premises must take place during regular working hours or at other reasonable times.

(e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on the inspected commercial premises, the office may either immediately seize the item or affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, possessed or distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court. It is unlawful for a person to remove or dispose of a detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction may be treated as a sale for the purposes of imposing a penalty pursuant to section 342.09, subdivision 6.

(f) If the office has seized, detained, or embargoed any item pursuant to paragraph (e), the office must:

(1) petition the district court in the county in which the item was found for an order authorizing destruction of the product; and

(2) notify the county attorney in the county where the item was found of the office's actions.

(g) If the court finds that the seized, detained, or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was possessed or distributed in violation of this chapter or rules adopted under this chapter, the office may destroy the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product at the expense of the person who possessed or distributed the item in violation of this chapter and all court costs, fees, storage, and other proper expenses must be assessed against the person or the person's agent.

(h) The provisions of subdivision 2, paragraph (f) apply to any analysis or examination performed under this subdivision.

(i) The authorization under paragraph (e) does not apply to any cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product lawfully purchased for personal use.

Sec. 56. Minnesota Statutes 2023 Supplement, section 342.22, is amended to read:

### **342.22 RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.**

Subdivision 1. **Registration required.** Before receiving a retail operations endorsement and making retail sales to customers or patients, a cannabis microbusiness ~~with a retail operations endorsement~~, cannabis mezzobusiness ~~with a retail operations endorsement~~, cannabis retailer, ~~medical cannabis retailer~~, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of \$500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less. The local unit of government may also impose a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee under section 342.11, whichever is less. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

~~(c) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.~~

~~(d)~~ (c) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis ~~retailer~~ combination business operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or license preapproval issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with ~~the~~ any applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products that may be sold local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. ~~The checks~~ During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements, the and compliance with any applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products being sold local ordinance established pursuant to section 342.13.

(b) ~~The~~ A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

~~(c) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower potency hemp edibles, and hemp derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.~~

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of ~~this chapter~~ a local ordinance authorized under section 342.13 or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness ~~with a retail operations endorsement~~, cannabis mezzobusiness ~~with a retail operations endorsement~~, cannabis retailer, ~~medical cannabis retailer~~, medical cannabis combination business, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration with a local unit of government and a valid endorsement from the office. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.

Sec. 57. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 1, is amended to read:

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a ~~patient~~ person enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is ~~a patient; registered designated caregiver; or a parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid products~~ enrolled in the registry program and the cannabis business holds a medical cannabis retail endorsement.

Sec. 58. Minnesota Statutes 2023 Supplement, section 342.24, subdivision 2, is amended to read:

Subd. 2. **Use of cannabis flower and products within a licensed cannabis business.** (a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.



(c) A cannabis business may permit an employee to use medical cannabis flower and medical cannabinoid products if that individual is a patient enrolled in the registry program.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system.

Sec. 59. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 1a. **Cannabis research.** An institution of higher education, any department or program of an institution of higher education, and any entity working in partnership with an institution of higher education may apply for a cannabis microbusiness license to conduct cannabis crop research. A cannabis researcher with a cannabis microbusiness license may perform activities identified in subdivision 1, clauses (1) to (9) and (13). Cannabis plants and cannabis flower grown for research purposes must not be offered for sale or otherwise enter the stream of commerce. As used in this subdivision, "institution of higher education" has the meaning given in sections 135A.51, subdivision 5, and 136A.28, subdivision 6.

Sec. 60. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 2, is amended to read:

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. The office may adjust plant canopy limits for licensed businesses upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust plant canopy limits for licenses that will be issued in that period upward or downward to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than 5,000 square feet of plant canopy.

(b) A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature, flowering plants ~~unless the office increases that limit.~~ The office may increase the limit ~~to no more than one acre if the office determines that expansion is~~ for licensed businesses upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1. In each licensing period, the office may adjust the limit for licenses that will be issued in that period upward or downward to meet market demand consistent with the goals identified in section 342.02, subdivision 1, except that the office must not impose a limit of less than one-half acre of mature, flowering plants.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis microbusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

Sec. 61. Minnesota Statutes 2023 Supplement, section 342.28, is amended by adding a subdivision to read:

Subd. 11. **Transportation between facilities.** A cannabis microbusiness may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis microbusiness if the cannabis microbusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

Sec. 62. Minnesota Statutes 2023 Supplement, section 342.29, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license ~~and a medical cannabis retailer license.~~

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 63. Minnesota Statutes 2023 Supplement, section 342.29, is amended by adding a subdivision to read:

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness if the cannabis mezzobusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

Sec. 64. Minnesota Statutes 2023 Supplement, section 342.30, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis cultivator license may also hold a cannabis manufacturing license, ~~medical cannabis cultivator license~~, medical cannabis producer license, license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 65. Minnesota Statutes 2023 Supplement, section 342.31, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, ~~a medical cannabis cultivator license, a medical cannabis processor license,~~ and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 66. Minnesota Statutes 2023 Supplement, section 342.32, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license, ~~a medical cannabis retailer license,~~ and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

(e) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 67. Minnesota Statutes 2023 Supplement, section 342.35, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis retailers, medical cannabis processors,~~ and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible retailers, ~~medical cannabis processors, medical cannabis retailers,~~ and medical cannabis combination businesses and perform other actions approved by the office.

Sec. 68. Minnesota Statutes 2023 Supplement, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis cultivators, medical cannabis processors,~~ medical cannabis combination businesses, and industrial hemp growers.

Sec. 69. Minnesota Statutes 2023 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis combination businesses operating a retail location, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Sec. 70. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 3, is amended to read:

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a cannabis transporter license, and a cannabis event organizer license, ~~and a medical cannabis retailer license~~ subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 71. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 8, is amended to read:

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of ~~their~~ the edibles' packaging ~~provided that~~ if the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site ~~provided that~~ if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment ~~provided that~~ if the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell, give, furnish, or in any way procure for another lower-potency hemp edibles ~~to a customer who the lower-potency hemp edible retailer knows or reasonably should know is intoxicated or has consumed alcohol within the previous five hours~~ for the use of an obviously intoxicated person;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

Sec. 72. **[342.465] LOWER-POTENCY HEMP EDIBLES; PROHIBITED CONDUCT.**

No person may sell, give, furnish, or in any way procure for another lower-potency hemp edibles for the use of an obviously intoxicated person.

Sec. 73. Minnesota Statutes 2023 Supplement, section 342.51, is amended to read:

**342.51 MEDICAL CANNABIS RETAILERS ENDORSEMENTS.**

Subdivision 1. **Endorsement; authorized actions.** (a) The office may issue a medical cannabis endorsement to a cannabis business authorizing the business to:

(1) cultivate medical cannabis;

(2) process medical cannabinoid products; or

(3) sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) The office must issue a medical cannabis cultivation endorsement to a cannabis license holder if the license holder:

(1) is authorized to cultivate cannabis;

(2) submits a medical cannabis endorsement application to the office; and

(3) otherwise meets all applicable requirements established by the office.

(c) A medical cannabis cultivation endorsement entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to cannabis businesses with a medical cannabis endorsement, and perform other actions approved by the office.

(d) The office must issue a medical cannabis processor endorsement to a cannabis license holder if the license holder:

(1) is authorized to manufacture cannabis products;

(2) submits a medical cannabis endorsement application to the office; and

(3) otherwise meets all applicable requirements established by the office.

(e) A medical cannabis processor endorsement entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from cannabis businesses with a medical cannabis cultivator endorsement or a medical cannabis processor endorsement;

(2) purchase hemp plant parts from industrial hemp growers;

(3) make cannabis concentrate from medical cannabis flower;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture medical cannabinoid products;

(6) package and label medical cannabinoid products for sale to cannabis businesses with a medical cannabis processor endorsement or a medical cannabis retailer endorsement; and

(7) perform other actions approved by the office.

(f) The office must issue a medical cannabis retailer endorsement to a cannabis license holder if the license holder:

(1) submits a medical cannabis retail endorsement application to the office;

(2) has at least one employee who earned a medical cannabis consultant certificate issued by the office and has completed the required training or has at least one employee who is a licensed pharmacist under chapter 151; and

(3) otherwise meets all applicable requirements established by the office.

(g) A medical cannabis ~~retailer license~~ retail endorsement entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from ~~medical cannabis cultivators and medical cannabis processors~~ cannabis businesses with medical cannabis cultivator endorsements and medical cannabis processor endorsements, and sell or distribute medical cannabis flower ~~and~~, medical cannabinoid products, and associated paraphernalia to any person authorized to receive medical cannabis flower or medical cannabinoid products.

~~(h)~~ (h) A medical cannabis ~~retailer license holder~~ business with a medical cannabis retail endorsement must verify that all medical cannabis flower and medical cannabinoid products have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower and medical cannabinoid products before the ~~medical cannabis retailer~~ cannabis business with a medical cannabis retail endorsement may distribute the medical cannabis flower or medical cannabinoid product to any person ~~authorized to receive medical cannabis flower or medical cannabinoid products~~ enrolled in the registry program.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, ~~a medical cannabis retailer licensee~~ to a person enrolled in the registry program, an employee with a valid medical cannabis consultant certificate issued by the office or a licensed pharmacist under chapter 151 must:

(1) review and confirm the patient's enrollment in the registry ~~verification~~ program;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures ~~specified in section 152.11, subdivision 2d~~ established by the office;

~~(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and~~

(3) provide consultation to the patient to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3;

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required ~~by rules adopted by the office;~~ and

(5) provide the patient with any other information required by the office.

(b) A cannabis business with a medical cannabis retailer retail endorsement may not deliver medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program unless the cannabis business with a medical cannabis retailer retail endorsement also holds a cannabis delivery service license. The delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.

**Subd. 3. Final approval for distribution of medical cannabis flower and medical cannabinoid products.**

(a) A cannabis worker who is employed by a cannabis business with a medical cannabis retailer and retail endorsement who is licensed as a pharmacist pursuant to chapter 151 ~~shall be or certified as a medical cannabis consultant by the office~~ is the only person who may give final approval for the distribution of medical cannabis flower and medical cannabinoid products. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist or certified medical cannabis consultant employed by the cannabis business with a medical cannabis retailer retail endorsement must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia, and the proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product- intended for distribution:

(1) if the patient is purchasing the medical cannabis flower or medical cannabinoid product for the first time;

(2) if the patient purchases medical cannabis flower or a medical cannabinoid product that the patient must administer using a different method than the patient's previous method of administration;

(3) if the patient purchases medical cannabis flower or a medical cannabinoid product with a cannabinoid concentration of at least double the patient's prior dosage; or

(4) upon the request of the patient.

(b) For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist or consultant engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

~~(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing medical cannabis flower or medical cannabinoid products to a patient according to a patient specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.~~



~~Subd. 4. **90-day supply.** A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.~~

Subd. 5. **Distribution to recipient in a motor vehicle.** A cannabis business with a medical cannabis retailer retail endorsement may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient person enrolled in the registry program who is at a dispensary location but remains in a motor vehicle, ~~provided that if:~~

(1) staff receive payment and distribute medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility;

(2) the cannabis business with a medical cannabis retailer retail endorsement ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the cannabis business with a medical cannabis retailer retail endorsement does not store medical cannabis flower or medical cannabinoid products outside a restricted access area and staff transport medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution only after confirming that the ~~patient, designated caregiver, or parent, guardian, or spouse~~ person enrolled in the registry program has arrived in the designated zone;

(4) the payment ~~for~~ and distribution of medical cannabis flower and medical cannabinoid products take place only after a ~~pharmacist consultation takes place, if required under subdivision 3~~ meeting the requirements in subdivision 2;

(5) immediately following the distribution of medical cannabis flower or medical cannabinoid products, staff ~~enter~~ record the transaction in the statewide monitoring system; and

(6) immediately following the distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

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

Sec. 74. Minnesota Statutes 2023 Supplement, section 342.515, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business.

(b) A person or business may hold only one medical cannabis combination business license.

(c) A medical cannabis combination business license entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

- (4) manufacture artificially derived cannabinoids;
- (5) manufacture medical cannabinoid products;
- (6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;
- (7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, ~~a medical cannabis cultivator~~, or another medical cannabis combination business;
- (8) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;
- (9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, ~~a medical cannabis processor~~, or another medical cannabis combination business;
- (10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;
- (11) package and label medical cannabis flower and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processors processor endorsement, cannabis businesses with a medical cannabis retailers retail endorsement, other medical cannabis combination businesses, and patients enrolled persons in the registry program, ~~registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient~~;
- (12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;
- (13) sell medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;
- (14) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and
- (15) perform other actions approved by the office.

Sec. 75. Minnesota Statutes 2023 Supplement, section 342.515, is amended by adding a subdivision to read:

**Subd. 7. Transportation between facilities.** A medical cannabis combination business may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the medical cannabis combination business if the medical cannabis combination business:

- (1) provides the office with the information described in section 342.35, subdivision 2; and
- (2) complies with the requirements of section 342.36.

Sec. 76. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 1, is amended to read:

Subdivision 1. **Administration.** The ~~Division of Medical Cannabis~~ office must administer the medical cannabis patient registry program.

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

Sec. 77. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 2, is amended to read:

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the ~~Division of Medical Cannabis office~~ an application established by the ~~Division of Medical Cannabis office~~ and a copy of the certification specified in paragraph (b) or, if the patient is a veteran who receives care from the United States Department of Veterans Affairs, the information required pursuant to subdivision 3. The patient must provide at least the following information in the application:

(1) the patient's name, mailing address, and date of birth;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;

(4) a disclosure signed by the patient that includes:

(i) a statement that, notwithstanding any law to the contrary, the office of Cannabis Management, the ~~Division of Medical Cannabis~~, or an employee of the office of Cannabis Management or ~~Division of Medical Cannabis~~ may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and

(ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and

(5) all other information required by the ~~Division of Medical Cannabis office~~.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the ~~Division of Medical Cannabis office~~ declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the ~~Division of Medical Cannabis office~~ must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required for an application made pursuant to subdivision 3. If the ~~Division of Medical Cannabis office~~ revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

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

Sec. 78. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 3, is amended to read:

Subd. 3. **Application procedure for veterans.** (a) The ~~Division of Medical Cannabis office~~ shall establish an alternative certification procedure for veterans who receive care from the United States Department of Veterans Affairs to ~~confirm that the veteran has been diagnosed with a qualifying medical condition~~ enroll in the patient registry program.

(b) A patient who is ~~also~~ a veteran receiving care from the United States Department of Veterans Affairs and is seeking to enroll in the registry program must submit to the ~~Division of Medical Cannabis~~ office a copy of the patient's veteran health identification card issued by the United States Department of Veterans Affairs and an application established by the Division of Medical Cannabis that includes the information identified in subdivision 2, paragraph (a), and the additional information required by the Division of Medical Cannabis to certify that the patient has been diagnosed with a qualifying medical condition ~~office to confirm that the veteran has been diagnosed with a condition that may benefit from the therapeutic use of medical cannabis.~~

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

Sec. 79. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 4, is amended to read:

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the ~~Division of Medical Cannabis~~ office must approve or deny a patient's enrollment in the registry program. If the ~~Division of Medical Cannabis~~ office approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) The office may deny a patient's enrollment in the registry program ~~must only be denied~~ only if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the ~~Division of Medical Cannabis~~ office;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the ~~Division of Medical Cannabis~~ office denies a patient's enrollment in the registry program, the ~~Division of Medical Cannabis~~ office must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) The office may revoke a patient's enrollment in the registry program ~~may be revoked~~ only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts medical cannabis flower or medical cannabinoid products in violation of this chapter.

(e) If the office has revoked a patient's enrollment in the registry program ~~has been revoked~~ due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

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

Sec. 80. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 5, is amended to read:

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the ~~Division of Medical Cannabis office~~ must assign the patient a patient registry number and must issue the patient and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The ~~Division of Medical Cannabis office~~ must also make the registry verification available to ~~medical cannabis retailers~~ businesses with a medical cannabis retail endorsement. The registry verification must include:

- (1) the patient's name and date of birth;
- (2) the patient registry number assigned to the patient; and
- (3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

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

Sec. 81. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 9, is amended to read:

Subd. 9. **Registered designated caregiver.** (a) The ~~Division of Medical Cannabis office~~ must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products ~~or in~~ obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a cannabis business with a medical cannabis ~~retailer~~ retail endorsement; or cultivating cannabis plants as permitted by section 342.09, subdivision 2.

- (b) In order to serve as a designated caregiver, a person must:
- (1) be at least 18 years of age;
  - (2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and
  - (3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

~~(c) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.~~

~~(d)~~ (c) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis flower or medical cannabinoid products as a patient.

(d) Notwithstanding any law to the contrary, a registered designated caregiver approved to assist a patient enrolled in the registry program with obtaining medical cannabis flower may cultivate cannabis plants on behalf of one patient. A registered designated caregiver may grow up to eight cannabis plants for the patient household that the registered designated caregiver is approved to assist with obtaining medical cannabis flower. If a patient enrolled in the registry program directs the patient's registered designated caregiver to cultivate cannabis plants on behalf of the patient, the patient must assign the patient's right to cultivate cannabis plants to the registered designated caregiver and the patient is prohibited from cultivating cannabis plants for personal use. Nothing in this paragraph limits the right of a registered designated caregiver cultivating cannabis plants on behalf of a patient enrolled in the registry program to also cultivate cannabis plants for personal use pursuant to section 342.09, subdivision 2.

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

Sec. 82. Minnesota Statutes 2023 Supplement, section 342.52, subdivision 11, is amended to read:

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the ~~Division of Medical Cannabis~~ office of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

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

Sec. 83. Minnesota Statutes 2023 Supplement, section 342.53, is amended to read:

**342.53 DUTIES OF OFFICE OF CANNABIS MANAGEMENT; APPROVAL OF CANNABINOID PRODUCTS FOR REGISTRY PROGRAM.**

The office may add an allowable form of medical cannabinoid product, ~~and may add or modify a qualifying medical condition upon its own initiative,~~ upon a petition from a member of the public or from the Cannabis Advisory Council or as directed by law. The office must evaluate all petitions and must make the addition ~~or modification~~ if the office determines that the addition ~~or modification~~ is warranted by the best available evidence and research. If the office wishes to add an allowable form ~~or add or modify a qualifying medical condition,~~ the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition ~~or modification,~~ the reasons for the addition ~~or modification,~~ any written comments received by the office from the public about the addition ~~or modification,~~ and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

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

Sec. 84. Minnesota Statutes 2023 Supplement, section 342.54, is amended to read:

**342.54 DUTIES OF ~~DIVISION OF MEDICAL CANNABIS~~ OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.**

Subdivision 1. **Duties related to health care practitioners.** The ~~Division of Medical Cannabis~~ office must:

- (1) provide notice of the registry program to health care practitioners in the state;
- (2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;

(3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of medical cannabis flower and medical cannabinoid products within program requirements;

(4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and

(5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. **Duties related to the registry program.** The ~~Division of Medical Cannabis~~ office must:

(1) administer the registry program according to section 342.52;

(2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with medical cannabis flower or medical cannabinoid products as an alternative to enrollment in the registry program;

(3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of medical cannabis flower and medical cannabinoid products that will likely be medically beneficial for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 of each year. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and

(5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the ~~Division of Medical Cannabis~~ office website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each cannabis business with a medical cannabis retailer endorsement.

Subd. 3. **Research.** (a) The ~~Division of Medical Cannabis~~ office must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.55, subdivision 2, and data submitted to the registry program under section 342.52, subdivisions 2 and 3. If the ~~division~~ office contracts with a third party for research and studies, the third party must provide the ~~division~~ office with access to all research and study results. The ~~division~~ office must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the ~~division~~ office or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The ~~Division of Medical Cannabis~~ office may submit medical research based on the data collected under sections 342.55, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over medical cannabis flower and medical cannabinoid products to demonstrate the effectiveness of medical cannabis flower or medical cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

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

Sec. 85. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the ~~Division of Medical Cannabis office~~, including information about the experimental nature of the therapeutic use of medical cannabis flower and medical cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessean warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the ~~Division of Medical Cannabis office~~.

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

Sec. 86. Minnesota Statutes 2023 Supplement, section 342.55, subdivision 2, is amended to read:

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the ~~Division of Medical Cannabis office~~ of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the ~~Division of Medical Cannabis office~~;

(2) report to the ~~Division of Medical Cannabis office~~ patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine on a yearly basis if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the office of ~~Cannabis Management and the Division of Medical Cannabis~~.

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

Sec. 87. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 1, is amended to read:

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections ~~342.47~~ 342.51 to 342.60 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;



(2) possessing or consuming medical cannabis flower or medical cannabinoid products:

(i) on a school bus or van;

(ii) in a correctional facility;

(iii) in a state-operated treatment program, including the Minnesota sex offender program; or

(iv) on the grounds of a child care facility or family or group family day care program;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or

(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of medical cannabis flower or a medical cannabinoid product.

(b) Except for the use of medical cannabis flower or medical cannabinoid products, the vaporizing or smoking of cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products is prohibited in a multifamily housing building, including balconies and patios appurtenant thereto. A violation of this paragraph is punishable through a civil administrative fine in an amount of \$250.

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

Sec. 88. Minnesota Statutes 2023 Supplement, section 342.56, subdivision 2, is amended to read:

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain a patient's supply of medical cannabis flower or medical cannabinoid products on behalf of the patient; that a patient store the patient's supply of medical cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that medical cannabis flower or medical cannabinoid products are used only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of medical cannabis flower or medical cannabinoid products to the extent that such use is authorized under sections ~~342.47~~ 342.51 to 342.59. No facility or provider listed in this subdivision may prohibit a patient access to or use of medical cannabis flower or medical cannabinoid products due solely to the fact that cannabis is a ~~Schedule I drug~~ controlled substance pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the

United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility or provider that it may resume permitting the use of medical cannabis flower or medical cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of medical cannabis flower or medical cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of medical cannabis flower or medical cannabinoid products to a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

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

Sec. 89. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 1, is amended to read:

Subdivision 1. **Presumption.** There is a presumption that a patient or other person enrolled in the registry program is engaged in the authorized use or possession of medical cannabis flower and medical cannabinoid products. This presumption may be rebutted by evidence that the ~~patient's use of medical cannabis flower or medical cannabinoid products~~ use or possession of medical cannabis flower or medical cannabinoid products by a patient or other person enrolled in the registry program was not for the purpose of assisting with, treating, or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

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

Sec. 90. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 2, is amended to read:

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.56, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program or by a visiting patient to whom medical cannabis flower or medical cannabinoid products are distributed under section 342.51, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections ~~342.47~~ 342.51 to 342.60.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections ~~342.47~~ 342.51 to 342.60 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must 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 ~~342.47~~ 342.51 to 342.60.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections ~~342.47~~ 342.51 to 342.60. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections ~~342.47~~ 342.51 to 342.60 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections ~~342.47~~ 342.51 to 342.60.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

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

Sec. 91. Minnesota Statutes 2023 Supplement, section 342.57, subdivision 4, is amended to read:

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis flower or medical cannabinoid products according to sections ~~342.47~~ 342.51 to 342.60 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

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

Sec. 92. Minnesota Statutes 2023 Supplement, section 342.60, is amended to read:

**342.60 APPLIED RESEARCH.**

The ~~Division of Medical Cannabis~~ office may conduct, or award grants to health care providers or research organizations to conduct, applied research on the safety and efficacy of using medical cannabis flower or medical cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in applied research funded under this section. The office may use data from applied research conducted or funded under this section as evidence to approve additional qualifying medical conditions or additional allowable forms of medical cannabis.

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

Sec. 93. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 1, is amended to read:

Subdivision 1. **Testing required.** (a) Cannabis businesses and hemp businesses shall not sell or offer for sale cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, or to a customer or patient, or otherwise transfer cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, unless:

(1) a representative sample of the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products has been tested according to this section and rules adopted under this chapter;

(2) the testing was completed by a cannabis testing facility licensed under this chapter or meeting the requirements of paragraph (b); and

(3) the tested sample of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products was found to meet testing standards established by the office.

(b) Testing of lower-potency hemp edibles and hemp-derived consumer products that do not contain intoxicating cannabinoids may be performed by any laboratory that has been accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization with specific accreditation for cannabis testing.

Sec. 94. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 4, is amended to read:

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

Sec. 95. Minnesota Statutes 2023 Supplement, section 342.61, subdivision 5, is amended to read:

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, ~~medical cannabis cultivator, medical cannabis processor,~~ or medical cannabis combination business shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

Sec. 96. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

**Subd. 4. Prohibition of sale of certain empty packaging.** No person shall sell, offer for sale, or facilitate the sale of empty packaging that, if used, would be a violation of any provision of this section. Enforcement of this subdivision is subject to section 8.31.

Sec. 97. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, ~~medical cannabis cultivator~~ combination business, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

- (2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;
- (3) the batch number;
- (4) the cannabinoid profile;
- (5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;
- (6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;
- (7) ~~the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period~~ information on the usage of the cannabis flower or hemp-derived consumer product;
- (8) the following statement: "Keep this product out of reach of children." ; and
- (9) any other statements or information required by the office.

Sec. 98. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

- (1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis ~~cultivator~~ combination business, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;
- (2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis ~~processor~~ combination business, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis ~~processor~~ combination business that manufactured the product;
- (3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;
- (4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;
- (5) the batch number;
- (6) the serving size;
- (7) the cannabinoid profile per serving and in total;
- (8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

- (i) is at least three-quarters of an inch tall and six-tenths of an inch wide;
- (ii) is in a highly visible color;
- (iii) includes a visual element that is commonly understood to mean a person should stop;
- (iv) indicates that the product is not for children; and
- (v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) ~~the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period~~ information on the usage of the product;

(13) the following statement: "Keep this product out of reach of children." ; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state ~~provided that~~ if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Sec. 99. Minnesota Statutes 2023 Supplement, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical cannabis retailer,~~ or medical cannabis combination business must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis ~~retailer~~ combination business may include the information described in paragraph (a) on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by:

(1) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical cannabis retailer~~, or medical cannabis combination business; or

(2) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Sec. 100. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 1, is amended to read:

Subdivision 1. **Limitations applicable to all advertisements.** Cannabis businesses, hemp businesses, and other persons shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(3) promotes the overconsumption of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product; or

(5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, candy, dessert, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; ~~and~~

(6) contains an image of alcohol or a person or persons consuming alcohol; and

~~(7) does not contain a warning as specified by the office regarding impairment and health risks.~~

Sec. 101. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 4, is amended to read:

Subd. 4. **Loan financing grants.** (a) The CanGrow revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the ~~commissioner~~ office to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.



(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes individuals experienced in agricultural business development;

(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; and

(6) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

(1) establish an office-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

Sec. 102. Minnesota Statutes 2023 Supplement, section 342.80, is amended to read:

**342.80 LAWFUL ACTIVITIES.**

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 103. Laws 2023, chapter 63, article 1, section 2, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2023, ~~except for subdivision 3, which is effective March 1, 2025.~~

Sec. 104. Laws 2023, chapter 63, article 1, section 51, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 105. Laws 2023, chapter 63, article 1, section 52, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March 1, 2025~~ the day following final enactment.

Sec. 106. Laws 2023, chapter 63, article 1, section 53, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 107. Laws 2023, chapter 63, article 1, section 54, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 108. Laws 2023, chapter 63, article 1, section 55, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 109. Laws 2023, chapter 63, article 1, section 56, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 110. Laws 2023, chapter 63, article 1, section 57, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 111. Laws 2023, chapter 63, article 1, section 58, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 112. Laws 2023, chapter 63, article 1, section 59, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 113. Laws 2023, chapter 63, article 1, section 61, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective ~~March~~ July 1, 2025.

Sec. 114. Laws 2023, chapter 63, article 6, section 73, the effective date, is amended to read:

**EFFECTIVE DATE.** Paragraph (a) is effective ~~March~~ July 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

Sec. 115. **EMPLOYEE TRANSFER.**

(a) The powers and duties of the Department of Health with respect to the sale of certain cannabinoid products under Minnesota Statutes, section 151.72, are transferred to the Office of Cannabis Management under Minnesota Statutes, section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 116. **TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.**

The Department of Health shall transfer all data, including not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving alleged violations of Minnesota Statutes 2023 Supplement, section 151.72, as well as registration data collected under Minnesota Statutes 2023 Supplement, section 151.72, subdivision 5b, to the Office of Cannabis Management. The Department of Health and the Office of Cannabis Management shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 117. **TRANSFER OF MEDICAL PROGRAM.**

(a) Notwithstanding the data's classification under Minnesota Statutes, chapter 13, the Office of Cannabis Management may access data maintained by the commissioner of health related to the responsibilities transferred under Minnesota Statutes, section 342.02, subdivision 3. Data sharing authorized by this subdivision includes not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving any alleged violation of Minnesota Statutes, sections 152.22 to 152.37, by a medical cannabis manufacturer. Data sharing under this paragraph further includes data in patient files maintained by the commissioner and the health care practitioner and data submitted to or by a medical cannabis manufacturer classified as private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, or nonpublic data, as defined in Minnesota Statutes, section 13.02, subdivision 9. Any data shared under this section retain the data's classification from the agency holding the data.

(b) All rules adopted by the commissioner of health pursuant to Minnesota Statutes, sections 152.22 to 152.37, including but not limited to Minnesota Rules, chapter 4770, remain effective and shall be enforced until amended or repealed consistent with Minnesota Statutes, section 15.039, subdivision 3.

Sec. 118. **REPEALER.**

(a) Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 28; 342.18, subdivision 1; 342.27, subdivision 13; and 342.29, subdivision 9, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 342.47; 342.48; 342.49; and 342.50, are repealed.

(c) Laws 2023, chapter 63, article 7, sections 4; and 6, are repealed.

**EFFECTIVE DATE.** Paragraphs (a) and (c) are effective the day following final enactment. Paragraph (b) is effective July 1, 2025.

Sec. 119. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming changes; amending Minnesota Statutes 2022, sections 17.133, subdivision 1; 152.22, subdivision 14; 152.27, subdivisions 2, 6, by adding a subdivision; 181.950, subdivision 10; 181.952, as amended; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 151.72, subdivisions 1, 2, 3, 4, 5a, 5b, 6, 7; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 6; 342.03, subdivision 1; 342.06; 342.07, subdivision 3; 342.09, subdivision 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, by adding a subdivision; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding subdivisions; 342.29, subdivision 4, by adding a subdivision; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivision 3; 342.46, subdivision 8; 342.51; 342.515, subdivision 1, by adding a subdivision; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 4; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, by adding a subdivision; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1,

sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, section 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 28; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; Laws 2023, chapter 63, article 7, sections 4; 6."

With the recommendation that when so amended the bill be re-referred to the Committee on State and Local Government Finance and Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4757 was re-referred to the Committee on Rules and Legislative Administration.

Noor from the Committee on Human Services Finance to which was referred:

H. F. No. 4883, A bill for an act relating to human services; appropriating money to fund mental health crisis services in Dakota County.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Moller from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 4959, A bill for an act relating to public safety; establishing the Task Force on Holistic and Effective Responses to Illicit Drug Use; requiring a report; appropriating money.

Reported the same back with the following amendments:

Page 2, after line 21, insert:

"Subd. 3. **Duties.** (a) The task force must:

(1) review and analyze the research and recommendations released in reports prepared by Rise Research pursuant to Laws 2023, chapter 52, article 2, section 3, subdivision 8, paragraph (v);

(2) collect, review, and analyze other relevant information and data;

(3) gather and consider input and feedback from the public, including but not limited to feedback from individuals with lived experience involving the use of illicit drugs and family members of persons with that lived experience; and

(4) make recommendations, including specific plans and timeline goals, to implement and fund policies addressing illicit drug use, with the goal of reducing and, where possible, preventing harm to users of illicit drugs and promoting the health and safety of individuals and communities.

(b) The task force may examine other issues relevant to the duties specified in this subdivision."

Renumber the subdivisions in sequence

Page 2, line 22, delete "state public defender or the state public defender's" and insert "director of the Office of Addiction and Recovery"

Page 2, line 23, delete "designee"

Page 3, line 7, delete "commissioner of public safety" and insert "Office of Addiction and Recovery"

Page 3, line 20, delete "public safety" and insert "management and budget for the Office of Addiction and Recovery"

With the recommendation that when so amended the bill be re-referred to the Committee on State and Local Government Finance and Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 4959 was re-referred to the Committee on Rules and Legislative Administration.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4978, A bill for an act relating to natural resources; appropriating money for a pedestrian bridge in Lions Levee Park.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Nelson, M., from the Committee on Labor and Industry Finance and Policy to which was referred:

H. F. No. 4994, A bill for an act relating to labor and industry; requiring a prevailing wage for certain financial assistance; amending Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, is amended to read:

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

(b) "Economic development" means financial assistance provided to a person directly or to a local unit of government or nonprofit organization on behalf of a person who is engaged in the manufacture or sale of goods and services. Economic development does not include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance for new housing construction in which total financial assistance at a single project site is less than \$100,000; or (3) financial assistance for the new construction of fully detached single-family affordable

homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units. For purposes of this paragraph, "affordable homeownership" means housing targeted at households with incomes, at initial occupancy, at or below 115 percent of the state or area median income, whichever is greater, as determined by the United States Department of Housing and Urban Development.

(c) "Financial assistance" means (1) a grant awarded by a state agency for economic development related purposes if a single business receives \$200,000 or more of the grant proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for economic development related purposes if a single business receives \$500,000 or more of the loan proceeds; ~~or~~ (3) a reduction, credit, or abatement of a tax assessed under chapter 297A where the tax reduction, credit, or abatement applies to a geographic area smaller than the entire state and was granted for economic development related purposes; (4) tax increment financing pursuant to section 469.174, provided that such tax increment financing (i) provides financial assistance to a development that consists, in part or in whole, of 25 units or more of multifamily housing, or (ii) provides \$100,000 or more of financial assistance to a development; or (5) allocations of low-income housing credits by all suballocators as defined under section 462A.222, for which tax credits are used for multifamily housing projects consisting of more than ten units. Financial assistance does not include payments by the state of aids and credits under chapter 273 or 477A to a political subdivision.

(d) "Project site" means the location where improvements are made that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 116L.19, subdivision 4, or customized training from a technical college.

(e) "State agency" means any agency defined under section 16B.01, subdivision 2, Enterprise Minnesota, Inc., and the Iron Range Resources and Rehabilitation Board.

**EFFECTIVE DATE.** This section is effective for financial assistance provided after August 1, 2024.

Sec. 2. Minnesota Statutes 2023 Supplement, section 177.42, subdivision 2, is amended to read:

Subd. 2. **Project.** "Project" means demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a public building, structure, facility, land, or other public work, which includes any work suitable for and intended for use by the public, or for the public benefit, financed in whole or part by state funds. Project also includes demolition, erection, construction, alteration, improvement, restoration, remodeling, or repairing of a building, structure, facility, land, or public work when:

(1) the acquisition of property, predesign, design, or demolition is financed in whole or part by state funds; or

(2) the project is owned by a city, county, or school district and the materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the project qualify for an exemption from sales and use tax under chapter 297A or special law."

Delete the title and insert:

"A bill for an act relating to economic development; modifying the definition of financial assistance to include certain tax increment financing or allocations of low-income housing credits; expanding the definition of project; amending Minnesota Statutes 2023 Supplement, sections 116J.871, subdivision 1; 177.42, subdivision 2."

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

The report was adopted.

Gomez from the Committee on Taxes to which was referred:

H. F. No. 5002, A bill for an act relating to taxation; making various policy and technical changes to individual income and corporate franchise taxes, sales and use taxes, property taxes and local government aids, and other miscellaneous taxes and tax-related provisions; amending Minnesota Statutes 2022, sections 270C.445, subdivision 6; 289A.12, subdivision 18; 297A.66, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 290.01, subdivision 19; 290.0134, subdivision 20; 290.0693, subdivisions 1, 6, 8; 477A.35, subdivision 6; Laws 2023, chapter 1, sections 22; 28.

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

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 5013, A bill for an act relating to elections; modifying certain Safe At Home provisions; amending Minnesota Statutes 2022, sections 5B.02; 5B.03, subdivision 3; 5B.04; 5B.05; 13.045, subdivision 3.

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

The report was adopted.

Pinto from the Committee on Children and Families Finance and Policy to which was referred:

H. F. No. 5017, A bill for an act relating to child protection; making technical changes; amending Minnesota Statutes 2023 Supplement, section 260.014, subdivision 2.

Reported the same back with the recommendation that 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:

S. F. No. 2904, A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; modifying certain collective bargaining provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 85.015, subdivision 10; 85.052, subdivision 6; 89A.11; 90.181, subdivision 2; 97A.015, subdivisions 29, 51; 97A.031; 97A.126; 97A.137, subdivisions 3, 5; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97B.031, subdivision 1; 97B.036; 97B.037; 97B.071; 97B.301, subdivisions 2, 6; 97B.318, subdivision 1; 97B.668; 97C.041; 97C.211, subdivision 2a; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.515, subdivision 2; 97C.601, subdivision 1; 97C.836; 103G.005, by adding



subdivisions; 103G.271, subdivision 4a; 103G.287, subdivision 2; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 6, 7; 115.061; 179A.10, by adding a subdivision; Laws 2022, chapter 80, section 3; proposing coding for new law in Minnesota Statutes, chapters 11A; 103G; repealing Minnesota Statutes 2022, sections 97C.055; 97C.515, subdivisions 4, 5; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
ELECTRONIC LICENSE SYSTEM

Section 1. Minnesota Statutes 2022, section 14.386, is amended to read:

**14.386 PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.**

(a) A rule adopted, amended, or repealed by an agency, under a statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

(1) the revisor of statutes approves the form of the rule by certificate;

(2) the person authorized to adopt the rule on behalf of the agency signs an order adopting the rule;

(3) the Office of Administrative Hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files four paper copies or an electronic copy of the adopted rule with the revisor's certificate in the Office of the Secretary of State; and

(4) a copy is published by the agency in the State Register.

The secretary of state shall forward one copy of the rule to the governor.

A statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule does not excuse compliance with this section unless it makes specific reference to this section.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to:

(1) any group or rule listed in section 14.03, subdivisions 1 and 3, except as otherwise provided by law;

(2) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459;

(3) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005;

(4) game refuges designated by the commissioner of natural resources under section 97A.085; or

(5) transaction fees established by the commissioner of natural resources for electronic or telephone sales of licenses, stamps, permits, registrations, or transfers under section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2).

(e) If a statute provides that a rule is exempt from chapter 14, and section 14.386 does not apply to the rule, the rule has the force of law unless the context of the statute delegating the rulemaking authority makes clear that the rule does not have force of law.

Sec. 2. Minnesota Statutes 2022, section 84.027, subdivision 15, is amended to read:

Subd. 15. **Electronic transactions.** (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, pass, sticker, gift card, safety training certification, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

~~(2) assign an identification number to an applicant who purchases a hunting or fishing license or recreational vehicle registration by electronic means, to serve as temporary authorization to engage in the activity requiring a license or registration until the license or registration is received or expires;~~

~~(3)~~ (2) charge and permit agents to charge a fee of individuals who make electronic transactions and transactions by telephone or Internet, including issuing fees and an additional transaction fee not to exceed \$3.50;

~~(4)~~ (3) charge and permit agents to charge a convenience fee not to exceed three percent of the cost of the license to individuals who use electronic bank cards for payment. An electronic licensing system agent charging a fee of individuals making an electronic bank card transaction in person must post a sign informing individuals of the fee. The sign must be near the point of payment, clearly visible, include the amount of the fee, and state: "License agents are allowed by state law to charge a fee not to exceed three percent of the cost of state licenses to persons who use electronic bank cards for payment. The fee is not required by state law.";

~~(5)~~ (4) establish, by written order, an electronic licensing system commission to be paid by revenues generated from all sales made through the electronic licensing system. The commissioner shall establish the commission in a manner that neither significantly overrecovers nor underrecovers costs involved in providing the electronic licensing system; and

~~(6)~~ (5) adopt rules to administer the provisions of this subdivision.

(b) The fees established under paragraph (a), clauses (2) and (3) ~~and (4)~~, and the commission established under paragraph (a), clause ~~(5)~~ (4), are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply.

(c) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

(d) Game and fish licenses under chapters 97A, 97B, and 97C shall be available by electronic transaction, regardless of whether all or any part of the biennial appropriation law for the department has been enacted. If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money to the commissioner of management and budget for central accounting, procurement, payroll, and human resources functions, amounts

necessary to operate those functions for the purpose of this paragraph are appropriated from the general fund to the commissioner of management and budget. As necessary, the commissioner may transfer a portion of this appropriation to other state agencies to support carrying out these functions. Any subsequent appropriation to the commissioner of management and budget for a biennium in which this section is applicable supersedes and replaces the funding authorized in this paragraph.

Sec. 3. Minnesota Statutes 2022, section 84.0874, is amended to read:

**84.0874 ELECTRONIC LICENSING SYSTEM DATA.**

(a) The following data created, collected, stored, or maintained by the department for purposes of obtaining a noncommercial game and fish license, cross-country-ski pass, horse pass, or snowmobile trail ~~sticker~~ pass; registering a recreational motor vehicle; or any other electronic licensing transaction are private data on individuals as defined in section 13.02, subdivision 12: name, addresses, driver's license number, and date of birth. The data may be disclosed for law enforcement purposes. The data, other than the driver's license number, may be disclosed to a government entity and for natural resources management purposes, including recruitment, retention, and training certification and verification.

(b) Private data on individuals under paragraph (a) may be disclosed as follows:

(1) for use by any government agency, including a court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a federal, state, or local agency in carrying out its functions;

(2) for use in connection with matters of vehicle or operator safety and theft, emissions, product alterations, recalls or advisories, and performance monitoring;

(3) for use in the normal course of business by a legitimate business or its agents, employees, or contractors, in order to verify the accuracy of personal information submitted by an individual. If the information as submitted is not correct or is no longer correct, correct information may be obtained only for the purpose of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against the individual. If the person requesting access is acting as the agent of a lienholder, the requester must submit proof of a contract with the lienholder;

(4) for use in connection with any civil, criminal, administrative, or arbitration proceedings in any federal, state, or local court or agency or before any self-regulatory body, including service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, state, or local court, provided that the requester provides a copy of the court order;

(5) for use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities or antifraud activities. If the person requesting access is an agent of an insurance company, the requester must provide the insurance company's name;

(6) for use in providing notice to the owners of towed or impounded recreational vehicles or watercraft. The person requesting access must provide the name, address, and telephone number of the entity that requested that the recreational vehicle or watercraft be towed;

(7) for use by any licensed private investigative agency or licensed security service for any purpose permitted under this section, provided that the person provides a copy of a valid license; or

(8) where the use is related to the physical safety or security of operators, vehicles, pedestrians, or property.

The commissioner must not disclose data under this paragraph if the commissioner concludes that the requester is likely to use the data for an improper purpose or other purpose not authorized by this paragraph.

Sec. 4. Minnesota Statutes 2022, section 84.152, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) ~~An application for a wild rice dealer's license must be made under a written oath.~~  
The form of application for a wild rice dealer's license application must include:

(1) the amount of wild rice, whether raw or processed, bought or sold by the applicant during the preceding calendar year;

(2) the amount of wild rice the applicant estimates will be bought or sold under the license; and

(3) other pertinent information required by the commissioner.

(b) The license fee must be paid in advance, based on the applicant's estimate. A license may not be issued for a fee based on a lesser amount of wild rice than was bought or sold by the applicant during the preceding calendar year.

Sec. 5. Minnesota Statutes 2022, section 84.788, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 12 months of the original registration and:

(1) the off-highway motorcycle was registered incorrectly by the commissioner or the deputy registrar; or

(2) the off-highway motorcycle was registered twice, once by the dealer and once by the customer.

Sec. 6. Minnesota Statutes 2022, section 84.798, subdivision 10, is amended to read:

Subd. 10. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (b), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the off-road vehicle was registered incorrectly; or

(2) the off-road vehicle was registered twice, once by the dealer and once by the customer.

Sec. 7. Minnesota Statutes 2022, section 84.8035, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a person may not operate an off-road vehicle on a state or grant-in-aid off-road vehicle trail or use area unless the vehicle displays an off-road vehicle state trail pass ~~sticker~~ issued according to this section. The pass must be ~~viewable~~ available to be viewed by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of the fee. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-road vehicle organizations to construct and maintain off-road vehicle trails and use areas.

(c) An off-road vehicle state trail pass is not required for:

(1) an off-road vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.798, subdivision 2;

(2) a person operating an off-road vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a person operating an off-road vehicle that is registered according to section 84.798.

(d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The nonresident pass is valid from January 1 through December 31. The fee for a nonresident three-year pass is \$30.

(e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is valid for 30 consecutive days after the date of issuance.

Sec. 8. Minnesota Statutes 2022, section 84.82, subdivision 2a, is amended to read:

Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail use. A snowmobile registered under this subdivision may not be operated on a state or grant-in-aid snowmobile trail. The fee for a nontrail use registration of a snowmobile with an engine displacement that is greater than 125 cubic centimeters is \$45 for three years. A nontrail use registration is not transferable. In addition to other penalties prescribed by law, the penalty for violation of this subdivision is immediate revocation of the nontrail use registration. The commissioner shall ensure that the registration ~~sticker~~ provided for limited nontrail use is of a different color and is distinguishable from other snowmobile registration ~~and state trail stickers~~ provided.

Sec. 9. Minnesota Statutes 2022, section 84.82, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the snowmobile was registered incorrectly; or

(2) the snowmobile was registered twice, once by the dealer and once by the customer.

Sec. 10. Minnesota Statutes 2022, section 84.8205, is amended to read:

**84.8205 SNOWMOBILE STATE TRAIL STICKER PASS.**

Subdivision 1. **Sticker Pass required; fee.** (a) A snowmobile that is not registered in the state under section 84.82, subdivision 3, paragraph (a), or that is registered by a manufacturer or dealer under section 84.82, subdivision 3, paragraph (b) or (c), may not be operated on a state or grant-in-aid snowmobile trail unless a snowmobile state trail ~~sticker is affixed to the snowmobile~~ pass is available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a ~~sticker~~ pass upon application and payment of a fee. The fee is:

(1) \$50 for a one-year snowmobile state trail ~~sticker~~ pass purchased by an individual; and

(2) \$15 for a one-year snowmobile state trail ~~sticker~~ pass purchased by a dealer or manufacturer.

(c) In addition to other penalties prescribed by law, an individual in violation of this subdivision must purchase an annual state trail ~~sticker~~ pass for a fee of \$70. The ~~sticker~~ pass is valid from November 1 through June 30. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

(d) A state trail ~~sticker~~ pass is not required under this section for:

(1) a snowmobile that is owned and used by the United States, an Indian tribal government, another state, or a political subdivision thereof that is exempt from registration under section 84.82, subdivision 6;

(2) a collector snowmobile that is operated as provided in a special permit issued for the collector snowmobile under section 84.82, subdivision 7a;

(3) a person operating a snowmobile only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(4) a snowmobile while being used to groom a state or grant-in-aid trail.

**Subd. 2. Placement of sticker.** ~~The state trail sticker shall be permanently affixed to either:~~

~~(1) the forward half of the snowmobile directly above or below the headlight of the snowmobile;~~

~~(2) above the expiration year on the top portion of the snowmobile registration validation decal; or~~

~~(3) the lower right corner of a registration plate issued to a dealer or manufacturer under section 84.82, subdivision 3.~~

**Subd. 3. License agents.** The commissioner may appoint agents to issue and sell state trail ~~stickers~~ passes. The commissioner may revoke the appointment of an agent at any time. The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for accounting and handling of ~~stickers~~ passes pursuant to section 97A.485, subdivision 11. An agent shall promptly deposit and remit all money received from the sale of the ~~stickers~~ passes, exclusive of the issuing fee, to the commissioner.

**Subd. 4. Issuing ~~stickers~~ passes.** The commissioner and agents shall issue and sell snowmobile state trail ~~stickers~~ passes.

**Subd. 5. Agent's fee.** In addition to the fee for a ~~sticker~~ pass, an issuing fee of \$1 per ~~sticker~~ pass shall be charged. The issuing fee may be retained by the seller of the ~~sticker~~ pass. Issuing fees for ~~stickers~~ passes issued by the commissioner shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and retained for the operation of the electronic licensing system.

**Subd. 6. Duplicate state trail ~~stickers~~ passes.** The commissioner and agents shall issue a duplicate ~~sticker~~ pass to persons whose ~~sticker~~ pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules promulgated thereunder. The fee for a duplicate state trail ~~sticker~~ pass is \$2, with an issuing fee of 50 cents.

Sec. 11. Minnesota Statutes 2022, section 84.83, subdivision 2, is amended to read:

Subd. 2. **Money deposited in account.** Fees from the registration of snowmobiles and from the issuance of snowmobile state trail ~~sticker~~ passes and the unrefunded gasoline tax attributable to snowmobile use pursuant to section 296A.18 shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account.

Sec. 12. Minnesota Statutes 2023 Supplement, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails that are determined by the commissioner to be part of the state's grant-in-aid system, including maintenance of trails on lands and waters of Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack. The commissioner may establish a performance-based funding formula for annual grants-in-aid. The procedures and criteria for grants-in-aid are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. In administering the performance-based grants-in-aid, the commissioner must:

(i) determine annual grant amounts based on a funding formula that includes consideration of historical costs, snowfall, use, and tourism;

(ii) make grant payments based on:

(A) successful completion of performance benchmarks;

(B) reimbursement of eligible expenditures; or

(C) a combination of subitems (A) and (B); and

(iii) assess penalties to nonperforming grant-in-aid recipients, which may include withholding grant payments or making the grantee or trail system ineligible for future grant-in-aid funding;

(2) to acquire, develop, and maintain state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) to administer and enforce sections 84.81 to 84.9011 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue collected from snowmobile registration and snowmobile state trail ~~sticker~~ pass fees must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

Sec. 13. Minnesota Statutes 2022, section 84.922, subdivision 12, is amended to read:

Subd. 12. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the vehicle was registered incorrectly; or

(2) the vehicle was registered twice, once by the dealer and once by the customer.

Sec. 14. Minnesota Statutes 2022, section 85.41, subdivision 1, is amended to read:

Subdivision 1. **Pass in possession.** While skiing on cross-country-ski trails, a person age 16 or over shall carry in immediate possession a valid, ~~signed~~ cross-country-ski pass. A landowner who grants an easement for a grant-in-aid ski trail is not required to have a pass when skiing on the landowner's property.

Sec. 15. Minnesota Statutes 2022, section 85.41, subdivision 4, is amended to read:

Subd. 4. **Issuance.** The commissioner and agents shall issue and sell cross-country-ski passes. The pass shall be with the skier and available for inspection by any peace or conservation officer. The pass shall include the applicant's ~~signature and other~~ information deemed necessary by the commissioner.

Sec. 16. Minnesota Statutes 2022, section 85.45, subdivision 1, is amended to read:

Subdivision 1. **Skiing without pass.** No person may ski on a cross-country-ski trail without a valid, ~~signed~~ cross-country-ski pass. Any person who violates this subdivision is guilty of a petty misdemeanor.

Sec. 17. Minnesota Statutes 2022, section 85.46, subdivision 3, is amended to read:

Subd. 3. **Issuance.** The commissioner of natural resources and agents shall issue and sell horse passes. The pass shall include the applicant's ~~signature and other~~ information deemed necessary by the commissioner. To be valid, a daily or annual pass must be ~~signed by~~ issued to the person riding, leading, or driving the horse, and a commercial annual pass must be ~~signed by~~ issued to the owner of the commercial riding facility.

Sec. 18. Minnesota Statutes 2022, section 86B.415, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a license or title, not including any issuing fees paid under subdivision 8 or section 84.027, subdivision 15, paragraph (a), clause ~~(2)~~ (2), or 86B.870, subdivision 1, paragraph (b), if the refund request is received within 60 days of the original license or title, the license or title is not used or transferred, and:

- (1) the watercraft was licensed or titled incorrectly;
- (2) the customer was incorrectly charged a title fee; or
- (3) the watercraft was licensed or titled twice, once by the dealer and once by the customer.

Sec. 19. Minnesota Statutes 2022, section 97A.015, subdivision 3a, is amended to read:

Subd. 3a. **Bonus permit.** "Bonus permit" means a license to take ~~and tag~~ deer by archery or firearms, in addition to deer authorized to be taken under regular firearms or archery licenses, or a license issued under section 97A.441, subdivision 7.

Sec. 20. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 53a. **Validation.** "Validation" means the documentation process for taking a specific species under a license for that species, which can be completed electronically or on the corresponding paper license, permit, or endorsement to include information specified by the commissioner.



Sec. 21. Minnesota Statutes 2022, section 97A.215, is amended by adding a subdivision to read:

Subd. 4. **Electronic devices.** During an inspection under subdivision 3, if a person uses an electronic device to display a document 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) it does not constitute consent for the officer to access other contents on the device.

Sec. 22. Minnesota Statutes 2022, section 97A.255, subdivision 5, is amended to read:

Subd. 5. **Joint and several liability.** When two or more people intentionally aid, advise, counsel, conspire with, or act in concert with each other to unlawfully take, transport, or possess wild animals when the restitution value of the wild animals exceeds \$500, each person is jointly and severally liable for the wild animals for purposes of:

(1) license seizure, invalidation, and revocation under sections 97A.420 and 97A.421;

(2) equipment and property seizure under section 97A.221;

(3) boat, motor, and trailer seizure under section 97A.225; and

(4) restitution under section 97A.341.

Sec. 23. Minnesota Statutes 2023 Supplement, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession:

(1) the proper paper license, ~~if the license has been issued to and received by the person;~~

(2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19;

(3) the proper paper license identification number or stamp validation, if the license has been sold to the person by electronic means ~~but the actual license has not been issued and received;~~ or

(4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer: (1) the proper paper license ~~if the license has been issued to and received by the person;~~ (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; (3) the proper paper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, ~~if the license has been sold to the person by electronic means but the actual license has not been issued and received;~~ or (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license. A person charged with violating the license possession requirement shall not be convicted if the person produces in court or the office of the arresting officer, the actual license previously issued to that person, which was valid at the time of arrest, or satisfactory proof that at the time of the arrest the person was validly licensed. Upon request of a conservation officer or peace officer, a licensee shall write the licensee's name in the presence of the officer to determine the identity of the licensee.

(c) Except as provided in paragraph (a), clauses (2) and (4), if the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

~~(d) A paper license issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license.~~ A pictorial migratory waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee after purchase of a stamp validation only if the licensee pays an additional fee that covers the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be purchased for a fee that covers the costs of producing and mailing the pictorial stamp. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees for providing the pictorial stamps. The fees must be set in an amount that does not recover significantly more or less than the cost of producing and mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 24. Minnesota Statutes 2022, section 97A.405, subdivision 3, is amended to read:

Subd. 3. **Duplicate licenses.** The commissioner shall prescribe rules for issuing duplicate licenses to persons whose licenses are lost or destroyed. ~~A duplicate license may not be issued unless the applicant takes an oath covering the facts of loss or destruction of the license.~~

Sec. 25. Minnesota Statutes 2022, section 97A.405, subdivision 4, is amended to read:

Subd. 4. **Replacement deer licenses.** (a) The commissioner may permit licensed deer hunters to change zone, license, or season options. The commissioner may issue a replacement deer license if the applicant ~~submits the original deer license and unused tags that are being replaced and the applicant~~ pays any increase in cost between the original and the replacement deer license. A refund of the difference in fees may be issued when a person changes from a regular deer license to a youth deer license.

(b) A replacement deer license may be issued only if the applicant has not ~~used any tag from harvested a deer under~~ the original deer license or licenses and meets the conditions of paragraph (c). ~~The original deer license or licenses and all unused tags for the deer licenses being replaced must be submitted to the issuing agent at the time the replacement deer license is issued.~~

(c) A replacement deer license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

- (1) when the season for the deer license being surrendered has not yet opened; or
- (2) when the person is changing from a regular deer license to a youth deer license.

(d) Notwithstanding section 97A.411, subdivision 3, a replacement deer license is valid immediately upon issuance if the deer license being surrendered is valid at that time.

Sec. 26. Minnesota Statutes 2022, section 97A.405, subdivision 4a, is amended to read:

Subd. 4a. **Replacement turkey licenses.** (a) The commissioner may permit licensed turkey hunters to change permit areas, licenses, or time periods within the fall turkey season, or within the spring turkey season. The commissioner may issue a replacement turkey license if the applicant ~~submits the original turkey license and unused tags that are being replaced, and the applicant~~ pays the fee for a replacement license under section 97A.475, subdivision 44.

(b) A replacement turkey license may be issued only if the applicant has not ~~used the tag from~~ harvested a turkey under the original turkey license and meets the requirements of paragraph (c). ~~The original turkey licenses and all unused tags for the turkey licenses being replaced must be submitted to the issuing agent at the time the replacement turkey license is issued.~~

(c) A turkey replacement license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

(1) when the permit area or time period for the turkey license being surrendered has not yet opened; and

(2) licenses are available for the replacement turkey license permit area or time period for (i) areas that are not lottery areas, (ii) lottery areas that have remaining licenses, or (iii) the applicant is a youth hunter age 17 or younger.

Sec. 27. Minnesota Statutes 2022, section 97A.420, as amended by Laws 2023, chapter 60, article 4, section 50, is amended to read:

#### **97A.420 SEIZURE OR INVALIDATION OF LICENSES.**

Subdivision 1. **Seizure or invalidation.** (a) An enforcement officer shall immediately seize or invalidate the license of a person who unlawfully takes, transports, or possesses wild animals when the restitution value of the wild animals exceeds \$500. Except as provided in subdivisions 2, 4, and 5, the person may not use or obtain any license to take the same type of wild animals involved, including a duplicate license, until an action is taken under subdivision 6. If the license seized or invalidated under this paragraph was for a big game animal, the license seizure or invalidation applies to all licenses to take big game issued to the individual. If the license seized or invalidated under this paragraph was for small game animals, the license seizure or invalidation applies to all licenses to take small game issued to the individual.

(b) In addition to the license seizure or invalidation under paragraph (a), if the restitution value of the wild animals unlawfully taken, possessed, or transported is \$1,000 or more, all other game and fish licenses held by the person shall be immediately seized or invalidated. Except as provided in subdivision 2, 4, or 5, the person may not obtain any game or fish license or permit, including a duplicate license, until an action is taken under subdivision 6.

(c) A person may not take wild animals covered by a license seized or invalidated under this subdivision until an action is taken under subdivision 6.

(d) The commissioner must make a means of seizing or invalidating and releasing a paperless license under this section available to enforcement officers.

Subd. 2. **Administrative review.** (a) At any time after the seizure or invalidation of a license under subdivision 1 and before revocation under section 97A.421, a person may request in writing a review of the seizure or invalidation under this section. Upon receiving the request for review, the commissioner shall review the seizure or invalidation, the evidence upon which it was based, and other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the seizure or invalidation.

(b) Within 15 days after receiving the request for administrative review, the commissioner shall issue a written report of the review and shall order that the seizure or invalidation be either sustained or rescinded.

(c) The review provided in this subdivision is not subject to the contested case provisions of the Administrative Procedure Act under chapter 14. The availability of administrative review does not preclude judicial review under this section.

Subd. 3. **Judicial review.** (a) Within 30 days following the seizure or invalidation of a license under subdivision 1, a person may petition the court for review. The petition must be filed with the district court administrator in the county where the incident occurred, together with proof of service of a copy on the commissioner and the county attorney. A responsive pleading is not required of the commissioner of natural resources and court fees may not be charged for the appearance of the representative of the commissioner in the matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition must state specifically the grounds upon which the petitioner seeks rescission of the license seizure or invalidation.

(c) The filing of the petition does not stay the license seizure or invalidation. The judicial review shall be conducted according to the Rules of Civil Procedure.

Subd. 4. **Hearing.** (a) A hearing under subdivision 3 must be before a district court judge in the county where the incident occurred giving rise to the license seizure or invalidation. The hearing must be to the court and may be conducted at the same time as hearings upon pretrial motions in a related criminal prosecution. The commissioner must be represented by the county attorney.

(b) The hearing must be held at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review.

(c) The scope of the hearing must be limited to the issue of whether there is probable cause to believe that the person had unlawfully taken, possessed, or transported wild animals with a restitution value over \$500.

(d) The court shall order that the license seizure or invalidation be either sustained or rescinded. Within 14 days following the hearing, the court shall forward a copy of the order to the commissioner.

(e) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Civil Appellate Procedure.

Subd. 5. **Temporary release of commercial licenses.** At any time during the period that a game or fish license is seized or invalidated under subdivision 1, a person possessing a commercial license issued under the game and fish laws may make a written request to the commissioner to temporarily release the commercial license. If the commissioner determines that the public welfare will not be injured, the commissioner may temporarily reinstate the commercial license upon payment of a temporary reinstatement fee of \$1,000 cash or bond in favor of the state for each commercial license to be released. An additional fee is not required for vehicles licensed under section 97A.475, subdivision 26, clause (2) or (4). If the license is returned under subdivision 6, paragraph (a), the temporary reinstatement fee shall be returned to the licensee. If the license is revoked under subdivision 6, paragraph (b), the temporary reinstatement fee shall be deposited in the game and fish fund and is not refundable.

Subd. 6. **Return or revocation of licenses upon dismissal or conviction.** (a) Upon acquittal, dismissal, or determination not to charge a person for a violation, the license seizure or invalidation under subdivision 1 is immediately rescinded and any license seized or invalidated in connection with the incident must be returned to the licensee or reinstated.

(b) Upon conviction of a violation when the restitution value of the wild animals exceeds \$500, revocation of licenses and license privileges must be imposed as provided under section 97A.421, subdivision 2a.

Sec. 28. Minnesota Statutes 2022, section 97A.445, is amended by adding a subdivision to read:

Subd. 6. **License system.** In the event of a disruption in the availability of hunting and angling licenses, the commissioner may publish in the State Register a notice that exempts residents and nonresidents from requirements to possess a license to take game or fish.

Sec. 29. Minnesota Statutes 2022, section 97A.473, subdivision 1, is amended to read:

Subdivision 1. **Resident lifetime licenses authorized.** (a) The commissioner may issue a lifetime angling license, a lifetime spearing license, a lifetime angling and spearing license, a lifetime small-game-hunting license, a lifetime firearm or archery deer-hunting license, a lifetime sporting license, or a lifetime sporting with spearing option license to a person who is a resident of the state for at least one year or who is under age 21 and the child of a person who is a resident of the state for at least one year. The license fees paid for a lifetime license are nonrefundable.

(b) The commissioner may require the holder of a lifetime license issued under this section to notify the department each year that the license is used, by:

- (1) telephone or Internet notification, as specified by the commissioner;
- (2) the purchase of stamps for the license; or
- (3) registration ~~and tag issuance~~, in the case of the resident lifetime deer license.

Sec. 30. Minnesota Statutes 2022, section 97A.473, subdivision 3, is amended to read:

Subd. 3. **Lifetime small-game-hunting license; fee.** (a) A resident lifetime small-game-hunting license authorizes a person to hunt and trap small game, other than wolves, in the state. The license authorizes those hunting and trapping activities authorized by the annual resident small-game-hunting license and the trapping license for fur-bearing animals other than wolves. The license does not include ~~a turkey stamp validation or any other~~ hunting stamps required by law.

(b) The fees for a resident lifetime small-game-hunting license are:

- (1) age 3 and under, \$223;
- (2) age 4 to age 15, \$301;
- (3) age 16 to age 50, \$430; and
- (4) age 51 and over, \$274.

Sec. 31. Minnesota Statutes 2022, section 97A.473, subdivision 4, is amended to read:

Subd. 4. **Lifetime deer-hunting license; fee.** (a) A resident lifetime deer-hunting license authorizes a person to take deer with firearms or by archery in the state. The license authorizes those activities authorized by the annual resident firearm deer-hunting license or the annual resident archery deer-hunting license. The licensee must ~~register and receive tags~~ review and confirm information each year that the license is used. ~~The tags shall be issued at no charge to the licensee.~~

(b) The fees for a resident lifetime firearm or archery deer-hunting license are:

- (1) age 3 and under, \$458;
- (2) age 4 to age 15, \$607;
- (3) age 16 to age 50, \$741; and
- (4) age 51 and over, \$528.

Sec. 32. Minnesota Statutes 2022, section 97A.473, subdivision 5, is amended to read:

Subd. 5. **Lifetime sporting license; fee.** (a) A resident lifetime sporting license authorizes a person to take fish by angling and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, ~~a turkey stamp validation~~, a walleye stamp validation, or any other ~~hunting~~ stamps required by law.

(b) The fees for a resident lifetime sporting license are:

- (1) age 3 and under, \$522;
- (2) age 4 to age 15, \$710;
- (3) age 16 to age 50, \$927; and
- (4) age 51 and over, \$603.

Sec. 33. Minnesota Statutes 2022, section 97A.473, subdivision 5a, is amended to read:

Subd. 5a. **Lifetime sporting with spearing option license; fee.** (a) A resident lifetime sporting with spearing option license authorizes a person to take fish by angling or spearing and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling, spearing, and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, ~~a turkey stamp validation~~, a walleye stamp validation, or any other ~~hunting~~ stamps required by law.

(b) The fees for a resident lifetime sporting with spearing option license are:

- (1) age 3 and under, \$612;
- (2) age 4 to age 15, \$833;
- (3) age 16 to age 50, \$1,046; and
- (4) age 51 and over, \$666.

Sec. 34. Minnesota Statutes 2022, section 97A.474, subdivision 3, is amended to read:

Subd. 3. **Nonresident lifetime small-game-hunting license; fee.** (a) A nonresident lifetime small-game-hunting license authorizes a person to hunt small game in the state. The license authorizes those hunting activities authorized by the annual nonresident small-game-hunting license. The license does not include a ~~turkey stamp validation~~ or any other ~~other~~ hunting stamps required by law.

(b) The fees for a nonresident lifetime small-game-hunting license are:

- (1) age 3 and under, \$947;
- (2) age 4 to age 15, \$1,280;
- (3) age 16 to age 50, \$1,633; and
- (4) age 51 and over, \$1,083.

Sec. 35. Minnesota Statutes 2022, section 97A.481, is amended to read:

**97A.481 LICENSE APPLICATIONS; PENALTY.**

All information required on a license application form must be furnished. ~~The application must be made in writing and applicant~~ is subject to the penalty prescribed in section 97A.301, subdivision 1, clause (5).

Sec. 36. Minnesota Statutes 2022, section 97A.485, subdivision 6, is amended to read:

Subd. 6. **Licenses to be sold and issuing fees.** (a) Persons authorized to sell licenses under this section must issue the following licenses for the license fee and the following issuing fees:

- (1) to take deer or bear with firearms and by archery, the issuing fee is \$1;
- (2) Minnesota sporting, the issuing fee is \$1;
- (3) to take small game, to take fish by angling or by spearing, and to trap fur-bearing animals, the issuing fee is \$1;
- (4) to apply for a limited hunt drawing, the issuing fee is \$1 unless the application requires a license purchase at the time of application and the license purchase requires an application fee;
- (5) for a prairie-chicken license, the issuing fee is \$1;
- (6) for a turkey license, the issuing fee is \$1;
- (7) for an elk license, the issuing fee is \$1;
- (8) for a moose license, the issuing fee is \$1;
- (9) for a wolf license, the issuing fee is \$1;
- (10) for a stamp validation that is not issued simultaneously with a license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller;
- (11) for stamp validations issued simultaneously with a license, there is no fee;
- (12) for licenses, seals, tags, or coupons issued without a fee under section 97A.441, subdivisions 1 to 6a, or 97A.465, there is no fee;
- (13) for lifetime licenses, there is no fee; and

(14) for all other licenses, permits, renewals, or applications or any other transaction through the electronic licensing system under this chapter or any other chapter when an issuing fee is not specified, an issuing fee of \$1 may be charged at the discretion of the authorized seller.

(b) Only one issuing fee may be collected when selling more than one stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The agent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) For duplicate licenses, including licenses issued without a fee, the issuing fees are:

(1) for licenses to take big game, 75 cents; and

(2) for other licenses, 50 cents.

~~(g) The commissioner may issue one day angling licenses in books of ten licenses each to fishing guides operating charter boats upon receipt of payment of all license fees, excluding the issuing fee required under this section. Copies of sold and unsold licenses shall be returned to the commissioner. The commissioner shall refund the charter boat captain for the license fees of all unsold licenses. Copies of sold licenses shall be maintained by the commissioner for one year.~~

Sec. 37. Minnesota Statutes 2022, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. **Tags Validation required.** (a) A person may not possess or transport deer, bear, elk, or moose taken in the state unless ~~a tag is attached to the carcass in a manner~~ the person has the required license and validation for that animal as prescribed by the commissioner. ~~The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner.~~

(b) The ~~tag~~ license must be validated at the site of the kill as prescribed by the commissioner.

~~(c) Except as otherwise provided in this section, the tag must be attached to the deer, bear, elk, or moose at the site of the kill before the animal is removed from the site of the kill.~~

~~(d) The tag must remain attached to the animal until the animal is processed for storage.~~

~~(e) A person may move a lawfully taken deer, bear, elk, or moose from the site of the kill without attaching the validated tag to the animal only while in the act of manually or mechanically dragging, carrying, or carting the animal across the ground and while possessing the validated tag on their person. A motor vehicle may be used to drag the animal across the ground. At all other times, the validated tag must be attached to the deer, bear, elk, or moose:~~

~~(1) as otherwise provided in this section; and~~

~~(2) prior to the animal being placed onto and transported on a motor vehicle, being hung from a tree or other structure or device, or being brought into a camp or yard or other place of habitation.~~



Sec. 38. Minnesota Statutes 2022, section 97A.535, subdivision 2, is amended to read:

Subd. 2. **Registration required.** Deer, bear, elk, and moose must be registered as prescribed by the commissioner, ~~in addition to the tag required in subdivision 1.~~

Sec. 39. Minnesota Statutes 2022, section 97A.535, subdivision 2a, is amended to read:

Subd. 2a. **Quartering deer allowed.** A deer that has been ~~tagged~~ validated as required in subdivision 1 may be quartered at the site of the kill. The animal's head must remain attached to one of the quarters. The quarters must be presented together for registration under subdivision 2 and must remain together until the deer is processed for storage.

Sec. 40. Minnesota Statutes 2022, section 97A.535, subdivision 4, is amended to read:

Subd. 4. **Transporting by person other than licensee.** A person other than the licensee may transport deer, bear, elk, or moose that the licensee has registered as prescribed by the commissioner. ~~A tag must be attached to the animal and marked in ink~~ The person transporting the animal must possess documentation with the address, license number, ~~signature~~ and full legal name of the licensee; and the locations from which and to which the animal is being transported.

Sec. 41. Minnesota Statutes 2022, section 97A.551, subdivision 6, is amended to read:

Subd. 6. **Tagging and Registration.** The commissioner may, by rule, require persons taking, possessing, and transporting certain species of fish to ~~tag the fish with a special fish management tag and may require registration of tagged~~ possess an endorsement for and register the fish. A person may not possess or transport a fish species taken in the state for which a special fish-management ~~tag registration~~ is required unless a tag is attached to the fish is registered or validated in a manner prescribed by the commissioner. The commissioner shall prescribe the manner of issuance and the type of ~~tag endorsement~~ as authorized under section 97C.087. ~~The tag must be attached to the fish as prescribed by the commissioner~~ Immediately upon reducing the fish to possession, the licensee must validate the license and the license must remain attached to with the fish until the fish is processed or consumed registered. Species for which a special fish management ~~tag registration~~ is required must be transported undressed, except as otherwise prescribed by the commissioner.

Sec. 42. Minnesota Statutes 2022, section 97B.303, is amended to read:

#### **97B.303 VENISON DONATIONS.**

An individual who legally takes a deer may donate the deer, for distribution to charitable food assistance programs, to a meat processor that is licensed under chapter 28A. An individual donating a deer must supply the processor with the ~~tag licensee's DNR~~ number under which the deer was taken.

Sec. 43. Minnesota Statutes 2022, section 97B.401, is amended to read:

#### **97B.401 BEAR LICENSE REQUIRED; APPLICATION.**

(a) A person may not take bear without a bear license except as provided in section 97B.415 to protect property.

(b) A person may not place bait for bears on or after the Friday nearest August 14 unless the person has a bear license or is operating under the direction of a person with a valid bear license.

(c) An application for a bear license must be ~~on a form provided~~ made in the manner prescribed by the commissioner and accompanied by a \$4 application fee. A person may not make more than one application for each season. If a person makes more than one application, the person is ineligible for a license for that season after determination by the commissioner, without a hearing.

Sec. 44. Minnesota Statutes 2022, section 97B.603, is amended to read:

**97B.603 TAKING SMALL GAME BY PARTY.**

(a) While two or more persons are taking small game as a party and maintaining unaided visual and vocal contact, a member of the party may take and possess more than one limit of small game, but the total number of small game taken and possessed by the party may not exceed the limit of the number of persons in the party that may take and possess small game.

(b) This section does not apply to hunting wolves, migratory game birds, or turkeys, except that a licensed turkey hunter may assist another licensed turkey hunter and a licensed wolf hunter may assist another licensed wolf hunter for the same zone and time period as long as the hunter does not shoot or ~~tag~~ register a turkey or wolf for the other hunter.

Sec. 45. Minnesota Statutes 2022, section 97B.716, subdivision 2, is amended to read:

Subd. 2. **Tagging and Registration.** The commissioner may by rule prescribe requirements for the ~~tagging and~~ registration of prairie chickens.

Sec. 46. Minnesota Statutes 2022, section 97B.721, is amended to read:

**97B.721 LICENSE REQUIRED TO TAKE TURKEY; ~~TAGGING AND~~ REGISTRATION REQUIREMENTS.**

(a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person may not take a turkey without possessing a turkey license.

(b) An unlicensed adult age 18 or older may assist a licensed wild-turkey hunter. The unlicensed adult may not shoot or possess a firearm or bow while assisting a hunter under this paragraph and may not charge a fee for the assistance.

(c) The commissioner may by rule prescribe requirements for the ~~tagging~~ validation and registration of turkeys.

Sec. 47. Minnesota Statutes 2022, section 97C.087, is amended to read:

**97C.087 SPECIAL FISH MANAGEMENT ~~TAGS~~ REGISTRATION.**

Subdivision 1. **Tags to be issued Registration.** If the commissioner determines it is necessary to require that a species of fish be ~~tagged with a special fish management tag~~ registered, the commissioner shall prescribe, by rule, the species to be ~~tagged~~ registered, ~~tagging~~ registration procedures, and endorsement eligibility requirements.

Subd. 2. **Application for tag endorsement.** Application for a special fish management ~~tags~~ endorsement must be accompanied by a \$5, nonrefundable application fee for each ~~tag~~ endorsement. A person may not make more than one ~~tag~~ endorsement application each calendar year. If a person makes more than one application, the person is ineligible for a special fish management ~~tag~~ endorsement for that calendar year after determination by the commissioner, without a hearing.

Sec. 48. Minnesota Statutes 2022, section 97C.301, subdivision 2a, is amended to read:

Subd. 2a. **Aquatic invasive species affirmation.** (a) A nonresident license to take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species affirmation as provided in section 84D.106.

(b) The aquatic invasive species affirmation portion of the license must be displayed with the ~~signed~~ nonresident license to take fish issued under section 97A.475, subdivision 7. The aquatic invasive species affirmation will be provided at the time of purchase of a new or duplicate nonresident license.

(c) If a license is purchased online, the aquatic invasive species affirmation may be completed electronically as part of the online sales process, and the electronic record of the license sale is sufficient for documenting the affirmation.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

Sec. 49. Minnesota Statutes 2022, section 97C.355, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) A person may not place a dark house, fish house, or shelter, except a portable shelter, on the ice unless ~~the house or shelter~~:

(1) ~~the house or shelter~~ is licensed ~~by the shelter owner~~; and

(2) ~~has the license tag attached to the exterior in a readily visible location, except as provided in this subdivision~~ the owners' information is displayed according to subdivision 1.

(b) ~~The commissioner must issue a tag with a dark house, fish house, or shelter license, marked with a number to correspond with the license and the year of issue.~~ A dark house, fish house, or shelter license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.

Sec. 50. **REQUIRED RULEMAKING.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules conforming to this article. Minnesota Statutes, section 14.386, does not apply to rules adopted under this section, except as provided under Minnesota Statutes, section 14.388.

Sec. 51. **REPEALER.**

Minnesota Statutes 2022, sections 97A.015, subdivision 27a; and 97A.485, subdivision 13, are repealed.

Sec. 52. **EFFECTIVE DATE.**

Sections 1 to 51 are effective upon full implementation of the replacement electronic license system. The commissioner of natural resources must notify the revisor of statutes when the replacement electronic license system is fully implemented.

ARTICLE 2  
NATIVE ROUGH FISH

Section 1. Minnesota Statutes 2022, section 17.4983, subdivision 2, is amended to read:

Subd. 2. **Acquisition from state.** (a) The commissioner may sell aquatic life to licensed facilities at fair wholesale market value. Fair wholesale market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish and native rough fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair wholesale market value if there is a surplus from state operations.

Sec. 2. Minnesota Statutes 2022, section 17.4984, subdivision 2, is amended to read:

Subd. 2. **Listed waters.** (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water; and

(2) whether aeration requiring a permit is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters. When artificial tanks, jars, or other containers are added to existing licensed facilities, an additional inspection is not required.

(d) Waters containing ~~game~~ fish of significant public value, including game fish and native rough fish, may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing ~~game~~ fish of significant public value, including game fish and native rough fish, may be denied licensing unless the game fish and native rough fish of significant public value are, at the commissioner's option, and taking into consideration the recommendation of the licensed applicant, sold to the licensee, or removed by the Department of Natural Resources or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

(g) Common carp and bullheads may be removed from licensed waters, and transported and disposed of by the licensee.

Sec. 3. Minnesota Statutes 2022, section 17.4988, subdivision 4, is amended to read:

Subd. 4. **Aquarium facility.** (a) A person operating a commercial aquarium facility must have a commercial aquarium facility license issued by the commissioner if the facility contains species of aquatic life that are for sale and that are present in waters of the state. The commissioner may require an aquarium facility license for aquarium facilities importing or holding species of aquatic life that are for sale and that are not present in Minnesota if those species can survive in waters of the state. The fee for an aquarium facility license is \$90.

(b) Game fish and native rough fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 17.4985, subdivision 3, paragraph (b).

Sec. 4. Minnesota Statutes 2022, section 17.4992, subdivision 1, is amended to read:

Subdivision 1. **Acquisition and purchase.** Game fish and native rough fish sperm, viable game fish and native rough fish eggs, or live game fish and native rough fish may not be taken from public waters for aquaculture purposes, but may be purchased from the state or acquired from aquatic farms.

Sec. 5. Minnesota Statutes 2022, section 17.4992, subdivision 3, is amended to read:

Subd. 3. **Acquisition of fish for brood stock.** (a) Game fish brood stock and native rough fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair wholesale market value. For brood stock development, up to 20 pair of adults of each species requested may be provided to a licensee once every three years, if available, by the state through normal operations.

(b) If brood stock is not available by the June 1 following the request under paragraph (a) and a permit to take brood stock by angling is requested by the licensee, within 30 days of the request, the commissioner may issue a permit to the licensee to take, by angling, up to 20 pairs of each species requested. Game and fish laws and rules relating to daily limits, seasons, and methods apply to the taking of fish by angling pursuant to a permit issued under this paragraph.

Sec. 6. Minnesota Statutes 2022, section 17.4996, is amended to read:

#### **17.4996 WHITE EARTH INDIAN RESERVATION.**

Until the commissioner reaches an agreement with the White Earth Indian Reservation regarding the acquisition and sale of aquatic life from public waters, an aquatic farm licensee may acquire and transport native rough fish, as defined in section 97A.015, subdivision 43, and yellow perch lawfully acquired and possessed by a tribal member for sale under tribal laws and regulations on the White Earth Reservation. Transportation of yellow perch off the reservation must be accompanied by documentation showing the source and number of the yellow perch.

Sec. 7. Minnesota Statutes 2022, section 41A.02, subdivision 6, is amended to read:

Subd. 6. **Agricultural resource project; project.** "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) buildings, equipment, and land used for the commercial production of turkeys or turkey products, (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially produced fish or native rough fish, as defined in section 97A.015, subdivision 43, or common carp that are not commercially produced, or (4) real or personal property used or useful in connection with a revenue-producing enterprise, or a combination of two or more revenue-producing enterprises engaged in a business, that is not used for the production of livestock, other than poultry, or for the production of crops, plants, or milk. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site. The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock other than poultry. A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 8. Minnesota Statutes 2022, section 84B.061, is amended to read:

**84B.061 STATE JURISDICTION OVER RAINY LAKE AND OTHER NAVIGABLE WATERS; DUTIES OF GOVERNOR, ATTORNEY GENERAL, AND OTHER PUBLIC OFFICERS.**

As required by this chapter and the act of Congress authorizing Voyageurs National Park, the state of Minnesota donated in excess of 35,000 acres of state and other publicly owned land for the park, roughly one-fourth of the land area of the park, at a cost of over \$5,000,000 to the state. More than 24,000 acres of this land was state trust fund land which the state condemned before making its donation. Pursuant to section 84B.06, lands donated by the state, along with other lands acquired by the National Park Service for the park, were made subject to concurrent jurisdiction by the state and the United States under section 1.041. In making these donations, none of the navigable waters within the park and the lands under them have been donated to the United States. These navigable waters include the following: Rainy, Kabetogama, Namakan, Sand Point, and Crane Lakes. Pursuant to applicable federal and state law, navigable waters and their beds are owned by the state. Ownership of and jurisdiction over these waters and their beds has not been ceded by the state, either expressly or implicitly, to the United States. Unlike section 1.044 relating to the Upper Mississippi Wildlife and Fish Refuge, where the state expressly granted its consent and jurisdiction to the United States to acquire interests in water, as well as land, the consent granted by the state in section 84B.06 to acquisitions by the United States for Voyageurs National Park is limited to land, only. In the discharge of their official duties, the governor, attorney general, other constitutional officers, and other public officials, such as the commissioner of natural resources, shall vigorously assert and defend, in all forums, the state's ownership of and jurisdiction over these waters and their beds and related natural resources, together with associated rights of the state and its citizens arising from the state's ownership and jurisdiction. In discharging their duties, the governor, attorney general, other constitutional officers, and other public officials shall, additionally, be especially cognizant of the free rights of travel afforded to citizens of Minnesota and others under the Webster-Ashburton Treaty (proclaimed November 10, 1842) and the Root-Bryce Treaty (proclaimed May 13, 1910) on international and associated boundary waters. Also, in furtherance of duties under this section, the commissioner of natural resources shall continue in effect the commercial removal of native rough fish, as defined in section 97A.015, subdivision 43, from these waters, together with any rights to do so possessed by any person on January 1, 1995, so long as the commissioner determines that such taking is desirable to the management of the native fishery.

Sec. 9. Minnesota Statutes 2022, section 97A.015, subdivision 3b, is amended to read:

Subd. 3b. **Bow fishing.** "Bow fishing" means taking native rough fish and common carp by archery where the arrows are tethered or controlled by an attached line.

Sec. 10. Minnesota Statutes 2022, section 97A.015, subdivision 39, is amended to read:

Subd. 39. **Protected wild animals.** "Protected wild animals" means big game, small game, game fish, native rough fish, minnows, leeches, ~~alewives, ciscoes, chubs, lake whitefish and the subfamily Coregoninae, rainbow smelt,~~ frogs, turtles, clams, mussels, wolf, mourning doves, bats, snakes, salamanders, lizards, any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134, and wild animals that are protected by a restriction in the time or manner of taking, other than a restriction in the use of artificial lights, poison, or motor vehicles.

Sec. 11. Minnesota Statutes 2022, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Native rough fish.** " Native rough fish" means ~~carp, buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead,~~ Amiidae (bowfin), Catostomidae (bigmouth, smallmouth, and black buffalo; white, blue, spotted, and longnose sucker; northern hogsucker; quillback; river and highfin carpsucker; and black, river, shorthead, golden, silver, and greater redhorse), Hiodontidae (goldeye and mooneye), Ictaluridae (black, brown, and yellow bullhead), Lepisosteidae (longnose and shortnose gar), and Sciaenidae (freshwater drum), except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 12. Minnesota Statutes 2022, section 97A.075, subdivision 2, is amended to read:

Subd. 2. **Minnesota migratory-waterfowl stamp.** (a) Ninety percent of the revenue from the Minnesota migratory-waterfowl stamps must be credited to the waterfowl habitat improvement account and is appropriated to the commissioner only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, ~~rough fish common carp~~ barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;

(4) acquisition of and access to structure sites; and

(5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), (4), or (5), or to specific management activities under paragraph (a), clause (2).

Sec. 13. Minnesota Statutes 2022, section 97A.341, subdivision 1, is amended to read:

Subdivision 1. **Liability for restitution.** A person who kills, injures, or possesses a wild animal in violation of the game and fish laws is liable to the state for the value of the wild animal as provided in this section. Species afforded protection include members of the following groups as defined by statute or rule: game fish, native rough fish, game birds, big game, small game, fur-bearing animals, minnows, and threatened and endangered animal species. Other animal species may be added by rule of the commissioner as determined after public meetings and notification of the chairs of the environment and natural resources committees in the senate and house of representatives.

Sec. 14. Minnesota Statutes 2022, section 97A.421, subdivision 2, is amended to read:

Subd. 2. **Issuance after conviction; buying and selling wild animals.** A person may not obtain a license to take any wild animal or take wild animals under a lifetime license, issued under section 97A.473 or 97A.474, for a period of three years after being convicted of buying or selling game fish, native rough fish, big game, or small game, and the total amount of the sale is \$300 or more.

Sec. 15. Minnesota Statutes 2022, section 97A.475, subdivision 39, is amended to read:

Subd. 39. **Fish packer.** The fee for a license to prepare dressed game fish or native rough fish for transportation or shipment is \$40.

Sec. 16. Minnesota Statutes 2022, section 97A.551, subdivision 2, is amended to read:

Subd. 2. **Fish transported through state.** A person may not transport game fish or native rough fish taken in another state or country through the state during the closed season or in excess of the possession limit unless the fish are:

- (1) transported by common carrier; or
- (2) tagged, sealed, or marked as prescribed by the commissioner.

Sec. 17. Minnesota Statutes 2023 Supplement, section 97B.037, is amended to read:

**97B.037 CROSSBOW HUNTING.**

(a) Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, turkey, common carp, or native rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, common carp, or native rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, turkey, common carp, or native rough fish by crossbow under this section must have a valid license to take the respective game.

(b) This section expires June 30, 2025.

Sec. 18. Minnesota Statutes 2022, section 97B.055, subdivision 2, is amended to read:

Subd. 2. **Restrictions related to motor vehicles.** (a) A person may not take a wild animal with a firearm or by archery from a motor vehicle except as permitted in this section.

(b) A person may not shoot at a decoy of a wild animal that is placed by a licensed peace officer by:

- (1) discharging a firearm from a motor vehicle; or
- (2) discharging an arrow from a bow from a motor vehicle.

(c) Notwithstanding section 97B.091, a person may transport a bow uncased while in a motorized watercraft and may take native rough fish and common carp while in the boat as provided in section 97C.376, subdivision 3.



Sec. 19. Minnesota Statutes 2022, section 97B.106, is amended to read:

**97B.106 CROSSBOW PERMITS FOR HUNTING AND FISHING.**

Subdivision 1. **Eligibility.** (a) The commissioner may issue a special permit, without a fee, to take big game, small game, ~~or native rough fish, or common carp~~ with a crossbow to a person that is unable to hunt or take native rough fish or common carp by archery because of a permanent or temporary physical disability. A crossbow permit issued under this section also allows the permittee to use a bow with a mechanical device that draws, releases, or holds the bow at full draw as provided in section 97B.035, subdivision 1, paragraph (a).

(b) To qualify for a crossbow permit under this section, a temporary disability must render the person unable to hunt or fish by archery for a minimum of two years after application for the permit is made. The permanent or temporary disability must be established by medical evidence, and the inability to hunt or fish by archery for the required period of time must be verified in writing by (1) a licensed physician, licensed advanced practice registered nurse, or licensed physician assistant; or (2) a licensed chiropractor. A person who has received a special permit under this section because of a permanent disability is eligible for subsequent special permits without providing medical evidence and verification of the disability.

(c) The person must obtain the appropriate license.

Subd. 2. **Equipment requirements.** (a) A crossbow used for hunting under the provisions of this section must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a working safety; and
- (4) be used with arrows or bolts at least ten inches long.

(b) An arrow or bolt used to take big game or turkey under the provisions of this section must meet the legal arrowhead requirements in section 97B.211, subdivision 2.

(c) An arrow or bolt used to take native rough fish or common carp with a crossbow under the provisions of this section must be tethered or controlled by an attached line.

Sec. 20. Minnesota Statutes 2022, section 97C.025, is amended to read:

**97C.025 FISHING AND MOTORBOATS RESTRICTED IN CERTAIN AREAS.**

(a) The commissioner may prohibit or restrict the taking of fish or the operation of motorboats by posting waters that:

- (1) are designated as spawning beds or fish preserves;
- (2) are being used by the commissioner for fisheries research or management activities; or

(3) are licensed by the commissioner as a private fish hatchery or aquatic farm under section 17.4984, subdivision 1, or 97C.211, subdivision 1.

An area may be posted under this paragraph if necessary to prevent excessive depletion of fish or interference with fisheries research or management activities or private fish hatchery or aquatic farm operations.

(b) The commissioner will consider the following criteria in determining if waters licensed under a private fish hatchery or aquatic farm should be posted under paragraph (a):

(1) the waters contain game fish brood stock or native rough fish brood stock and the brood stock ~~that are~~ is vital to the private fish hatchery or aquatic farm operation;

(2) game fish or native rough fish are present in the licensed waters only as a result of aquaculture activities by the licensee; and

(3) no public access to the waters existed when the waters were first licensed.

(c) A private fish hatchery or aquatic farm licensee may not take fish or authorize others to take fish in licensed waters that are posted under paragraph (a), except as provided in section 17.4983, subdivision 3, and except that if waters are posted to allow the taking of fish under special restrictions, licensees and others who can legally access the waters may take fish under those special restrictions.

(d) Before March 1, 2003, riparian landowners adjacent to licensed waters on April 30, 2002, and riparian landowners who own land adjacent to waters licensed after April 30, 2002, on the date the waters become licensed waters, plus their children and grandchildren, may take two daily limits of fish per month under an angling license subject to the other limits and conditions in the game and fish laws.

(e) Except as provided in paragraphs (c), (d), and (f), a person may not take fish or operate a motorboat if prohibited by posting under paragraph (a).

(f) An owner of riparian land adjacent to an area posted under paragraph (a) may operate a motorboat through the area by the shortest direct route at a speed of not more than five miles per hour.

(g) Postings for water bodies designated under paragraph (a), clause (1), or being used for fisheries research or management under paragraph (a), clause (2), are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 21. Minnesota Statutes 2022, section 97C.035, subdivision 3, is amended to read:

Subd. 3. **Taking fish.** (a) The commissioner may authorize residents to take fish:

(1) in any quantity;

(2) in any manner, except by use of seines, hoop nets, fyke nets, and explosives; and

(3) for personal use only, except ~~rough fish~~ common carp may be sold.

(b) The commissioner may authorize the taking of fish by posting notice conspicuously along the shore of the waters and publishing a news release in a newspaper of general circulation in the area where the waters are located.

Sec. 22. Minnesota Statutes 2023 Supplement, section 97C.041, is amended to read:

**97C.041 COMMISSIONER MAY REMOVE NATIVE ROUGH FISH.**

The commissioner may take native rough fish, common carp, and rainbow smelt with seines, nets, and other devices. The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work.

Sec. 23. Minnesota Statutes 2022, section 97C.045, is amended to read:

**97C.045 REMOVING COMMON CARP AND NATIVE ROUGH FISH FROM BOUNDARY WATERS.**

The commissioner may enter into agreements with North Dakota, South Dakota, Wisconsin, and Iowa, relating to the removal of common carp and native rough fish in boundary waters. The agreements may include:

- (1) contracting to remove common carp and native rough fish;
- (2) inspection of the work;
- (3) the division of proceeds; and
- (4) regulating the taking of common carp and native rough fish.

Sec. 24. Minnesota Statutes 2022, section 97C.081, subdivision 3a, is amended to read:

Subd. 3a. **No permit required.** A person may conduct a fishing contest without a permit from the commissioner if:

- (1) the contest is not limited to specifically named waters;
- (2) the contest is limited to ~~rough fish~~ common carp and participants are required to fish with a hook and line; or
- (3) the total prize value is \$500 or less.

Sec. 25. Minnesota Statutes 2022, section 97C.211, subdivision 5, is amended to read:

Subd. 5. **Price of game fish fry and eggs.** The commissioner may sell or barter game fish or native rough fish fry or eggs for not less than the cost associated with the production of eggs or fry.

Sec. 26. Minnesota Statutes 2023 Supplement, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only common carp, native rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 27. Minnesota Statutes 2022, section 97C.375, is amended to read:

**97C.375 TAKING NATIVE ROUGH FISH AND COMMON CARP BY SPEARING.**

(a) A resident or nonresident may take native rough fish and common carp by spearing according to paragraph (b) and during the times, in waters, and in the manner prescribed by the commissioner.

(b) Suckers may be taken by spearing from ~~the last Saturday in April~~ May 1 through the last ~~Sunday~~ day in February.

Sec. 28. Minnesota Statutes 2022, section 97C.376, subdivision 1, is amended to read:

Subdivision 1. **Season.** (a) The regular bow-fishing season for residents and nonresidents is from ~~the last Saturday in April to~~ May 1 through the last ~~Sunday~~ day in February at any time of the day.

(b) The early bow-fishing season for residents and nonresidents is open only south of State Highway 210 from ~~the Monday after the last Sunday in February to the Friday before~~ March 1 through the last ~~Saturday~~ day in April at any time of the day. During the early season, a person may bow fish:

- (1) only from a boat; and
- (2) only while on a lake or on the Mississippi, Minnesota, or St. Croix River.

Sec. 29. Minnesota Statutes 2022, section 97C.376, subdivision 5, is amended to read:

Subd. 5. **Returning native rough fish and common carp to waters.** Native rough fish and common carp taken by bow fishing ~~shall~~ must not be returned to the water, and native rough fish and common carp may not be left on the banks of any water of the state.

Sec. 30. Minnesota Statutes 2022, section 97C.381, is amended to read:

#### **97C.381 HARPOONING NATIVE ROUGH FISH.**

A resident or nonresident may use a rubber powered gun, spring gun, or compressed air gun to take native rough fish and common carp by harpooning. The harpoon must be fastened to a line not more than 20 feet long. The commissioner may prescribe the times, the waters, and the manner for harpooning native rough fish and common carp.

Sec. 31. Minnesota Statutes 2022, section 97C.385, is amended to read:

#### **97C.385 COMMISSIONER'S AUTHORITY TO REGULATE WINTER FISHING.**

Subdivision 1. **Effect on summer angling season.** If the commissioner closes the statutory open season for ~~the~~ spearing of a game fish or native rough fish species in any waters, the commissioner must, in the same rule, close the following statutory open season for angling for the same species in the waters in the same proportion.

Subd. 2. **Effect on summer angling limits.** If the commissioner reduces the limit of a species of game fish or native rough fish taken by spearing in any waters under section 97A.045, subdivision 2, the commissioner must reduce the limit for taking of the species by angling in the waters during the following open season for angling.

Subd. 3. **Limiting closures by county.** The commissioner may not close the open season for taking game fish or native rough fish through the ice on more than 50 percent of the named lakes or streams of a county under section 97A.045, subdivision 2.

Sec. 32. Minnesota Statutes 2022, section 97C.391, subdivision 1, is amended to read:

Subdivision 1. **General restrictions.** A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;
- (2) ~~rough fish~~ common carp;
- (3) smelt taken from Lake Superior and rivers and streams that flow into Lake Superior;
- (4) fish taken under licensed commercial fishing operations;

- (5) fish that are private aquatic life; and
- (6) fish lawfully taken and subject to sale from other states and countries.

Sec. 33. Minnesota Statutes 2022, section 97C.395, subdivision 2, is amended to read:

Subd. 2. **Continuous season for certain species.** For sunfish, white crappie, black crappie, yellow perch, catfish, rock bass, white bass, yellow bass, burbot, cisco (tullibee), lake whitefish, common carp, and native rough fish, the open season is continuous.

Sec. 34. Minnesota Statutes 2022, section 97C.505, subdivision 8, is amended to read:

Subd. 8. **Possession for minnow dealers.** When nets and traps are lawfully set and tended, minnows ~~and~~, incidentally taken game fish under four inches in length, and incidentally taken native rough fish that are not classified as minnows are not considered to be in possession until the minnows, native rough fish, or game fish are placed on a motor vehicle or trailer for transport on land.

Sec. 35. Minnesota Statutes 2022, section 97C.801, subdivision 2, is amended to read:

Subd. 2. **Commercial fish netting on Mississippi River.** (a) A license is required to commercially take native rough fish with seines in the Mississippi River from the St. Croix River junction to St. Anthony Falls.

(b) A person may take native rough fish in the Mississippi River, from the St. Croix River junction to St. Anthony Falls, only with the following equipment and methods:

- (1) operations shall be conducted only in the flowing waters of the river and in tributary backwaters prescribed by the commissioner;
- (2) seines may be used only as prescribed by this section and rules adopted by the commissioner;
- (3) seines must be hauled to a landing immediately after being placed;
- (4) two seines may not be joined together in the water; and
- (5) a seine may not be landed between sunset and sunrise.

Sec. 36. Minnesota Statutes 2022, section 97C.805, subdivision 1, is amended to read:

Subdivision 1. **Open season.** (a) The commissioner shall, by rule, prescribe the open season and open state waters for netting lake whitefish and ciscoes. The commissioner may open specific lakes and waters that are otherwise closed if the commissioner posts notice of the date and time in appropriate public places at least 48 hours before the open season begins.

(b) The commissioner may close specific lakes and waters that are otherwise open under this subdivision if the commissioner posts notice of the closing at a minimum of three sites on the shore of the waters, including all public water-access sites. Before closing waters under this paragraph, the commissioner shall determine that the closure is necessary to protect game fish or native rough fish populations.

Sec. 37. Minnesota Statutes 2022, section 97C.805, subdivision 4, is amended to read:

Subd. 4. **No limit on native rough fish netted.** Lake whitefish and ciscoes taken under this section may be taken and possessed without limit. Native rough fish caught while netting may be retained. All other fish taken while netting must be returned to the water immediately.

Sec. 38. Minnesota Statutes 2022, section 97C.811, subdivision 2, is amended to read:

Subd. 2. **Commercial fish defined.** For purposes of this section and section 97A.475, subdivision 30, "commercial fish" are common carp; bowfin; burbot; cisco; goldeye; rainbow smelt; black bullhead, brown bullhead, and yellow bullhead; lake whitefish; members of the sucker family, Catostomidae, including white sucker, redhorse, bigmouth buffalo, and smallmouth buffalo; members of the drum family, Sciaenidae, including sheepshead; and members of the gar family, Lepisosteidae and native rough fish, except for bowfin.

Sec. 39. Minnesota Statutes 2022, section 97C.831, subdivision 1, is amended to read:

Subdivision 1. **Lake whitefish, common carp, and native rough fish.** Lake whitefish, common carp, and native rough fish may be taken by licensed commercial fishing operators unless otherwise changed by rule of the commissioner, under section 97C.805, subdivision 1, from Namakan Lake and Sand Point Lake.

Sec. 40. Minnesota Statutes 2022, section 97C.835, subdivision 2, is amended to read:

Subd. 2. **Types of fish permitted.** Lake trout, ciscoes, chubs, alewives, lake whitefish, round whitefish, pygmy whitefish, rainbow smelt, common carp, and native rough fish may be taken by licensed commercial fishing operators from Lake Superior, in accordance with this section.

Sec. 41. Minnesota Statutes 2022, section 97C.835, subdivision 3, is amended to read:

Subd. 3. **Pound nets and trap nets.** Pound or trap nets may be used to take lake whitefish, round whitefish, pygmy whitefish, ciscoes, chubs, alewives, rainbow smelt, common carp, and native rough fish in Lake Superior, including St. Louis Bay east of the U.S. Highway 53 bridge, under the rules prescribed by the commissioner.

Sec. 42. Minnesota Statutes 2022, section 97C.865, subdivision 1, is amended to read:

Subdivision 1. **License required; records.** (a) A person engaged in a business providing services to a person taking fish may not prepare dressed game fish or dressed native rough fish for shipment without a fish packer's license. The fish packer must maintain a permanent record of:

- (1) the name, address, and license number of the shipper;
  - (2) the name and address of the consignee; and
  - (3) the number of each species and net weight of fish in the shipment.
- (b) The records of the fish packer must be made available to an enforcement officer upon request.

Sec. 43. **REQUIRED RULEMAKING.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules to conform with this article. Minnesota Statutes, section 14.386, does not apply to rules adopted under this section except as provided under Minnesota Statutes, section 14.388.

Sec. 44. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 97A.015, subdivision 32b, as Minnesota Statutes, section 97A.015, subdivision 32d, and must renumber Minnesota Statutes, section 97A.015, subdivision 43, as Minnesota Statutes, section 97A.015, subdivision 32c.

ARTICLE 3  
BOARD OF WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 13, is amended to read:

Subd. 13. **Drainage stakeholder coordination.** (a) The Board of Water and Soil Resources shall work with drainage stakeholders to foster mutual understanding and provide recommendations for drainage system management and related water management, including recommendations for updating the drainage law in chapter 103E, the Minnesota Public Drainage Manual, and other related provisions. The board may convene informal working groups or work teams to develop information, education, and recommendations.

(b) For the purposes of this subdivision, the Minnesota Public Drainage Manual is a publication that is prepared by and adopted by the board and that includes explanations, procedures, and guidance consistent with and supplementing the provisions of chapter 103E. The manual must include best management practices and be prepared in consultation with drainage stakeholders according to paragraph (a) for use by drainage authorities in carrying out statutory duties.

Sec. 2. Minnesota Statutes 2022, section 103C.005, is amended to read:

**103C.005 SOIL AND WATER CONSERVATION POLICY.**

Maintaining and enhancing the quality of soil and water for the environmental and economic benefits they produce, preventing degradation, and restoring degraded soil and water resources of this state contribute greatly to the health, safety, economic well-being, and general welfare of this state and its citizens. Land occupiers have the responsibility to implement practices that conserve the soil and water resources of the state. Soil and water conservation measures implemented on private lands in this state provide benefits to the general public by reducing erosion, sedimentation, siltation, water pollution, and damages caused by floods. The soil and water conservation policy of the state is to encourage land occupiers to conserve soil, water, and the natural resources they support through the implementation of practices that:

(1) control or prevent erosion, sedimentation, siltation, and related pollution in order to preserve natural resources;

(2) ensure continued soil health, as defined under section 103C.101, subdivision 10a, and soil productivity;

(3) protect water quality;

(4) prevent impairment of dams and reservoirs;

(5) reduce damages caused by floods;

(6) preserve wildlife;

(7) protect the tax base; and

(8) protect public lands and waters.

Sec. 3. Minnesota Statutes 2022, section 103C.221, is amended to read:

**103C.221 CHANGING LOCATION OF PRINCIPAL OFFICE.**

The location of the principal office of the district board may be changed ~~with the approval of the state board~~ after the adoption of a resolution by a majority of the district board stating the new location within the district and by filing a certified copy of the resolution with the secretary of state.

Sec. 4. Minnesota Statutes 2022, section 103C.331, subdivision 3, is amended to read:

Subd. 3. **Surveys, investigations, and research.** A district may conduct surveys, investigations, and research to identify the problems and preventive practices specified in section ~~103A.206~~ 103C.005. ~~To avoid duplication of research activities, no district shall initiate any research program except in cooperation with a state agency or an agency of the United States.~~

Sec. 5. Minnesota Statutes 2022, section 103C.331, subdivision 5, is amended to read:

Subd. 5. **Demonstration projects.** A district may conduct demonstration projects within the district on lands owned or administered by a state agency, with the cooperation of the administering agency, and on other lands with the consent of the land occupier, to demonstrate practices which implement the state policy specified in section ~~103A.206~~ 103C.005.

Sec. 6. Minnesota Statutes 2022, section 103C.331, subdivision 6, is amended to read:

Subd. 6. **Implementing practices.** A district may implement any necessary practices within the district, including structural measures and works of improvement ~~for any purpose specified in section 103A.206, methods of cultivation, the use of vegetation, and changes in use of land~~ to achieve the purposes of this chapter and fulfill other statutory responsibilities, on:

- (1) lands acquired by the district;
- (2) lands owned or administered by a ~~state~~ public agency, with the cooperation of the administering agency; and
- (3) other lands, with the consent of the land occupier.

Sec. 7. Minnesota Statutes 2022, section 103C.331, subdivision 7, is amended to read:

Subd. 7. **Implementing soil and water conservation policy.** A district may cooperate or enter into agreements with and furnish financial or other aid to a land occupier or appropriate agency, to implement ~~the policy specified in section 103A.206, within the district~~ this chapter and fulfill other statutory responsibilities, subject to conditions the district board determines ~~is~~ are necessary.

Sec. 8. Minnesota Statutes 2022, section 103C.331, subdivision 8, is amended to read:

Subd. 8. **Acquiring and maintaining property.** A district may acquire any rights or interests in real or personal property by option, purchase, exchange, lease, gift, grant, bequest, devise, or otherwise. It may maintain, operate, administer, and improve any properties acquired. It may receive income from the properties and expend the income to implement this chapter and ~~sections 103F.401 to 103F.455~~ fulfill other statutory responsibilities. It may sell, lease, or otherwise dispose of any of its property or interests.



Sec. 9. Minnesota Statutes 2022, section 103C.331, subdivision 9, is amended to read:

Subd. 9. **Using machinery and supplies.** A district may make available, on terms it ~~shall prescribe~~ prescribes, to land occupiers within the district, agricultural and engineering machinery and equipment, fertilizer, seeds, ~~and~~ seedlings, and other material or equipment ~~which will assist~~ that helps land occupiers ~~to~~ implement practices on their land ~~specified in section 103C.005 to implement this chapter and fulfill other statutory responsibilities.~~

Sec. 10. Minnesota Statutes 2022, section 103C.331, subdivision 10, is amended to read:

Subd. 10. **Constructing improvements.** A district may construct, install, improve, maintain, and operate structures and works necessary or convenient to perform an operation authorized under this chapter and ~~sections 103F.401 to 103F.455~~ other statutory authority.

Sec. 11. Minnesota Statutes 2022, section 103C.331, subdivision 11, is amended to read:

Subd. 11. **Comprehensive plan.** (a) A district may develop and revise a comprehensive plan, ~~specifying practices to implement the state policy specified in section 103A.206, including~~ fulfill statutory responsibilities. The plan may include:

- (1) the construction, maintenance, and operation of structural measures;
- (2) methods of cultivation;
- (3) the use of vegetation;
- (4) cropping programs;
- (5) mechanical practices;
- (6) changes in use of land;
- (7) water quality improvement practices;
- (8) other land use, soil erosion reduction, and agricultural practices; ~~and~~
- (9) related technical standards and specifications; and
- (10) other practices, projects, programs, and systems to fulfill statutory responsibilities.

~~(b) The plan shall include a classification of the soil types within the district as determined by the Minnesota Cooperative Soil Survey.~~

~~(c) The plan must identify the areas within the district where erosion, sedimentation, and related water quality problems appear most in need of control methods.~~

~~(d) (b) The plan shall must be consistent with the statewide framework water resources plan, the statewide water quality management plan, and the state board's soil and water program plan frameworks as provided in chapter 103B.~~

~~(e) Each district that applies for cost sharing funds under section 103C.501 shall submit to the state board an annual work plan for the high priority erosion, sedimentation, and water quality problems in the district. The work plan shall be prepared as required by the rules of the state board. In preparing the annual work plan, the district shall actively identify and seek out land occupiers with high priority erosion problems who have not participated in cost sharing contracts and encourage their participation in programs to control their erosion problems.~~

(c) At least 60 days before submitting the plan to the state board, the district must hold a public hearing on the plan and provide notice of the hearing via the district's website. The district must give notice of the hearing to the county and all affected cities and towns. To allow for public input, the district must also administer a review and comment period of at least 30 days before submitting the plan.

(d) The district must submit the plan to the state board for review and approval before adopting the plan at a district meeting.

Sec. 12. Minnesota Statutes 2022, section 103C.331, subdivision 12, is amended to read:

Subd. 12. **Assuming other conservation projects.** (a) A district may take over by purchase, lease, or otherwise, and may improve, maintain, operate, and administer a soil or water conservation, erosion-control, erosion-prevention, water quality improvement, watershed protection, flood prevention, or flood control project in its boundaries undertaken by the United States or by a ~~state~~ public agency.

(b) A district may accept donations, gifts, grants, or contributions in money, services, materials, or otherwise from the United States, a ~~state~~ public agency, or other source to accomplish ~~the authorization in this section~~ statutory responsibilities. A ~~board~~ district may enter into a contract or agreement necessary or appropriate to accomplish the transfer. A ~~board~~ district may use or expend money, services, materials, or other things to accomplish an authorized purpose.

Sec. 13. Minnesota Statutes 2022, section 103C.331, subdivision 13, is amended to read:

Subd. 13. **Authority to sue and contract.** A district may sue and be sued in its name, have perpetual succession unless terminated as provided in section 103C.225, make and execute contracts and other instruments necessary or convenient to the exercise of its powers, and make, amend, or repeal rules and regulations consistent with this chapter and ~~sections 103F.401 to 103F.455~~ other statutory authority.

Sec. 14. Minnesota Statutes 2022, section 103C.331, subdivision 14, is amended to read:

Subd. 14. **Compensation for work or projects.** As a condition for extending benefits for the performance of work, including operations and maintenance, upon lands not owned or administered by a ~~state~~ public agency or the district, the ~~supervisors~~ district may require compensation or contributions in money, services, materials, or otherwise, commensurate with the cost or reasonable value of the operations or work conferring the benefits.

Sec. 15. Minnesota Statutes 2022, section 103C.331, subdivision 15, is amended to read:

Subd. 15. **Agreements for state or federal assistance.** (a) A district may ~~submit an application~~ apply for and enter into an agreement or contract ~~with the secretary of agriculture or other designated authority~~ to obtain or use state or federal funding or assistance under any law providing for state or federal funding or assistance for an authorized purpose of the district.

(b) A district may:

(1) acquire ~~without cost to the federal government~~ any land, easements, or rights-of-way needed in connection with works of improvement installed with federal or state assistance or funding;

(2) assume the proportionate share of the cost of installing works of improvement involving state or federal funding or assistance ~~determined by the secretary or other designated authority to be~~ that is equitable in consideration of anticipated benefits from the improvements;

(3) ~~make arrangements satisfactory to the secretary or other authority~~ arrange to defray costs of operating and maintaining works of improvement in accordance with prescribed regulations;

(4) acquire or provide assurance that land occupiers have acquired the water rights and other rights, pursuant to state law, needed to install, maintain, and operate the works of improvement; and

(5) obtain agreements to carry out recommended soil and water conservation measures and prepare farm plans for owners of not less than 50 percent or other required percentage of the lands situated in a drainage area above a retention reservoir installed with federal assistance, as prescribed by applicable federal law, and may do any other acts necessary to secure and use federal aid.

Sec. 16. Minnesota Statutes 2022, section 103C.331, subdivision 16, is amended to read:

Subd. 16. **Budget.** The district ~~board~~ shall annually present a budget consisting of an itemized statement of district expenses for the ensuing calendar year to the boards of county commissioners of the counties in which the district is located. The county boards may levy an annual tax on all taxable real property in the district for the amount that the boards determine is necessary to meet the requirements of the district. The amount levied shall be collected and distributed to the district as prescribed by chapter 276. The amount may be spent by the district ~~board~~ for a district purpose authorized by law.

Sec. 17. Minnesota Statutes 2022, section 103C.331, is amended by adding a subdivision to read:

Subd. 21. **Water and soil resource management.** A district may initiate, construct, operate, and maintain water and soil resource management practices, projects, programs, and systems within the boundaries of the district and use, supplement, or otherwise coordinate contributions from state, federal, Tribal, or local governments and private entities for similar purposes.

Sec. 18. Minnesota Statutes 2022, section 103C.331, is amended by adding a subdivision to read:

Subd. 22. **Loans.** The district may obtain loans when the district determines it is prudent to accomplish its statutory duties.

Sec. 19. Minnesota Statutes 2022, section 103D.011, subdivision 10, is amended to read:

Subd. 10. **Engineer.** "Engineer" means ~~the~~ a licensed professional engineer as described in section 326.02 and designated by the managers to act as engineer. The board of managers or engineer may work in cooperation with other licensed professionals as described in section 326.02 in the planning and design of a watershed district project.

Sec. 20. Minnesota Statutes 2022, section 103D.201, subdivision 2, is amended to read:

Subd. 2. **Specific purposes.** A watershed district may be established for and use its powers to advance any of the following purposes:

(1) to control or alleviate damage from floodwaters to promote climate resilience;

(2) to protect, improve stream channels, or restore watercourses and water basins for drainage, navigation, water quality, flood mitigation, and any other public purpose;

(3) to ~~reclaim~~ manage impacts to, restore, or fill replace wet and overflowed land;

(4) to provide a water supply for irrigation;

- (5) to regulate and conserve the flow of ~~streams and conserve the streams' water~~ watercourses;
- ~~(6) to divert or change all or part of watercourses;~~
- ~~(7)~~ (6) to provide or conserve water supply for domestic, industrial, recreational, agricultural, or other public use;
- ~~(8)~~ (7) to provide for sanitation and public health; and regulate the use of streams, ditches, or watercourses to dispose of waste;
- ~~(9)~~ (8) to repair, improve, relocate, modify, consolidate, and abandon all or part of drainage systems within a watershed district;
- ~~(10)~~ (9) to control or alleviate soil erosion and siltation of watercourses or water basins;
- ~~(11)~~ (10) to regulate improvements by riparian property owners of the beds, banks, and shores of lakes, streams, and wetlands for preservation and beneficial public use;
- ~~(12)~~ (11) to provide for hydroelectric power generation;
- ~~(13)~~ (12) to protect or enhance the water quality in watercourses or water basins; ~~and~~
- ~~(14)~~ (13) to provide for the protection of groundwater and regulate its use to preserve it for beneficial purposes; ~~and~~
- (14) to otherwise manage and protect surface waters and groundwaters for any beneficial purpose.

Sec. 21. Minnesota Statutes 2022, section 103D.205, subdivision 4, is amended to read:

Subd. 4. **Filing establishment petitions.** The petitioners must file a copy of the establishment petition with the auditors of the counties affected by the proposed watershed district, ~~and the commissioner, and the director.~~ The original establishment petition, with a signed statement of delivery or receipt for each of the establishment petitions submitted to the auditors of affected counties, ~~the commissioners, and the directors~~ director, must be filed with the board.

Sec. 22. Minnesota Statutes 2022, section 103D.251, subdivision 5, is amended to read:

Subd. 5. **Petition signatures.** (a) A petition for a watershed boundary change must be signed by:

- (1) at least one-half of the counties within the proposed watershed district if the boundary change were adopted;
- (2) counties having at least 50 percent of the area within the proposed watershed district if the boundary change were adopted;
- (3) a majority of the cities within the proposed watershed district if the boundary change were adopted;
- (4) at least 50 resident owners or 50 percent of resident owners, whichever is less, in the ~~proposed watershed district if the area to be added or removed by the proposed~~ boundary change if it were adopted, excluding resident owners within the corporate limits of a city, if the city has signed the petition; or
- (5) the managers of a watershed district affected by the proposed boundary change.

(b) The managers must pass a resolution authorizing the boundary change before the managers sign a petition for a boundary change.

Sec. 23. Minnesota Statutes 2022, section 103D.251, subdivision 6, is amended to read:

Subd. 6. **Hearing.** The board must set a time and location for a hearing and give notice of the hearing in the same manner as an establishment hearing. The board must also give notice of the hearing by mail at least ten days before the hearing to the watershed district affected by the proposed boundary change. If a petition for a boundary change involves a common boundary of two or more watershed districts, the board must determine the watershed district where the hearing will be held.

Sec. 24. Minnesota Statutes 2022, section 103D.255, is amended to read:

**103D.255 WITHDRAWING TERRITORY.**

Subdivision 1. **Petition.** (a) Proceedings to withdraw territory from an existing watershed district must be initiated by a petition filed with the board.

(b) A majority of the managers may file a petition for withdrawal. Otherwise, the required signatures on a petition for withdrawal are the same as prescribed for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be withdrawn from the watershed district.

(c) The petition must state that:

(1) the territory described has not received or will not receive any benefits from the operation of the watershed districts;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(d) The petition must request the release of the described territory from the watershed district.

(e) The petition must be served on the board and any affected watershed district, and the board shall proceed as prescribed for an establishment petition. The requirements for notices and public hearings are as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed withdrawal of territory.

Subd. 2. **Board's order of withdrawal.** (a) After the hearing, the board may issue an order releasing the territory, or a part of the territory, as described in the petition, if the board determines that:

(1) the territory described in the petition has not received and will not receive any benefit from the operation of the watershed district;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(b) Property may not be released that has been determined subject to benefits or damages for a project previously constructed.

(c) Property released remains liable for the proportionate share of any indebtedness existing at the time of the order. Levies on the property released continue in force until fully paid.

(d) If the board determines that the order prescribing the distribution of managers should be amended following the withdrawal of any territory, the board may direct redistribution of managers in the order authorizing the withdrawal.

(e) The board must file a certified copy of the findings and order of withdrawal with the secretary of state, the auditor of each county affected by the watershed district, the commissioner, and the watershed district.

Sec. 25. Minnesota Statutes 2022, section 103D.261, subdivision 1, is amended to read:

Subdivision 1. **Petition.** (a) Proceedings to enlarge an existing watershed district must be initiated by a petition filed with the board. A majority of the managers may file a petition. Otherwise, the required signatures on a petition to enlarge are the same as for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be added to the watershed district. The petition must:

- (1) state that the area to be added is contiguous to the existing watershed district;
- (2) state that the area can be feasibly administered by the managers of the existing watershed district;
- (3) state reasons why adding the area to the existing watershed district would be conducive to the public health and welfare;
- (4) include a map of the affected area;
- (5) state the name of the proposed enlarged watershed district, if other than that of the existing watershed district; and
- (6) state a request for the addition of the proposed territory.

(b) The petition must be served on the board and affected watershed districts, and the board must proceed as prescribed for an establishment petition.

(c) The requirement of notice and public hearings is as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed enlargement.

Sec. 26. Minnesota Statutes 2022, section 103D.261, subdivision 2, is amended to read:

Subd. 2. **Board order.** (a) After the hearing, if the board determines that the enlargement of the watershed district as asked for in the petition would be for the public welfare and public interest and the purpose of this chapter would be served, the board shall, by making findings and an order, enlarge the watershed district and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district.

(b) The name of the watershed district may be changed by order of the board if requested in the petition to enlarge the watershed district.

Sec. 27. Minnesota Statutes 2022, section 103D.271, subdivision 7, is amended to read:

Subd. 7. **Termination hearing order.** When the board determines a termination petition has been filed that meets the requirements of subdivisions 4 and 5, the board must, by order, ~~set a time by~~ within 35 days ~~after of~~ its determination, set a time and a location within the watershed district for a termination hearing or, if publicly accessible facilities are not available within the watershed district, at the nearest suitable publicly accessible facility. The board must have each manager of the watershed district personally served with a copy of the order.

Sec. 28. Minnesota Statutes 2022, section 103D.301, subdivision 1, is amended to read:

Subdivision 1. **More than one affected county.** If more than one county is affected by a watershed district, the board must provide that managers are distributed by residence among the counties affected by the watershed district and in consideration of the counties' portion of the land area and net tax capacity of the watershed.

Sec. 29. Minnesota Statutes 2022, section 103D.301, subdivision 3, is amended to read:

Subd. 3. **Redistribution.** (a) After ten years from the establishment of the watershed district, the county board of commissioners of a county affected by the watershed district may petition the board to redistribute the managers. After holding a public hearing on redistributing the managers, the board may redistribute the managers among the counties affected by the watershed district if the redistribution is in accordance with the policy and purposes of this chapter.

(b) A petition for the redistribution of managers may not be filed with the board more often than once in ten years.

(c) If more than one county is affected by a watershed district, the board must distribute the one-, two-, and three-year terms among counties affected by the watershed district. The board may redistribute the three-year terms upon redistributing the managers among the affected counties or upon increasing the number of managers.

Sec. 30. Minnesota Statutes 2022, section 103D.305, subdivision 2, is amended to read:

Subd. 2. **Petition signatures.** The petition to increase the number of managers must request the increase and be signed by one or more of the following groups:

(1) one-half or more of the counties within the watershed district;

(2) counties with 50 percent or more of the area within the watershed district;

(3) a majority or greater number of the cities within the watershed district;

(4) 50 or more resident owners residing in the watershed district, excluding resident owners within the corporate limits of a city if the city has signed the petition; or

(5) the managers of the watershed district, by resolution adopted by a majority of the managers of the watershed district.

Sec. 31. Minnesota Statutes 2022, section 103D.305, subdivision 5, is amended to read:

Subd. 5. **Hearing.** (a) If the board determines at the hearing that an increase in the number of managers would benefit the public welfare, public interest, and the purpose of this chapter, the board must increase the number of managers. The board must make findings and an order accordingly and file a certified copy of the findings and

order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district. The board's order must prescribe the terms for the new managers to be appointed by the designated county board or boards.

(b) If the watershed district affects more than one county, the board, by order, must direct the distribution of the managers among the affected counties.

Sec. 32. Minnesota Statutes 2022, section 103D.311, subdivision 4, is amended to read:

Subd. 4. **Record of appointed managers.** A record of all appointments made under this section must be filed with the county auditor of each county affected by the watershed district, the secretary or administrator of the board of managers, and the Board of Water and Soil Resources.

Sec. 33. Minnesota Statutes 2022, section 103D.315, subdivision 9, is amended to read:

Subd. 9. **First meeting of managers.** (a) Within ~~ten~~ 30 days after the first board of managers has received notice by personal service of their selection, the managers must meet at the watershed district's principal place of business.

(b) At the first meeting, the managers must take the oath under subdivision 1, provide a bond under subdivision 2, elect officers under subdivision 3, and appoint an advisory committee under section 103D.331.

Sec. 34. Minnesota Statutes 2022, section 103D.315, subdivision 10, is amended to read:

Subd. 10. **Meetings.** The managers shall meet annually and at other necessary times to transact the business of the watershed district. A meeting may be called at any time at the request of any manager according to chapter 13D. ~~When a manager requests a meeting, the secretary of the watershed district must mail a notice of the meeting to each member at least eight days before the meeting.~~

Sec. 35. Minnesota Statutes 2022, section 103D.321, subdivision 1, is amended to read:

Subdivision 1. **Unavailable public facilities.** If ~~public~~ publicly accessible facilities are not available for a watershed district's principal place of business within the watershed district, the board shall determine and designate the nearest suitable ~~public~~ publicly accessible facility as the watershed district's principal place of business. The principal place of business is the location of the watershed district's office or, if the district has no office, the location of regular meetings of the board of managers.

Sec. 36. Minnesota Statutes 2022, section 103D.331, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The advisory committee consists of at least five members. If practicable, the advisory committee members selected should include a representative from each soil and water conservation district, a representative of each county, a member of a sporting organization, ~~and~~ a member of a farm organization, and a representative of each federally recognized Tribal government within the watershed district. Other advisory committee members may be appointed at the discretion of the managers. The members must be residents of the watershed district, except representatives from Tribal nations, soil and water conservation districts, and counties, and serve at the pleasure of the managers.

(b) In addition, the managers may appoint other interested and technical persons who may or may not reside within the watershed district to serve at the pleasure of the managers.



Sec. 37. Minnesota Statutes 2022, section 103D.335, subdivision 11, is amended to read:

Subd. 11. **Acquiring or disposing of property.** The managers may acquire by gift, purchase, taking under the procedures of this chapter, or by the power of eminent domain, necessary real and personal property. The managers may dispose of real or personal property when the property no longer serves a purpose of the watershed district. The watershed district may acquire property outside the watershed district where necessary for a water supply system.

Sec. 38. Minnesota Statutes 2022, section 103D.341, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The managers must adopt rules ~~to accomplish the purposes of this chapter and to implement the regulatory powers of the managers.~~

Sec. 39. Minnesota Statutes 2022, section 103D.345, subdivision 4, is amended to read:

Subd. 4. **Bond; financial assurance.** The managers may require an applicant for a permit to file a bond or other form of financial assurance with the managers in an amount set by the managers and conditioned on performance by the applicant of authorized activities in conformance with the terms of the permit.

Sec. 40. Minnesota Statutes 2022, section 103D.355, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a private certified public accountant or by the state auditor. The managers must submit the annual audit report to the board and the state auditor's office within 180 days of the end of the watershed district's fiscal year.

Sec. 41. **[103D.357] REMOVAL OF MANAGERS.**

After being provided an opportunity for a hearing before the appointing authority, a manager of a watershed district may be removed from the position by a majority vote of the appointing authority before term expiration for violation of a code of ethics of the watershed district or appointing authority or for malfeasance, nonfeasance, or misfeasance.

Sec. 42. Minnesota Statutes 2022, section 103D.401, is amended to read:

#### **103D.401 WATERSHED MANAGEMENT PLAN.**

Subdivision 1. **Contents.** (a) The managers must adopt and maintain a watershed management plan ~~for any or all of to exercise the powers of a watershed district and fulfill~~ the purposes for which a watershed district may be established. The watershed management plan must give a narrative description of existing water and water-related problems within the watershed district, possible solutions to the problems, and the general objectives of the watershed district. The watershed management plan must also conform closely with watershed management plan guidelines as adopted and amended from time to time by the Board of Water and Soil Resources. The authority to adopt and maintain a watershed management plan under this section is retained notwithstanding a watershed district's participation in a comprehensive watershed management planning program under section 103B.801.

(b) The watershed management plan may include a separate section on proposed projects. ~~If the watershed district is within the metropolitan area, the separate section of proposed projects or petitions for projects to be undertaken according to the watershed management plan is a comprehensive plan of the watershed district for purposes of review by the Metropolitan Council under section 473.165.~~

Subd. 2. **Review Reviewing draft plan.** The managers must send a copy of the proposed watershed management plan for a 60-day review and comment period to the county auditor of each county affected by the watershed district, the board, ~~the commissioner,~~ the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. ~~For a watershed district within the metropolitan area, a copy of the proposed watershed management plan must also be submitted to the Metropolitan Council.~~ At least ten days before the public hearing, the watershed district must respond in writing to all comments by the reviewing parties.

~~Subd. 3. **Director's and Metropolitan Council's recommendations.** After receiving the watershed management plan, the director and the Metropolitan Council must review and make recommendations on the watershed management plan. By 60 days after receiving the plan, the director and the Metropolitan Council must send their recommendations on the watershed management plan to the board and a copy to the managers of the watershed district, the county auditor of each county affected by the watershed district, the governing bodies of all municipalities affected by the watershed district, and soil and water conservation districts affected by the watershed district. The board may extend the period for review and transmittal of the recommendations.~~

Subd. 4. **Hearing notice.** (a) ~~The board managers~~ must give notice and hold a ~~watershed management plan~~ hearing on the proposed watershed management plan ~~by 45~~ no later than 60 days after ~~receiving the director's and Metropolitan Council's recommendations~~ the close of the 60-day review and comment period.

(b) ~~The board managers~~ must give notice of the ~~watershed management plan~~ hearing by publication in a legal newspaper that is published in counties affected by the watershed district. The last publication must occur at least ten days before the ~~watershed management plan~~ hearing.

(c) ~~The board managers~~ must give notice of the ~~watershed management plan~~ hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(d) The notice must include:

(1) a statement that a copy of the proposed watershed management plan has been filed with the board, ~~the Metropolitan Council, where applicable,~~ the auditors of counties affected by the proposed watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and the soil and water conservation districts affected by the watershed district;

(2) a general description of the purpose of the watershed district;

(3) a general description of the property included in the watershed district;

(4) a general description of the proposed watershed management plan;

(5) the date, time, and location of the hearing; and

(6) a statement that all persons affected or interested in the watershed district may attend and give statements at the ~~watershed management plan~~ hearing.

Subd. 5. **Board approval.** (a) After the watershed management plan hearing, ~~the board managers~~ must submit the draft plan, any amendments to the draft plan, all written comments received on the draft plan, a record of the public hearing, and a summary of changes incorporated as a result of the review process to the board for final review. The board must review the plan for conformance with this chapter.

(b) The board must not prescribe a plan but may disapprove all or parts of a plan that the board finds does not conform with this chapter. The board must complete its review within 90 days and, by order, ~~prescribe and approve, disapprove, or approve with conditions~~ a watershed management plan for the watershed district. ~~The board must send a copy of the order and approved watershed management plan to the managers, the county board of each county affected by the watershed district, the commissioner, the director, the Metropolitan Council, where applicable, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. The watershed management plan approved by the board is the watershed management plan for the watershed district.~~

(c) A watershed district may seek reconsideration of a decision of the board concerning its plan or capital improvement program within 60 days of receiving the decision by filing an appeal to the board's dispute resolution committee established under section 103B.101, subdivision 10. The dispute resolution committee must complete its reconsideration and make a recommendation to the board, which must issue a final decision within 90 days of the appeal.

Subd. 6. **Adoption.** Within 120 days of the board's order, the managers must adopt a plan in compliance with the board's order. The managers must send a copy of the order and approved watershed management plan to the board, the county board of each county affected by the watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. The watershed management plan approved by the board and adopted by the managers is the watershed management plan for the watershed district.

Subd. 7. **Amendments.** (a) To the extent and in the manner required by the adopted plan, all amendments to the adopted plan must be submitted to the towns, cities, counties, and state review agencies and to the board for review according to subdivisions 2 to 5, except when the proposed amendments are determined to be minor amendments according to the following requirements:

(1) the board has either agreed that the amendments are minor or failed to act within five working days of the end of the comment period specified in clause (2), unless an extension is mutually agreed upon with the watershed district;

(2) the watershed district has sent copies of the amendments to the plan review authorities for review and comment, allowing at least 30 days for receipt of comments; has indicated that the minor amendment procedure is being followed; and has directed that comments be sent to the watershed district and the board;

(3) no county board has filed an objection to the amendments with the watershed district and the board within the comment period specified in clause (2), unless an extension is mutually agreed upon by the county and the watershed district; and

(4) the watershed district has held a public meeting to explain the amendments and published a legal notice of the meeting twice, at least seven days and 14 days before the date of the meeting.

(b) The following changes to a plan do not require an amendment, but must be distributed to agencies and local units of government receiving an adopted plan under subdivision 6:

(1) formatting or reorganizing the plan;

(2) revising a procedure meant to streamline administration of the plan;

(3) clarifying existing plan goals or policies;

(4) including additional data not requiring interpretation;

(5) expanding a public process; or

(6) adjusting how a watershed district carries out program activities within the district's discretion.

Sec. 43. Minnesota Statutes 2022, section 103D.405, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The managers ~~and the board~~ must revise the watershed management plan for the watershed district at least once every ten years after the original watershed management plan is approved. The revised watershed management plan of the district must conform closely with adopted watershed management plan guidelines of the board of ~~Water and Soil Resources~~.

(b) The managers must include the following items in the revised watershed management plan:

(1) updates and supplements of the existing hydrological and other statistical data of the watershed district;

(2) specific projects and programs to be considered for implementation;

(3) a statement of the extent that the purposes for which the watershed district had been established have been accomplished;

(4) a description of problems requiring future action by the watershed district;

(5) a summary of completed studies on active or planned projects, including financial data; and

(6) an analysis of the effectiveness of the watershed district's rules and permits in achieving its water management objectives in the watershed district.

(c) A revised watershed management plan must be transmitted, reviewed, recommended, and approved as provided in subdivisions 2 to 4 and 6.

Sec. 44. Minnesota Statutes 2022, section 103D.535, subdivision 3, is amended to read:

Subd. 3. **Appeals from managers' orders.** (a) If an appeal is taken from an order authorizing a project, a trial of an appeal of benefits or damages from the proceedings must be stayed until the appeal is decided. If the order authorizing the project is affirmed, a trial of an appeal of benefits or damages may commence.

(b) If the appeal is from an order refusing to authorize a project and the court or the board later orders the project, the secretary or administrator of the watershed district shall give notice by publication of the filing of the order. The notice is sufficient if it refers to the proposed project by general description and recites the substance of the order and the date of filing in the court.

Sec. 45. Minnesota Statutes 2022, section 103D.701, is amended to read:

#### **103D.701 PROJECT INITIATION.**

Projects may not be initiated until the board approves a watershed management plan for the watershed district. ~~The projects~~ A project of the watershed district ~~that are to be paid for by assessment of the benefited properties~~ must be initiated:

(1) by a project petition filed with the managers;

- (2) by ~~unanimous~~ resolution of a majority of the members of the board of managers; or
- (3) as otherwise prescribed by this chapter.

Sec. 46. Minnesota Statutes 2022, section 103D.705, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) A project within the watershed district that generally conforms with the watershed management plan may be initiated by a project petition. A project petition must contain:

- (1) a description of the proposed project and the purpose to be accomplished;
- (2) a description of the property where the proposed project passes over or is located;
- (3) a general description of the part of the watershed district that will be affected, if less than the entire watershed district;
- (4) the necessity for the proposed project;
- (5) a statement that the proposed project will be conducive to public health, convenience, and welfare; and
- (6) a statement that the petitioners will pay all costs and expenses that may be incurred if the proceedings are dismissed or a construction or implementation contract is not awarded for the proposed project.

(b) A petition may request that the managers adopt a resolution according to section 103D.707, subdivision 1, to allow sources of funding other than assessment to be used in whole or in part for the project. Upon adopting a requested resolution, the managers must release the deposit or bond required under subdivision 3.

Sec. 47. Minnesota Statutes 2022, section 103D.705, is amended by adding a subdivision to read:

Subd. 5. **Determination.** If the managers determine that a proper project petition has been filed and that the proposed project promotes the public interest and welfare, is practicable, and conforms with the watershed management plan of the watershed district, the managers must:

- (1) identify the project by name and number; and
- (2) designate an engineer to make surveys, maps, and a report on the proposed project.

Sec. 48. **[103D.707] PROJECTS INITIATED BY MANAGERS.**

Subdivision 1. **Resolution.** A majority of the members of the board of managers may initiate a project by a resolution finding that the project generally conforms with the watershed management plan of the watershed district. The resolution must:

- (1) identify the project by name and number;
- (2) identify intended sources of project funding; and
- (3) designate an engineer to make surveys, maps, and a report on the proposed project.

Subd. 2. **Funding.** (a) A project initiated under this section may be funded from one or more sources of funds available to the watershed district, including but not limited to levy, assessment, a water management district charge, and external sources. The availability and use of a source of funding must be as specified in applicable law.

(b) The finding under subdivision 1 as to intended sources of funding is not binding on the managers. However, the procedures of this chapter must be afforded to property owners affected by any subsequent decision of the managers to expand the use of assessment.

Subd. 3. **Determining benefits.** Procedures in section 103D.715 for appointing resident appraisers and determining benefits apply to a project initiated by resolution of the managers only if and to the extent that a project is to be funded in whole or part by assessment.

Sec. 49. Minnesota Statutes 2022, section 103D.711, subdivision 3, is amended to read:

Subd. 3. **State and federal projects.** The engineer may adopt, approve, and include as a part of the engineer's report a project of the state or federal government that is pertinent to the project and may accept data, plats, plans, details, or information pertaining to the state or federal project given to the ~~engineer~~ watershed district by the state or federal agency. The engineer ~~shall~~ may omit the items required in subdivision 2 from the engineer's report if the data given by the state or federal government is sufficient to meet the requirements of subdivision 2.

Sec. 50. Minnesota Statutes 2022, section 103D.711, subdivision 4, is amended to read:

Subd. 4. **Hearing after unfavorable engineer's report.** (a) If the project has been initiated by petition and the engineer's report is unfavorable, the managers shall, by order, within 35 days set a time and place within the watershed district for a hearing for the petitioners to demonstrate why the managers should not refer the petition back to the petitioners for further proceedings or dismiss the petition.

(b) The hearing notice must state:

(1) that the engineer's report is unfavorable;

(2) that the engineer's report is on file with the managers and may be reviewed; and

(3) the time and place for the hearing.

(c) The managers shall mail a copy of the notice to each of the petitioners at least 14 days before the hearing.

Sec. 51. Minnesota Statutes 2022, section 103D.711, subdivision 6, is amended to read:

Subd. 6. **Notice for final hearing; timing.** A notice may not be issued for the final hearing until the board's advisory report and the director's advisory report are filed or the time for filing the reports with the managers has expired. For projects initiated by the managers according to section 103D.707, the managers may decide at any time not to proceed to final hearing.

Sec. 52. Minnesota Statutes 2022, section 103D.715, subdivision 1, is amended to read:

Subdivision 1. **Appointment.** After the engineer's report is filed, if the project is proposed to be funded in whole or in part by assessments of benefitted land owners, the managers shall, with the least possible delay, appoint three disinterested resident owners of the state as appraisers.

Sec. 53. Minnesota Statutes 2022, section 103D.729, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A watershed district may establish a water management district or districts in the territory within the watershed, for the purpose of collecting revenues and paying the costs of projects initiated under section 103B.231, ~~103D.601, 103D.605, 103D.611,~~ 103D.701, or 103D.730.

Sec. 54. Minnesota Statutes 2022, section 103D.729, subdivision 2, is amended to read:

Subd. 2. **Procedure.** A watershed district may establish a water management district only by amendment to its plan in accordance with section ~~103D.411, or~~ 103D.401, or 103B.231 for watershed districts in the metropolitan area, and compliance with subdivisions 3 and 4. The amendment ~~shall~~ must describe with particularity the territory or the area to be included in the water management district, the amount of the necessary charges, the methods used to determine charges, and the length of time the water management district will remain in force. After adoption, the amendment ~~shall~~ must be filed with the county auditor and county recorder of each county affected by the water management district. Charges must be collected according to section 444.075, subdivision 2a. The water management district may be dissolved by the procedure prescribed for the establishment of the water management district.

Sec. 55. Minnesota Statutes 2022, section 103D.731, is amended to read:

**103D.731 APPRAISERS' REPORT; EXAMINATION.**

(a) The appraisers shall prepare an appraisers' report of the benefits and damages determined and file the report with the managers.

(b) After the appraisers' report is filed, the managers shall examine the report and determine whether:

(1) the report was made in conformity with the requirements of this chapter; and

(2) for each property to be assessed, the total benefits are greater than the total estimated costs and damages to be assessed.

(c) If the managers determine the appraisers' report is inadequate in any manner, the managers may return the report to the appraisers for further study and report.

Sec. 56. Minnesota Statutes 2022, section 103D.745, subdivision 3, is amended to read:

Subd. 3. **Establishing project.** (a) The managers shall make findings, order and direct construction or implementation of the project, and confirm the engineer's report and the findings of the appraisers and the appraisers' report if, at the end of the final hearing, the managers find that the project will:

(1) be conducive to public health;

(2) promote the general welfare;

(3) be in compliance with this chapter; and

(4) for each property to be assessed, result in benefits that will be greater than the cost of the construction or implementation and damages to be assessed.

(b) The order may authorize the construction or implementation of the project as a whole or authorize different parts of the project to be constructed separately.

(c) The managers shall order the engineer to proceed with making the necessary surveys and preparing plans and specifications that are needed to construct the project and report the results of the surveys and plans to the managers.

Sec. 57. Minnesota Statutes 2022, section 103D.805, is amended to read:

**103D.805 FILING MANAGERS' ORDER ESTABLISHING PROJECT.**

An order of the managers establishing the project and authorizing construction must immediately be filed with the secretary or administrator of the watershed district, and a certified copy of the order must be filed with the auditor of each county affected, the board, the commissioner, the director, the Pollution Control Agency, and the commissioner of health.

Sec. 58. Minnesota Statutes 2022, section 103D.811, subdivision 3, is amended to read:

Subd. 3. **Awarding contract.** (a) At a time and place specified in the bid notice, the managers may accept or reject any or all bids and may award the contract to the lowest responsible bidder. The bidder to whom the contract is to be awarded must give a bond, ~~with ample security~~ as required by section 574.26, conditioned by satisfactory completion of the contract.

(b) Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction or implementation.

(c) As an alternative to the procurement method described in paragraph (a), the managers may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

(d) The contract must be in writing and be accompanied by or refer to the plans and specifications for the work to be done as prepared by the engineer for the watershed district. The plans and specifications shall become a part of the contract.

(e) The contract ~~shall~~ must be approved by the managers ~~and signed by the president, secretary, and contractor.~~

Sec. 59. Minnesota Statutes 2022, section 103D.901, subdivision 2, is amended to read:

Subd. 2. **County funding.** After the assessment statement is filed with the auditor, the county board of each affected county shall provide funds to meet its proportionate share of the total cost of the project, as shown by the engineer's report and order of the managers. The county may issue bonds of the county in the manner provided by section 103E.635. ~~If an improvement is to be constructed under section 103D.611, the provisions of section 103E.635 requiring the county board to award a contract for construction or implementation before issuing bonds is not applicable to bonds issued to provide the funds required to be furnished by this section.~~

Sec. 60. Minnesota Statutes 2022, section 103E.729, subdivision 9, is amended to read:

Subd. 9. **Sunset.** This section expires on July 31, ~~2024~~ 2029.

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



Sec. 61. Minnesota Statutes 2022, section 103F.48, subdivision 1, is amended to read:

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer-protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" means public waters that are on the public waters inventory as provided in section 103G.201.

(j) "With jurisdiction" means a board determination that the county or watershed district has adopted and is implementing a rule, ordinance, or official controls providing procedures for the issuance of administrative penalty orders, enforcement, and appeals for purposes of this section and section 103B.101, ~~subdivision 12a.~~ This determination is revocable by board action if the adoption and implementation of rule, ordinance, or official controls are not in compliance with the requirements of this section or board-adopted procedures.

Sec. 62. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1a. **Agricultural crop production.** "Agricultural crop production" means an agricultural activity that is devoted to producing horticultural, row, close-grown, introduced pasture, or introduced hayland crops and includes but is not limited to tillage, planting, or harvesting operations.

Sec. 63. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1b. **Agricultural land.** "Agricultural land" means land devoted to the following uses and includes any contiguous land associated with the uses:

(1) pasture or hayland for domestic livestock or dairy animals;

(2) producing agricultural crops;

(3) growing nursery stocks; or

(4) animal feedlots.

Sec. 64. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1c. **Approved practice.** "Approved practice" means a conservation practice that may be established on an easement area and that meets the requirements of section 103F.527.

Sec. 65. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 3a. **Conservation easement program.** "Conservation easement program" means:

(1) the reinvest in Minnesota reserve program under section 103F.515;

(2) the permanent wetlands preserve program under section 103F.516;

(3) the reinvest in Minnesota clean energy program under section 103F.518; or

(4) the reinvest in Minnesota working lands program under section 103F.519.

Sec. 66. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 3b. **Conservation plan.** "Conservation plan" means a written description and map of approved practices that must be applied to or that already exist on an easement area.

Sec. 67. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5b. **Food plot.** "Food plot" means an area established to provide food for wildlife.

Sec. 68. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5d. **Land with crop history.** "Land with crop history" means land that has produced horticultural, row, or close-grown crops or that has been enrolled at a cropland rate in a federal or state conservation program for at least two of the five years preceding an application to enroll the land in a conservation easement program. Land with crop history includes acres devoted to set-aside or conserving use for programs of the United States Department of Agriculture.

Sec. 69. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 7a. **Pasture.** "Pasture" means land that is used for grazing by domestic livestock and that is not considered land with crop history.

Sec. 70. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 7b. **Perennial cover.** "Perennial cover" means:

(1) existing or established perennial vegetation within the easement boundary; or

(2) a restored or existing wetland or water-covered area within the easement boundary.

Sec. 71. Minnesota Statutes 2022, section 103F.515, is amended to read:

**103F.515 REINVEST IN MINNESOTA RESERVE PROGRAM.**

Subdivision 1. **Establishment.** The board, in consultation with the commissioner of agriculture and the commissioner of natural resources, shall establish and administer the reinvest in Minnesota reserve program. The board shall implement sections 103F.505 to 103F.531. Selection of land for the reinvest in Minnesota reserve program must be based on its ~~enhancement potential for fish, wildlife, and native plant habitats, reducing erosion, and protecting water quality~~ benefit to accomplishing the purposes in section 103F.505.

Subd. 2. **Eligible land.** (a) Land may be placed in the reinvest in Minnesota reserve program if the land meets the requirements of paragraphs (b) and (c) or paragraph (d).

(b) Land is eligible if the land:

(1) is marginal agricultural land;

(2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;

(3) consists of a drained wetland;

(4) is land that with a windbreak or water quality improvement practice would be beneficial to resource protection;

(5) is land in a sensitive groundwater area;

(6) is riparian or floodplain land;

(7) is cropland or noncropland adjacent to restored wetlands to the extent of up to eight acres of cropland or ~~one acre~~ acre of noncropland for each acre of wetland restored;

(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; ~~or~~

(10) is land used for pasture-; or

(11) is land in an environmentally sensitive area, including grasslands, peatlands, shorelands, karst geology, trout stream watersheds, and forest lands in priority areas.

(c) Eligible land under paragraph (a) must:

(1) be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;

~~(2) be at least five acres in size, except for a drained wetland area, riparian area, windbreak, woodlot, wellhead protection area, or abandoned building site, or be a whole field;~~

~~(3)~~ (2) not be set aside, enrolled or diverted under another federal or state government program unless enrollment in the reinvest in Minnesota reserve program would provide additional conservation benefits or a longer term of enrollment than under the current federal or state program; and

~~(4) have been in agricultural crop production for at least two of the last five years before the date of application except drained wetlands, riparian lands, woodlots, abandoned building sites, environmentally sensitive areas, wellhead protection areas, or land used for pasture.~~

(3) benefit the purposes in section 103F.505.

(d) Land is eligible if the land is within a wellhead protection area as defined under section 103I.005, subdivision 24, and has a wellhead protection plan approved by the commissioner of health.

(e) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505.

Subd. 3. **Conservation easements.** (a) The board may acquire, or accept by gift or donation, conservation easements on eligible land. An easement may be permanent or of limited duration. An easement acquired on land for wetland restoration or windbreak purposes, under subdivision 2, may be only of permanent duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapters 16B and 16C.

(b) The board may acquire, or accept by gift or donation, flowage easements when necessary for completion of wetland restoration projects.

Subd. 4. **Nature of property rights acquired.** (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the board;

(2) agricultural crop production and livestock grazing, unless specifically approved by the board for conservation management purposes or extreme drought; ~~and~~

(3) spraying with chemicals or mowing, except:

(i) as necessary to comply with noxious weed control laws;

(ii) for emergency control of pests necessary to protect public health; or

(iii) as approved by the board for conservation management purposes; and

(4) extracting or mining any gravel, rock, or topsoil.

(b) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(c) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement.

(d) Notwithstanding paragraph (a), the board must permit the harvest of native grasses for use in seed production or bioenergy on wellhead protection lands eligible under subdivision 2, paragraph (d).

(e) A conservation easement must allow the board and its employees and agents to enter the easement area for inspection and for enforcing the terms and conditions of the conservation easement.

Subd. 5. **Agreements by landowner.** The board may enroll eligible land in the reinvest in Minnesota reserve program by signing an agreement ~~in recordable form~~ with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior ~~title, lien, or encumbrance liens or encumbrances that are determined to be objectionable by the attorney general;~~

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the board; or to plant trees or carry out other long-term capital improvements approved by the board for soil and water conservation or wildlife management;

(3) to convey to the state a permanent easement for the wetland restoration;

~~(4) that other land supporting natural vegetation owned or leased as part of the same farm operation at the time of application, if it supports natural vegetation and has not been used in agricultural crop production, will not be converted to agricultural crop production or pasture; and~~

~~(5) (4) that the easement duration may be lengthened through mutual agreement with the board in consultation with the commissioners of agriculture and natural resources if they determine that the changes effectuate the purpose of the program or facilitate its administration;~~

(5) to be responsible for operating and maintaining approved practices designated in the conservation plan;

(6) to pay, when due, all taxes and assessments that may be levied against the easement area;

(7) to remove any existing structures as required before the conservation easement is conveyed and not place, erect, or construct structures on the easement area;

(8) to remove any existing hazardous and toxic substances or any pollutants and contaminants before the conservation easement is conveyed and not place such substances, pollutants, or contaminants on the easement area; and

(9) to properly seal all abandoned wells on the easement area before the conservation easement is conveyed and pay all associated costs.

Subd. 6. **Payments for easements.** (a) The board shall establish rates for payments to the landowner for the conservation easement and related practices. The board shall consider market factors, including the township average equalized estimated market value of property as established by the commissioner of revenue at the time of easement application.

(b) The board may establish a payment system for flowage easements acquired under this section.

(c) For wetland restoration projects involving more than one conservation easement, state payments for restoration costs may exceed the limits set by the board for an individual easement provided the total payment for the restoration project does not exceed the amount payable for the total number of acres involved.

~~(d) The board may use available nonstate funds to exceed the payment limits in this section.~~

Subd. 7. **Easement renewal.** When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of not less than 20 years may be acquired by agreement of the board and the landowner, under the terms of this section. The board may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Subd. 8. **Correcting boundary lines.** To correct errors in legal descriptions for easements that affect the ownership interests in the state and adjacent landowners, the board may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Subd. 9. **Enforcement and damages.** (a) A landowner who violates the term of a conservation easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.

(b) Upon the request of the board, The board may request that the attorney general commence a legal action for a violation, and the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney's fees, and any other appropriate relief to enforce sections 103F.505 to 103F.531 in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business. In addition to or in lieu of making a request under this paragraph, the board may use its authority under section 103B.101, subdivision 12, to issue a penalty order for a violation. The penalties may be forgiven, in whole or in part, upon compliance with the conservation easement conditions.

(c) A landowner is not in violation of the conservation easement if a failure of approved practices was caused by reasons beyond the landowner's control.

Subd. 10. **Use for mitigation prohibited.** Money made available under the reinvest in Minnesota reserve program may not be used for environmental regulatory or wetland mitigation purposes required under federal or state law.

Sec. 72. **[103F.527] CONSERVATION PRACTICES.**

Subdivision 1. **Approved practices.** An approved practice must be consistent with section 103F.505. The landowner is responsible for establishing all approved practices on the easement area as specified by the board.

Subd. 2. **Approved practices eligible for reimbursement.** The board must determine which approved practices are eligible for payments or reimbursement under a conservation easement program. Food plots are not eligible for payments or reimbursement under a conservation easement program.

Subd. 3. **Money from other sources.** The board may augment money available to pay for or reimburse approved practices with money from other agencies, organizations, or individuals.

Sec. 73. **[103F.528] SOIL AND WATER CONSERVATION DISTRICT RESPONSIBILITIES.**

Subdivision 1. **Program delegation.** With the consent of the Board of Water and Soil Resources, a district may enter into an agreement with others, as authorized under section 103C.231, to delegate, in whole or in part, the responsibility for administering a conservation easement program.

Subd. 2. **Land in more than one district.** If an application involves land in more than one district, the districts or delegated parties may jointly agree for one of the districts or delegated parties to be the responsible party to review and prioritize the application and complete all tasks necessary to convey the conservation easement to the Board of Water and Soil Resources.

Subd. 3. **Violations and enforcement.** The district may take measures that are necessary to ensure landowner compliance with the conservation agreement, conservation easement, and conservation plan. If the district is unsuccessful in obtaining landowner compliance, the district must notify the Board of Water and Soil Resources of the violation and may recommend appropriate measures to be taken to correct the violation.

Sec. 74. Minnesota Statutes 2022, section 103F.535, subdivision 5, is amended to read:

Subd. 5. **Altering conservation easements.** (a) Conservation easements may be altered, released, or terminated by the board after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

(b) The board may adopt policies and procedures to implement this subdivision, including provisions to ensure at least equal resource value as a condition of approving a request to alter, release, or terminate a conservation easement.

(c) The landowner must compensate the board for damages and loss of benefits to the conservation easement that result from the alteration, release, or termination. The board may require the landowner to reimburse the board's administrative expenses and costs incurred in altering, releasing, or terminating a conservation easement.

Sec. 75. Minnesota Statutes 2022, section 103G.005, subdivision 14d, is amended to read:

Subd. 14d. **Project.** "Project" means a specific plan, contiguous activity, proposal, or design necessary to accomplish a goal as defined by the local government unit. As used in this chapter, a project may not be split into components or phases for the sole purpose of gaining additional exemptions.

Sec. 76. Minnesota Statutes 2022, section 103G.005, subdivision 17b, is amended to read:

Subd. 17b. **Wetland type.** "Wetland type" means a wetland type classified according to *Wetlands of the United States*, United States Fish and Wildlife Service Circular 39 (1971 edition), ~~as summarized in this subdivision or A Hydrogeomorphic Classification for Wetlands, United States Army Corps of Engineers (August 1993), including updates, supplementary guidance, and replacements, if any, as determined by the board.~~

~~(1) "Type 1 wetlands" are seasonally flooded basins or flats in which soil is covered with water or is waterlogged during variable seasonal periods but usually is well drained during much of the growing season. Type 1 wetlands are located in depressions and in overflow bottomlands along watercourses, and in which vegetation varies greatly according to season and duration of flooding and includes bottomland hardwoods as well as herbaceous growths.~~

~~(2) "Type 2 wetlands" are inland fresh meadows in which soil is usually without standing water during most of the growing season but is waterlogged within at least a few inches of surface. Vegetation includes grasses, sedges, rushes, and various broad-leaved plants. Meadows may fill shallow basins, sloughs, or farmland sags, or these meadows may border shallow marshes on the landward side.~~

~~(3) "Type 3 wetlands" are inland shallow fresh marshes in which soil is usually waterlogged early during a growing season and often covered with as much as six inches or more of water. Vegetation includes grasses, bulrushes, spikerushes, and various other marsh plants such as cattails, arrowheads, pickerelweed, and smartweeds. These marshes may nearly fill shallow lake basins or sloughs, or may border deep marshes on the landward side and are also common as seep areas on irrigated lands.~~

~~(4) "Type 4 wetlands" are inland deep fresh marshes in which soil is usually covered with six inches to three feet or more of water during the growing season. Vegetation includes cattails, reeds, bulrushes, spikerushes, and wild rice. In open areas, pondweeds, naiads, coontail, water milfoils, waterweeds, duckweeds, waterlilies, or spatterdocks may occur. These deep marshes may completely fill shallow lake basins, potholes, limestone sinks, and sloughs, or they may border open water in such depressions.~~

~~(5) "Type 5 wetlands" are inland open fresh water, shallow ponds, and reservoirs in which water is usually less than ten feet deep and is fringed by a border of emergent vegetation similar to open areas of type 4 wetland.~~

~~(6) "Type 6 wetlands" are shrub swamps in which soil is usually waterlogged during growing season and is often covered with as much as six inches of water. Vegetation includes alders, willows, buttonbush, dogwoods, and swamp privet. This type occurs mostly along sluggish streams and occasionally on floodplains.~~

~~(7) "Type 7 wetlands" are wooded swamps in which soil is waterlogged at least to within a few inches of the surface during growing season and is often covered with as much as one foot of water. This type occurs mostly along sluggish streams, on floodplains, on flat uplands, and in shallow basins. Trees include tamarack, arborvitae, black spruce, balsam, red maple, and black ash. Northern evergreen swamps usually have a thick ground cover of mosses. Deciduous swamps frequently support beds of duckweeds and smartweeds.~~

~~(8) "Type 8 wetlands" are bogs in which soil is usually waterlogged and supports a spongy covering of mosses. This type occurs mostly in shallow basins, on flat uplands, and along sluggish streams. Vegetation is woody or herbaceous or both. Typical plants are heath shrubs, sphagnum moss, and sedges. In the north, leatherleaf, Labrador tea, cranberries, carex, and cottongrass are often present. Scattered, often stunted, black spruce and tamarack may occur.~~

Sec. 77. Minnesota Statutes 2023 Supplement, section 103G.005, subdivision 19, is amended to read:

Subd. 19. **Wetlands.** (a) "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

- (1) have a predominance of hydric soils;
- (2) are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and
- (3) under normal circumstances support a prevalence of such vegetation.

(b) For the purposes of regulation under this chapter, the term wetlands does not include public waters wetlands as defined in subdivision 15a.

(c) Notwithstanding paragraph (a), wetlands includes deepwater aquatic habitats that are not public waters or public waters wetlands. For purposes of this paragraph, "deepwater aquatic habitats" has the meaning given in Corps of Engineers Wetlands Delineation Manual, United States Army Corps of Engineers (January 1987).

Sec. 78. Minnesota Statutes 2022, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Project-specific wetland-replacement plans submitted as part of a project for which a permit to mine is required and approved by the commissioner on or after July 1, 1991, may include surplus wetland credits to be allocated by the commissioner to offset future mining-related wetland impacts under any permits to mine held by the permittee, the operator, the permittee's or operator's parent, an affiliated subsidiary, or an assignee pursuant to an assignment under section 93.481, subdivision 5. For project-specific wetland replacement completed prior to wetland impacts authorized or



conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins ~~shall be~~ are considered a single watershed for purposes of determining wetland-replacement ratios. Mining reclamation plans ~~shall~~ must apply the same principles and standards for replacing wetlands that are applicable to mitigation plans approved as provided in section 103G.2242. The commissioner must provide notice of an application for wetland replacement under a permit to mine to the county in which the impact is proposed and the county in which a mitigation site is proposed. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of ~~types 3, 4, and 5~~ wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

- (1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;
- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, ~~subdivision 2, paragraph (b) or (c), subdivision 1, clause (1),~~ the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used for wetland replacement according to rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for wetland replacement.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel ~~shall~~ must review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for ~~state~~ public transportation projects that occur on state roads, for which the state Department of Transportation is responsible for the wetland replacement, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 79. Minnesota Statutes 2022, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** A replacement plan for wetlands is not required for:

~~(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grass or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;~~

~~(2) activities in a type 1 wetland on agricultural pasture land that remains in the same use, except for bottomland hardwood type 1 wetlands, and activities in a type 2 or type 6 wetland that is less than two acres in size and located on agricultural pasture land that remains in the same use;~~

(1) impacts to wetlands on agricultural land labeled prior-converted cropland and impacts to wetlands resulting from drainage maintenance activities authorized by the United States Department of Agriculture, Natural Resources Conservation Service, on areas labeled farmed wetland, farmed-wetland pasture, and wetland. The prior-converted cropland, farmed wetland, farmed-wetland pasture, or wetland must be labeled on a valid final certified wetland determination issued by the Natural Resources Conservation Service in accordance with Code of Federal Regulations, title 7, part 12, as amended. It is the responsibility of the owner or operator of the land to provide a copy of the final certified wetland determination to, and allow the Natural Resources Conservation Service to share related information with, the local government unit and the board for purposes of verification;

~~(3)~~ (2) activities in a wetland conducted as part of normal farming practices. For purposes of this clause, "normal farming practices" means farming, silvicultural, grazing, and ranching activities such as plowing, seeding, cultivating, and harvesting for the production of feed, food, and fiber products, but does not include activities that result in the draining of wetlands;

~~(4)~~ (3) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;

~~(5)~~ (4) wetland impacts resulting from aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes, authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

~~(6)~~ (5) wetland impacts resulting from wild rice production activities, including necessary diking and other activities, authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; or

~~(7)~~ (6) agricultural activities on agricultural land that is subject to the swampbuster provisions of the federal farm program restrictions consistent with a memorandum of understanding and related agreements between the board and the United States Department of Agriculture, Natural Resources Conservation Service.

Sec. 80. Minnesota Statutes 2022, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** ~~(a) For the purposes of this subdivision, "public drainage system" means a drainage system as defined in section 103E.005, subdivision 12, and any ditch or tile lawfully connected to the drainage system.~~

~~(b) A replacement plan is not required for draining of type 1 wetlands, or up to five acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed drainage benefits for a public drainage system, provided that:~~

~~(1) during the 20-year period that ended January 1, 1992:~~

~~(i) there was an expenditure made from the drainage system account for the public drainage system;~~

~~(ii) the public drainage system was repaired or maintained as approved by the drainage authority; or~~

~~(iii) no repair or maintenance of the public drainage system was required under section 103E.705, subdivision 1, as determined by the public drainage authority; and~~

~~(2) the wetlands are not drained for conversion to:~~

~~(i) platted lots;~~

~~(ii) planned unit, commercial, or industrial developments; or~~

~~(iii) any development with more than one residential unit per 40 acres, except for parcels subject to local zoning standards that allow for family members to establish an additional residence on the same 40 acres.~~

~~If wetlands drained under this paragraph are converted to uses prohibited under clause (2) during the ten-year period following drainage, the wetlands must be replaced under section 103G.222.~~

~~(c) A replacement plan is not required for draining or filling of wetlands, except for draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing public drainage systems.~~

~~(d) (a) A replacement plan is not required for draining or filling of wetlands, except for draining wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing drainage systems other than, including public drainage systems.~~

~~(e) A replacement plan is not required for draining agricultural land that:~~

~~(1) was planted with annually seeded crops before July 5, except for crops that are normally planted after that date, in eight out of the ten most recent years prior to the impact;~~

~~(2) was in a crop rotation seeding of pasture grass, cover crop, or legumes, or was fallow for a crop production purpose, in eight out of the ten most recent years prior to the impact; or~~

~~(3) was enrolled in a state or federal land conservation program and met the requirements of clause (1) or (2) before enrollment.~~

~~(f) The (b) A public drainage authority may, as part of the repair of a public drainage system, as defined in section 103E.005, subdivision 12, install control structures, realign the ditch, construct dikes along the ditch, or make other modifications as necessary to prevent the drainage of the wetland wetlands.~~

~~(g) Wetlands of all types that would be drained as a part of a public drainage repair project are eligible for the permanent wetlands preserve under section 103F.516. The board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have been in existence for more than 25 years on public drainage systems and other wetlands that have the greatest risk of drainage from a public drainage repair project.~~

Sec. 81. Minnesota Statutes 2022, section 103G.2241, subdivision 6, is amended to read:

Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not required for wetland impacts resulting from:

(1) new placement or maintenance, repair, enhancement, realignment, or replacement of existing utility or utility-type service, including pipelines, ~~if~~ when wetland impacts are authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, and

~~(i) the direct and indirect impacts of the proposed project have been avoided and minimized to the extent possible; and~~

~~(ii) the proposed project significantly modifies or alters less than one half acre of wetlands;~~

(2) activities associated with operation, routine maintenance, or emergency repair of existing utilities and public work structures, including pipelines, provided the activities do not result in additional wetland intrusion or additional draining or filling of a wetland either wholly or partially; or

(3) repair and updating of existing subsurface sewage treatment systems necessary to comply with local, state, and federal regulations.

(b) ~~For maintenance, repair, and replacement, the local government unit may issue a seasonal or annual exemption certification or the utility may proceed without local government unit certification if the utility is carrying out the work according to approved best management practices.~~ Work of an emergency nature may proceed as necessary, and any drain or fill activities ~~shall~~ must be addressed with the local government unit after the emergency work has been completed.

Sec. 82. Minnesota Statutes 2022, section 103G.2241, subdivision 9, is amended to read:

Subd. 9. **De minimis.** (a) Except as provided in paragraphs (d), (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling impacts to~~ the following amounts of wetlands, excluding the permanently and semipermanently flooded areas of wetlands, as part of a project outside of the shoreland wetland protection zone:

(1) ~~10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-quarter acre of wetland~~ in a greater than 80 percent area;

(2) ~~5,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-tenth acre of wetland~~ in a 50 to 80 percent area, ~~except within the 11 county metropolitan area; or~~

(3) ~~2,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-twentieth acre of wetland~~ in a less than 50 percent area, ~~except within the 11 county metropolitan area; or~~

~~(4) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.~~

(b) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling the following amounts of up to 100 square feet of impacts to~~ wetlands as part of a project within the shoreland wetland protection zone beyond the shoreland building setback zone:

~~(1) 400 square feet of type 1, 2, 6, or 7 wetland; or~~

~~(2) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.~~

~~In a greater than 80 percent area, the de minimis amount allowed under clause (1) may be increased up to 1,000 square feet if the wetland is isolated and is determined to have no direct surficial connection to the public water or if permanent water runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.~~

(c) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling up to 20 square feet of wetland~~ impacts to wetlands as part of a project within the shoreland building setback zone, as defined in the local shoreland management ordinance. The amount in this paragraph may be increased to 100 square feet if permanent water runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.

(d) Except as provided in paragraphs ~~(b)~~, (c), (e), (f), (g), (h), and (i), a replacement plan is not required for ~~draining or filling amounts up to 400 square feet of~~ impacts to the permanently and semipermanently flooded areas of wetlands as part of a project:

~~(1) 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area within the 11 county metropolitan area; or~~

~~(2) 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area within the 11 county metropolitan area.~~

~~For purposes of this subdivision, the 11 county metropolitan area consists of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.~~

(e) The amounts listed in paragraphs (a), (b), ~~and (c), and (d)~~ may not be combined on a project.

~~(f) This exemption no longer applies to a landowner's portion of a wetland when the cumulative area drained or filled of the landowner's portion since January 1, 1992, is the greatest of:~~

~~(1) the applicable area listed in paragraph (a), (b), or (c), if the landowner owns the entire wetland;~~

~~(2) five percent of the landowner's portion of the wetland; or~~

~~(3) 400 square feet.~~

(f) When the total area of impacts to wetlands as part of a project exceeds the applicable amount in this subdivision, a replacement plan is required for the entire amount.

(g) This exemption may not be combined with another exemption in this section on a project.

(h) Property may not be divided to increase the amounts listed in paragraph (a), ~~(b), (c), or (d)~~.

(i) If a local ordinance or similar local control is more restrictive than this subdivision, the local standard applies.

Sec. 83. Minnesota Statutes 2023 Supplement, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; mitigating and banking other water and water-related resources; the administrative, monitoring, and enforcement procedures to be used; provisions that protect or mitigate impacts to the public values of watercourses that are not public waters; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Sec. 84. Minnesota Statutes 2022, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland ~~shall~~ **must** be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel ~~shall~~ **must** be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters.

(b) For wetland boundary determinations, the panel shall must use the "United States Army Corps of Engineers Wetland Delineation Manual", United States Army Corps of Engineers (January 1987), including updates, supplementary guidance, and replacements, if any,". For wetland type determinations, the panel must also use Wetlands of the United States"–, United States Fish and Wildlife Service Circular 39, (1971 edition), and—"Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition); Classification of Wetlands and Deepwater Habitats of the United States, United States Fish and Wildlife Service (August 2013 edition); or A Hydrogeomorphic Classification for Wetlands, United States Army Corps of Engineers (August 1993), according to rules authorized under this part and including updates, supplementary guidance, and replacements, if any, for any of these publications.

(c) The panel shall must provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, sequencing, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

~~(b)~~ (d) A member of the Technical Evaluation Panel that has a financial interest in a wetland bank or management responsibility to sell or make recommendations in their official capacity to sell credits from a publicly owned wetland bank must disclose that interest, in writing, to the Technical Evaluation Panel and the local government unit.

~~(c)~~ (e) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

~~(d)~~ (f) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 85. Minnesota Statutes 2022, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply for a wetland boundary or type determination from the local government unit. The landowner applying for the determination is responsible for submitting proof necessary to make the determination, including, but not limited to, wetland delineation field data, observation well data, topographic mapping, survey mapping, and information regarding soils, vegetation, hydrology, and groundwater both within and outside of the proposed wetland boundary.

(b) A local government unit that receives an application under paragraph (a) may seek the advice of the Technical Evaluation Panel as described in subdivision 2; and, if necessary, expand the Technical Evaluation Panel. The local government unit may delegate the decision authority for wetland boundary or type determinations to designated staff; or establish other procedures it considers appropriate.



(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed or sent by electronic transmission to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy. Notwithstanding section 15.99, subdivision 2, the board must establish by rule timelines for project review and comment for wetland banking projects.

(d) The local government unit decision is valid for five years unless the Technical Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation, or soils of the area have been sufficient to alter the wetland boundary or type.

Sec. 86. Minnesota Statutes 2022, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be completed prior to or concurrent with the actual draining or filling of a wetland, unless:

(1) an irrevocable bank letter of credit or other financial assurance acceptable to the local government unit or the board is given to the local government unit or the board to guarantee the successful completion of the replacement; or

(2) the replacement is approved under an in-lieu fee program according to rules adopted under subdivision 1. In the case of an in-lieu fee program established by a board-approved sponsor, the board may require that a financial assurance in an amount and method acceptable to the board be given to the board to ensure the approved sponsor fulfills the sponsor's obligation to complete the required wetland replacement.

(b) The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland banking program for impacts to wetlands. The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland replacement credits to facilitate the wetland banking program. The board may establish wetland credit and in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

(c) The board shall coordinate the establishment and operation of a wetland bank with the United States Army Corps of Engineers, the Natural Resources Conservation Service of the United States Department of Agriculture, and the commissioners of natural resources, agriculture, and the Pollution Control Agency.

Sec. 87. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber Minnesota Statutes, section 103F.511, subdivision 5a, as Minnesota Statutes, section 103F.511, subdivision 5c.

(b) The revisor of statutes shall replace references to "section 103A.206" with references to "section 103C.005" wherever they appear in Minnesota Statutes, chapter 103C.

Sec. 88. **REPEALER.**

(a) Minnesota Statutes 2022, sections 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, and 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, and 4; 103D.611; 103D.711, subdivision 1; 103F.511, subdivision 8b; and 103F.950, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5, is repealed.

(c) Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; and 8400.3930, are repealed.

ARTICLE 4  
ENVIRONMENT AND NATURAL RESOURCES MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2022, section 84.96, subdivision 2, is amended to read:

Subd. 2. **Definition.** For the purposes of this section, "native prairie" means ~~land that has never been plowed, with less than ten percent tree cover and with predominantly native prairie vegetation~~ a grassland dominated by original native prairie vegetation, usually occurring where the sod has never been broken.

Sec. 2. Minnesota Statutes 2022, section 84.96, subdivision 3, is amended to read:

Subd. 3. **Easement acquisition.** (a) The commissioner may acquire native prairie for conservation purposes by entering into easements with landowners or with the land administrator of state school trust lands. Before acquiring easements under this subdivision on school trust lands, the commissioner must receive advice from the school trust lands director according to section 127A.353, subdivision 4. The easements must be conservation easements as defined in section 84C.01, clause (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner or land administrator and the commissioner.

(b) The easements may be permanent or of limited duration. Highest priority must be given to permanent easements consistent with the purposes of this section. Easements of limited duration must be for at least 20 years, with provision for renewal for at least another 20-year period. For easements of limited duration, the commissioner may reexamine and adjust the payment rates at the beginning of any renewal period after considering current land and crop values.

Sec. 3. Minnesota Statutes 2022, section 84.96, subdivision 5, is amended to read:

Subd. 5. **Payments.** (a) For interests in lands acquired under this section, the commissioner must make payments to the landowner ~~under or land administrator according to this subdivision for the easement.~~

~~(b) For a permanent easement, the commissioner must pay 65 percent of the permanent marginal agricultural land payment rate as established by the Board of Water and Soil Resources for the time period when the application is made.~~

(b) For a permanent easement, the commissioner may pay up to ten percent more than the Board of Water and Soil Resources pays for noncrop easements. If the Board of Water and Soil Resources does not establish a noncrop easement payment rate, the commissioner must establish land value rates for payments considering market factors, such as county-assessed land value and sales ratio studies, along with ecological, biological, and cultural factors that take into consideration the global rarity of native prairie. The rates must be based on the need to protect the extremely small amount of the globally vulnerable and imperiled remaining native prairie in Minnesota.

(c) For an easement of limited duration, the commissioner ~~must pay~~ may pay up to 65 percent of the permanent prairie bank easement rate for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner or land administrator.

(e) If a native prairie qualifies for the native prairie bank but the landowner requests that the commissioner acquire the native prairie in fee rather than acquire an easement, the commissioner may acquire it as any outdoor recreation system classification under section 86A.05 with protections equivalent to a native prairie bank easement. For acquisition under this paragraph, the commissioner may pay up to 25 percent more than what the Board of Water and Soil Resources pays for noncrop easements. If the Board of Water and Soil Resources does not establish a noncrop easement payment rate, the commissioner must establish land value rates for payments considering market factors, such as county-assessed land value and sales ratio studies, along with ecological, biological, and cultural factors that take into consideration the global rarity of native prairie.

(f) For a permanent easement acquired on school trust lands under this section, the commissioner must pay no less than 100 percent of the easement's appraised value at the time of closing.

Sec. 4. Minnesota Statutes 2022, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. ~~Citizen oversight committees~~ **Fish and Wildlife Advisory Committee.** (a) The commissioner shall appoint ~~committees~~ a committee of at least 15 affected persons to:

(1) review the reports prepared under subdivision 4;

~~(2) review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information~~ annual outcomes achieved from game and fish fund expenditures; and

(3) make recommendations to the legislature and the commissioner for desired outcomes related to:

(i) protecting, restoring, and enhancing fish and wildlife habitat;

(ii) fish and wildlife population management;

(iii) fish and wildlife monitoring and research;

(iv) communications and engagement; and

(v) improvements in the management and use of money in the game and fish fund.

~~(b) The commissioner shall appoint the following committees, each comprised of at least ten affected persons:~~

~~(1) a Fisheries Oversight Committee to review fisheries funding and expenditures, including activities related to trout and salmon stamps and walleye stamps; and~~

~~(2) a Wildlife Oversight Committee to review wildlife funding and expenditures, including activities related to migratory waterfowl, pheasant, and wild turkey management and deer and big game management.~~

~~(c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee, and four additional members from each committee, shall form a Budgetary Oversight Committee to coordinate the integration of the fisheries and wildlife oversight committee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; and provide a forum to address issues that transcend the fisheries and wildlife oversight committees.~~

~~(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance.~~

~~(e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee shall be chosen by their respective committees. The chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of either of the other oversight committees.~~

~~(f) The Budgetary Oversight Committee may make recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance for outcome goals from expenditures.~~

(b) The chair of the Fish and Wildlife Advisory Committee is appointed by the commissioner.

(c) By September 15 each year, the committee must submit a report to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources finance and policy. Each even-numbered year, the report must focus on biennial budget outcomes achieved from game and fish fund expenditures. Each odd-numbered year, the report must focus on outcomes related to protecting habitat, fish and wildlife population management, monitoring and research, and communications and engagement.

(d) Annually, the Fish and Wildlife Advisory Committee must hold a meeting for the public to review proposed priorities for the next reporting period. The meeting must be organized to allow virtual participation.

~~(g) (e) The committees committee authorized under this subdivision are is not an advisory councils council or committees committee governed by section 15.059 and are is not subject to section 15.059. Committee members appointed by the commissioner may request reimbursement for mileage expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Committee members must not receive daily compensation for oversight committee activities. The Fisheries Oversight Committee, the Wildlife Oversight Committee, and the Budgetary Oversight Committee expire June 30, 2025. The Fish and Wildlife Advisory Committee expires June 30, 2033.~~

Sec. 5. Minnesota Statutes 2022, section 97A.56, subdivision 1, is amended to read:

Subdivision 1. **Definition.** ~~For purposes of this section,~~ (a) The definitions in this subdivision apply to this section.

(b) "Domestic hogs" means members of the subspecies *Sus scrofa domesticus*.

(c) "Feral swine" means a member an animal of the genus and species *Sus scrofa* family Suidae or Tayassuidae that lives in the wild- or has lived in the wild during any part of the animal's lifetime. Feral swine includes released domestic hogs, unless the owner satisfies the notification requirements of section 17.457, subdivision 4, and recovers the released domestic hogs within 72 hours of notification.

(d) "Release" has the meaning given under section 17.457, subdivision 1.

Sec. 6. Minnesota Statutes 2022, section 116.0711, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) The agency shall not require feedlot permittees to maintain records as to rainfall or snowfall as a condition of a general feedlot permit if the owner directs the commissioner or agent of the commissioner to appropriate data on precipitation maintained by a government agency or educational institution.

(b) A feedlot permittee shall give notice to the agency when the permittee proposes to transfer ownership or control of the feedlot to a new party. The commissioner shall not unreasonably withhold or unreasonably delay approval of any transfer request. This request shall be handled in accordance with sections 116.07 and 15.992.

(c) An animal feedlot in shoreland that has been unused may resume operation after obtaining a permit from the agency or county, regardless of the number of years that the feedlot was unused.

(d) Notwithstanding Minnesota Rules, chapter 7020, a person who applies manure in a level 2 or higher drinking water supply management area as designated under Minnesota Rules, part 1573.0040, must follow a manure management plan approved by the commissioner. A manure management plan for a level 2 or higher drinking water supply management area must include the Department of Agriculture's recommended best management practices that are published on the department website for that drinking water supply management area."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for new electronic licensing system; providing for native rough fish and making conforming changes to provisions for aquatic farm licenses and taking and possessing fish; modifying provisions for watersheds, soil and water conservation districts, and wetland management; modifying wetland banking program and conservation easement programs; clarifying jurisdiction for riparian protection and water quality; extending provisions to apportion drainage repair costs; eliminating grants to control beaver damage; modifying authority and duties of Board of Water and Soil Resources; modifying provisions for native prairie bank; providing for Fish and Wildlife Advisory Committee; modifying feral swine provisions; authorizing rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 14.386; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4988, subdivision 4; 17.4992, subdivisions 1, 3; 17.4996; 41A.02, subdivision 6; 84.027, subdivision 15; 84.0874; 84.152, subdivision 3; 84.788, subdivision 11; 84.798, subdivision 10; 84.8035, subdivision 1; 84.82, subdivisions 2a, 11; 84.8205; 84.83, subdivision 2; 84.922, subdivision 12; 84.96, subdivisions 2, 3, 5; 84B.061; 85.41, subdivisions 1, 4; 85.45, subdivision 1; 85.46, subdivision 3; 86B.415, subdivision 11; 97A.015, subdivisions 3a, 3b, 39, 43, by adding a subdivision; 97A.055, subdivision 4b; 97A.075, subdivision 2; 97A.215, by adding a subdivision; 97A.255, subdivision 5; 97A.341, subdivision 1; 97A.405, subdivisions 3, 4, 4a; 97A.420, as amended; 97A.421, subdivision 2; 97A.445, by adding a subdivision; 97A.473, subdivisions 1, 3, 4, 5, 5a; 97A.474, subdivision 3; 97A.475, subdivision 39; 97A.481; 97A.485, subdivision 6; 97A.535, subdivisions 1, 2, 2a, 4; 97A.551, subdivisions 2, 6; 97A.56, subdivision 1; 97B.055, subdivision 2; 97B.106; 97B.303; 97B.401; 97B.603; 97B.716, subdivision 2; 97B.721; 97C.025; 97C.035, subdivision 3; 97C.045; 97C.081, subdivision 3a; 97C.087; 97C.211, subdivision 5; 97C.301, subdivision 2a; 97C.355, subdivision 2; 97C.375; 97C.376, subdivisions 1, 5; 97C.381; 97C.385; 97C.391, subdivision 1; 97C.395, subdivision 2; 97C.505, subdivision 8; 97C.801, subdivision 2; 97C.805, subdivisions 1, 4; 97C.811, subdivision 2; 97C.831, subdivision 1; 97C.835, subdivisions 2, 3; 97C.865, subdivision 1; 103B.101, subdivision 13; 103C.005; 103C.221; 103C.331, subdivisions 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, by adding subdivisions; 103D.011, subdivision 10; 103D.201, subdivision 2; 103D.205, subdivision 4; 103D.251, subdivisions 5, 6; 103D.255; 103D.261, subdivisions 1, 2; 103D.271, subdivision 7; 103D.301, subdivisions 1, 3; 103D.305, subdivisions 2, 5; 103D.311, subdivision 4; 103D.315, subdivisions 9, 10; 103D.321, subdivision 1; 103D.331, subdivision 2; 103D.335, subdivision 11; 103D.341, subdivision 1; 103D.345, subdivision 4; 103D.355, subdivision 1; 103D.401; 103D.405, subdivision 1; 103D.535, subdivision 3; 103D.701; 103D.705, subdivision 1, by adding a subdivision; 103D.711, subdivisions 3, 4, 6; 103D.715, subdivision 1; 103D.729, subdivisions 1, 2; 103D.731; 103D.745, subdivision 3; 103D.805; 103D.811, subdivision 3; 103D.901, subdivision 2; 103E.729, subdivision 9; 103F.48, subdivision 1; 103F.511, by adding subdivisions; 103F.515; 103F.535, subdivision 5; 103G.005, subdivisions 14d, 17b; 103G.222, subdivision 1; 103G.2241, subdivisions 1, 2, 6, 9; 103G.2242, subdivisions 2, 2a, 3; 116.0711, subdivision 1; Minnesota Statutes 2023 Supplement, sections 84.83, subdivision 3; 97A.405, subdivision 2; 97B.037; 97C.041; 97C.371, subdivision 1; 103G.005, subdivision 19; 103G.2242, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103D; 103F; repealing

Minnesota Statutes 2022, sections 97A.015, subdivision 27a; 97A.485, subdivision 13; 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, 4; 103D.611; 103D.711, subdivision 1; 103F.511, subdivision 8b; 103F.950; Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5; Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3930."

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

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 310, 1718, 2895, 3063, 3204, 3275, 3304, 3488, 3567, 3591, 3614, 3631, 3800, 3836, 4118, 4286, 4310, 4323, 4425, 4558, 4613, 4657, 5002 and 5013 were read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. No. 2904 was read for the second time.

### **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Dauids introduced:

H. F. No. 5175, A bill for an act relating to taxation; individual income; requiring retirement account administrators to promptly correct an erroneous tax form; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Lee, K., introduced:

H. F. No. 5176, A bill for an act relating to taxation; requiring a report on uses of county program aid increases.

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

Gillman introduced:

H. F. No. 5177, A bill for an act relating to local government aid; providing 2023 aid penalty forgiveness to the city of Stewart.

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

Davids introduced:

H. F. No. 5178, A bill for an act relating to taxation; individual income; expanding the eligible expenses for the Minnesota education credit; amending Minnesota Statutes 2023 Supplement, section 290.0674, subdivision 1a.

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

Vang introduced:

H. F. No. 5179, A bill for an act relating to workforce development; appropriating money for grants to African Career, Education, and Resources, Inc. and to the Organization of Liberians in Minnesota.

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

Nash introduced:

H. F. No. 5180, A bill for an act relating to arts and culture; appropriating money to commemorate Vietnam War/Southeast Asian conflict.

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

Newton introduced:

H. F. No. 5181, A bill for an act relating to state government; modifying appropriations for the Department of Military Affairs and the Department of Veterans Affairs; increasing the maximum bonded indebtedness allowed for the State Armory Building Commission; designating Gopher Gunners Memorial Bridge; amending Minnesota Statutes 2022, sections 161.14, by adding a subdivision; 193.143; Laws 2023, chapter 38, article 1, sections 2, subdivisions 1, 4; 3, subdivision 3.

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

Lee, F.; Hornstein; Koegel and Tabke introduced:

H. F. No. 5182, A bill for an act relating to transit; requiring an annual transportation financial review by the Metropolitan Council; amending Minnesota Statutes 2022, section 473.13, by adding a subdivision.

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

Noor, Hassan and Hussein introduced:

H. F. No. 5183, A bill for an act relating to workforce development; appropriating money for a grant to the Riverside Plaza Tenant Association.

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

Engen; Perryman; Zeleznikar; Skraba; Anderson, P. E.; Nadeau; Dotseth and Niska introduced:

H. F. No. 5184, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; prohibiting state spending in excess of inflation and population growth.

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

Engen, Perryman, Zeleznikar, Skraba, Dotseth and Niska introduced:

H. F. No. 5185, A bill for an act relating to legislative auditor; allowing legislative auditor to bring a civil or criminal complaint; establishing authority for county attorneys to prosecute certain claims; amending Minnesota Statutes 2022, section 3.971, by adding subdivisions.

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

Engen; Perryman; Zeleznikar; Skraba; Anderson, P. E.; Nadeau; Dotseth and Niska introduced:

H. F. No. 5186, A bill for an act relating to taxation; corporate franchise; reducing the rate; amending Minnesota Statutes 2022, section 290.06, subdivision 1.

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

Engen; Perryman; Zeleznikar; Skraba; Anderson, P. E.; Dotseth; Niska; Myers and Joy introduced:

H. F. No. 5187, A bill for an act relating to taxation; sales and use; providing an exemption for all school supplies; amending Minnesota Statutes 2022, section 297A.67, by adding a subdivision.

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

Engen; Perryman; Zeleznikar; Skraba; Anderson, P. E.; Dotseth; Niska; Myers and Joy introduced:

H. F. No. 5188, A bill for an act relating to taxation; sales and use; expanding the exemption for baby products; amending Minnesota Statutes 2022, section 297A.67, subdivision 9.

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



Scott introduced:

H. F. No. 5189, A bill for an act relating to capital investment; appropriating money to connect elementary schools in the city of East Bethel to city water and sewer infrastructure; authorizing the sale and issuance of state bonds.

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

Agbaje, Gomez, Elkins, Davids and Joy introduced:

H. F. No. 5190, A bill for an act relating to taxation; modifying certain requirements for the Tax Expenditure Review Commission; repealing legislative requirements for new or renewed tax expenditures; amending Minnesota Statutes 2022, sections 3.8855, subdivisions 5, 8; 270C.11, subdivision 4; Minnesota Statutes 2023 Supplement, section 3.8855, subdivisions 4, 7; repealing Minnesota Statutes 2022, section 3.192.

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

Lee, K.; Youakim; Hussein; Agbaje and Hollins introduced:

H. F. No. 5191, A bill for an act relating to taxation; income; proposing a refundable credit for conversion of underutilized buildings; allowing grants in lieu of the credit; proposing a sunset for the credit; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 290.

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

McDonald, Petersburg, Engen, Hudson, Niska, Baker, Schultz and Olson, B., introduced:

H. F. No. 5192, A bill for an act relating to consumer protection; requiring certain publicly funded stadiums to accept cash payments for goods and services; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

McDonald introduced:

H. F. No. 5193, A bill for an act relating to capital investment; appropriating money for capital improvements for historic bridges; authorizing the sale and issuance of state bonds.

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

Vang and Nelson, M., introduced:

H. F. No. 5194, A bill for an act relating to taxation; providing special authority and provisions related to property taxes, tax increment financing, and sales and use taxes for certain projects in the city of Brooklyn Park; providing special tax increment financing authority; providing special property tax abatement authority; authorizing establishment of a value capture district; providing a refundable sales and use tax exemption for construction materials; appropriating money.

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

Hussein and Pérez-Vega introduced:

H. F. No. 5195, A bill for an act relating to capital investment; appropriating money for capital improvements consistent with the Capitol Mall Design Framework update and for related fundraising efforts; authorizing the sale and issuance of state bonds.

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

Pryor and Clardy introduced:

H. F. No. 5196, A bill for an act relating to education; modifying requirements for teacher compensation; amending Minnesota Statutes 2022, sections 122A.40, by adding a subdivision; 122A.41, by adding a subdivision.

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

Virnig introduced:

H. F. No. 5197, A bill for an act relating to education; allowing for seclusion to be used; amending Minnesota Statutes 2023 Supplement, section 125A.0942, subdivisions 3, 4.

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

Lislegard introduced:

H. F. No. 5198, A bill for an act relating to taxation; property; increasing the maximum amount of the taconite homestead credit; amending Minnesota Statutes 2022, section 273.135, subdivision 2.

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

Clardy introduced:

H. F. No. 5199, A bill for an act relating to health; requiring health plans to develop a maternal mental health program; defining terms related to maternal mental health; requiring certain health care professionals to ensure that mothers are offered screenings for maternal mental health conditions; amending Minnesota Statutes 2022, sections 62A.0411; 62Q.521; 147.091, subdivision 1; 147A.13, subdivision 1; 256B.69, by adding a subdivision; 256L.12, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 148.261, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Keeler, Gomez, Greenman, Hassan, Her and Cha introduced:

H. F. No. 5200, A bill for an act relating to homelessness; establishing a working group on simplifying supportive housing resources; providing for appointments; requiring a report.

The bill was read for the first time and referred to the Committee on Human Services Finance.

Zelevnikar introduced:

H. F. No. 5201, A bill for an act relating to child care; establishing grants for family child care providers; appropriating money; repealing Laws 2023, chapter 55, article 10, section 4.

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

Pérez-Vega and Pinto introduced:

H. F. No. 5202, A bill for an act relating to capital investment; appropriating money for improvements at Riverview Elementary school in the city of St. Paul.

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

Reyer introduced:

H. F. No. 5203, A bill for an act relating to capital investment; creating an accessibility account for accessibility capital improvements on state-owned property; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Vang introduced:

H. F. No. 5204, A bill for an act relating to arts and cultural heritage; appropriating money to the SivYig Culture Center.

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

Hassan introduced:

H. F. No. 5205, A bill for an act relating to economic development; making supplemental budget adjustments for the Department of Employment and Economic Development; appropriating money; amending Minnesota Statutes 2023 Supplement, section 116L.43, subdivision 1; Laws 2023, chapter 53, article 20, section 2, subdivisions 4, 6; article 21, section 6; repealing Minnesota Statutes 2022, section 116J.439.

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

Schomacker introduced:

H. F. No. 5206, A bill for an act relating to human services; establishing emergency relief grants for financially distressed early intensive developmental and behavioral intervention providers; appropriating money.

The bill was read for the first time and referred to the Committee on Human Services Finance.

Norris introduced:

H. F. No. 5207, A bill for an act relating to transportation; establishing a special license plate for solar pollinator programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Greenman introduced:

H. F. No. 5208, A bill for an act relating to state government; appropriating money to the Minnesota Sports Facilities Authority for retrofitting glass on the professional football stadium for bird safety.

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

Kresha introduced:

H. F. No. 5209, A bill for an act relating to arts and cultural heritage; appropriating money for the Minnesota Fishing Museum and Hall of Fame.

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

Kresha introduced:

H. F. No. 5210, A bill for an act relating to taxation; property taxation; modifying class 1c property tax classification; amending Minnesota Statutes 2022, section 273.13, subdivision 22.

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

Pérez-Vega and Hussein introduced:

H. F. No. 5211, A bill for an act relating to arts and cultural heritage; appropriating money for school arts grant.

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

Pérez-Vega and Hussein introduced:

H. F. No. 5212, A bill for an act relating to arts and cultural heritage; appropriating money for school music grant.

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

Keeler introduced:

H. F. No. 5213, A bill for an act relating to taxation; tax increment financing; providing special tax increment financing authority to the city of Moorhead.

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

Pérez-Vega and Hussein introduced:

H. F. No. 5214, A bill for an act relating to capital investment; appropriating money for a grant to West Side Community Organization.

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

Nelson, M., introduced:

H. F. No. 5215, A bill for an act relating to capital investment; appropriating money for a public safety facility and other capital improvements in Osseo; authorizing the sale and issuance of state bonds.

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

Moller introduced:

H. F. No. 5216, A bill for an act relating to public safety; providing for funding and related policy changes to the Department of Public Safety, Department of Corrections, and the Clemency Review Commission; appropriating money; amending Minnesota Statutes 2022, sections 299A.73, subdivision 4; 609.02, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 244.41, subdivisions 6, 14, by adding a subdivision; 244.46, subdivisions 1, 2; 299A.49, subdivisions 8, 9; 401.10, subdivision 1; 609A.06, subdivision 2; 638.09, subdivision 5; Laws 2023, chapter 52, article 2, sections 3, subdivision 5; 6, subdivisions 1, 4; article 8, section 20, subdivision 3; Laws 2023, chapter 63, article 5, section 5.

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

Nelson, M., introduced:

H. F. No. 5217, A bill for an act relating to state government; modifying supplemental appropriations and other provisions related to the Bureau of Mediation Services; amending Minnesota Statutes 2022, section 626.892, subdivision 10; Laws 2023, chapter 53, article 19, section 4; repealing Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800.

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

Sencer-Mura introduced:

H. F. No. 5218, A bill for an act relating to local government; modifying requirements for fees collected for city services, permits, or licenses; amending Minnesota Statutes 2022, section 462.353, subdivision 4.

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

Pérez-Vega and Clardy introduced:

H. F. No. 5219, A bill for an act relating to arts and cultural heritage; appropriating money for the West St. Paul Latine Heritage Festival.

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

Lee, F., introduced:

H. F. No. 5220, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2022, sections 16A.642, subdivision 1; 446A.07, subdivision 8; 446A.072, subdivision 5a; 446A.073, subdivision 1; 462A.37, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 256E.37, subdivision 1; 446A.081, subdivision 9; 462A.37, subdivision 5; Laws 2020, Fifth Special Session chapter 3, article 1, sections 14, subdivisions 5, 6; 25; Laws 2023, chapter 72, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 16B; 115B; 174; 446A; repealing Minnesota Statutes 2022, section 16A.662.

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

Pérez-Vega introduced:

H. F. No. 5221, A bill for an act relating to arts and cultural heritage; appropriating money for Los Alegres Bailadores.

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

Stephenson introduced:

H. F. No. 5222, A bill for an act relating to state government; modifying appropriations to the Office of Cannabis Management and the Department of Health; modifying cannabis provisions; appropriating money; amending Minnesota Statutes 2023 Supplement, sections 144.197; 342.72; Laws 2023, chapter 63, article 9, sections 5; 10; 20.

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

Olson, B., introduced:

H. F. No. 5223, A bill for an act relating to local government aid; modifying the audit requirements for cities; amending Minnesota Statutes 2022, section 477A.017, by adding a subdivision.

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

Nelson, M.; Berg; Kozlowski; Hill and Wolgamott introduced:

H. F. No. 5224, A bill for an act relating to labor and industry; modifying combative sports regulations; increasing payment threshold from the contractor recovery fund; amending Minnesota Statutes 2022, sections 326B.89, subdivision 5; 341.28, by adding a subdivision; 341.29; Minnesota Statutes 2023 Supplement, sections 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision; 341.355.

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

Feist introduced:

H. F. No. 5225, A bill for an act relating to civil law; establishing a task force on guardianship; providing appointments; requiring a report.

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

Berg; Nelson, M.; Hill; Wolgamott and Jordan introduced:

H. F. No. 5226, A bill for an act relating to labor; clarifying inclusion of any raise in the payment of wages; amending Minnesota Statutes 2022, sections 181.101; 609.52, subdivision 1.

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

Wiener introduced:

H. F. No. 5227, A bill for an act relating to game and fish; authorizing emergency importation of minnows to ensure adequate bait supply; amending Minnesota Statutes 2022, section 97C.515, by adding a subdivision.

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

Virnig introduced:

H. F. No. 5228, A bill for an act relating to human services; eliminating TEFRA parental contributions; making conforming changes; amending Minnesota Statutes 2022, sections 245.821, subdivision 1; 245.825, subdivision 1; 246.511, as amended; 252.27, subdivision 2b; 252.282, subdivision 1, by adding a subdivision; 256B.02, subdivision 11; 256B.0924, subdivision 3; 256B.77, subdivision 7a; 447.42, subdivision 1; Minnesota Statutes 2023 Supplement, sections 13.46, subdivision 2, as amended; 270B.14, subdivision 1; repealing Minnesota Statutes 2022, sections 252.021; 252.27, subdivisions 1a, 2, 3, 4a, 5, 6; Minnesota Statutes 2023 Supplement, section 252.27, subdivision 2a.

The bill was read for the first time and referred to the Committee on Human Services Finance.

Vang introduced:

H. F. No. 5229, A bill for an act relating to agriculture; modifying agriculture provisions; appropriating money; amending Minnesota Statutes 2022, sections 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 31.94; 32D.30; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 1; Minnesota Statutes 2023 Supplement, sections 18C.425, subdivision 6; 18K.06; 41B.0391, subdivision 1; Laws 2023, chapter 43, article 1, section 2.

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

Vang introduced:

H. F. No. 5230, A bill for an act relating to workforce development; appropriating money for a grant to Indigenous Roots.

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

Vang introduced:

H. F. No. 5231, A bill for an act relating to broadband; making supplemental appropriations and transfers relating to broadband; amending Minnesota Statutes 2022, section 116J.396, by adding a subdivision.

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

Pinto introduced:

H. F. No. 5232, A bill for an act relating to education; modifying provisions for early childhood program appropriations; amending Laws 2023, chapter 54, section 20, subdivisions 6, 24.

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

Hanson, J., introduced:

H. F. No. 5233, A bill for an act relating to higher education; prohibiting legacy admissions; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Hussein introduced:

H. F. No. 5234, A bill for an act relating to workforce development; appropriating money for a grant to ACEDONE for workforce development.

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



Hussein introduced:

H. F. No. 5235, A bill for an act relating to workforce development; appropriating money for a grant to the Somali Chamber of Commerce.

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

McDonald introduced:

H. F. No. 5236, A bill for an act relating to capital investment; appropriating money for culvert improvements in Albion Township; authorizing the sale and issuance of state bonds.

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

Youakim introduced:

H. F. No. 5237, A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, American Indian education, teachers, charter schools, special education, facilities, nutrition, libraries, early childhood education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; Minnesota Statutes 2023 Supplement, sections 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2, 3; 123B.92, subdivision 11; 124D.151, subdivision 6; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 7, 9, 17, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 8, 9; article 2, section 64, subdivisions 2, 6, 14, 16, 21, 23, 26, 31; article 4, section 21, subdivisions 2, 5; article 5, sections 64, subdivisions 3, 5, 13, 14, 15, 16; 65, subdivisions 3, 6; article 7, section 18, subdivisions 2, 3, 4, 6, 7; article 8, section 19, subdivisions 3, 5, 6; article 9, section 18, subdivisions 4, 8; article 11, section 11, subdivisions 2, 3, 5, 10; repealing Laws 2023, chapter 55, article 10, section 4.

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

Davis introduced:

H. F. No. 5238, A bill for an act relating to capital investment; appropriating money for the reconstruction of 1st Street North and associated improvements in the city of Crosby; authorizing the sale and issuance of state bonds.

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

Petersburg introduced:

H. F. No. 5239, A bill for an act relating to transportation; modifying distribution of proceeds from the sales tax on vehicle repair and replacement parts; amending Minnesota Statutes 2023 Supplement, section 297A.94.

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

Novotny and Dotseth introduced:

H. F. No. 5240, A bill for an act relating to taxation; property; limiting valuation increases for certain homestead property; amending Minnesota Statutes 2022, section 273.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Franson introduced:

H. F. No. 5241, A bill for an act relating to consumer protection; requiring certain energy generating facilities to be certified as child labor free; requiring certain products sold to be certified as child labor free; amending Minnesota Statutes 2022, section 216F.08; Minnesota Statutes 2023 Supplement, section 216F.04; proposing coding for new law in Minnesota Statutes, chapters 216E; 325D.

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

Hornstein introduced:

H. F. No. 5242, A bill for an act relating to transportation; authorizing a Tribal worksite training program; establishing a transportation facilities capital program; authorizing collection of passenger rail user fees and revenue; modifying previous appropriations; appropriating money for driver's license testing; amending Minnesota Statutes 2022, section 174.02, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Hassan, Noor and Hussein introduced:

H. F. No. 5243, A bill for an act relating to workforce development; appropriating money for a grant to Somali Community Resettlement Services.

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

Hassan introduced:

H. F. No. 5244, A bill for an act relating to capital investment; appropriating money for Boys & Girls Clubs of the Twin Cities.

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

Becker-Finn introduced:

H. F. No. 5245, A bill for an act relating to judiciary; increasing reimbursement amount for attorney fees and other necessary services provided to indigent defendants; amending Minnesota Statutes 2022, sections 611.21; 611.27, subdivision 16.

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

Lislegard introduced:

H. F. No. 5246, A bill for an act relating to state finance; establishing a tax-forfeited lands settlement account; transferring money; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 282.

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

Gomez introduced:

H. F. No. 5247, A bill for an act relating to taxation; modifying property taxes, individual income and corporate franchise taxes, gross receipts taxes, and local government aids; clarifying the definition of certain attachments and appurtenances; proposing advanced payments of the child tax credit; clarifying the credit for research calculation for the gross receipts tax; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; modifying Tribal Nation aid payment dates; appropriating money; amending Minnesota Statutes 2022, sections 272.02, subdivision 19; 273.38; 273.41; 289A.08, subdivision 1; 295.53, subdivision 4a; Minnesota Statutes 2023 Supplement, sections 290.0661, subdivision 7, by adding a subdivision; 477A.40, subdivisions 4, 5; Laws 2023, chapter 64, article 1, section 44.

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

Gomez introduced:

H. F. No. 5248, A bill for an act relating to taxation; public financing; modifying local government debt financing; amending Minnesota Statutes 2022, sections 123B.71, subdivision 8; 446A.086, subdivision 1; 469.104; 474A.091, subdivisions 2, 2a; Minnesota Statutes 2023 Supplement, sections 123B.71, subdivision 12; 126C.40, subdivision 6.

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

Kotzya-Witthuhn introduced:

H. F. No. 5249, A bill for an act relating to real property; prohibiting homeowners' associations from limiting the right to display any flag; amending Minnesota Statutes 2022, section 500.215, subdivisions 1, 2.

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

Her introduced:

H. F. No. 5250, A bill for an act relating to retirement; modifying a Teachers Retirement Act provision; transferring money to the Teachers Retirement Association; amending Minnesota Statutes 2023 Supplement, section 354.42, subdivision 2.

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

Pérez-Vega introduced:

H. F. No. 5251, A bill for an act relating to capital investment; appropriating money for the Trades Learning and Workforce Center in the city of Mahnommen.

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

Pfarr introduced:

H. F. No. 5252, A bill for an act relating to gaming; expanding authorized card games to include the game of hasenpfeffer; amending Minnesota Statutes 2022, section 609.761, subdivision 3.

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

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long 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 4, 2024 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 4024, 4176, 3071, 3436, 3454 and 4334.

#### MOTIONS AND RESOLUTIONS

Robbins moved that the name of Zeleznikar be added as an author on H. F. No. 74. The motion prevailed.

Freiberg moved that the names of Coulter and Hemmingsen-Jaeger be added as authors on H. F. No. 367. The motion prevailed.

Backer moved that the name of Zeleznikar be added as an author on H. F. No. 853. The motion prevailed.

Hudson moved that the name of McDonald be added as an author on H. F. No. 903. The motion prevailed.

Schomacker moved that the name of Zeleznikar be added as an author on H. F. No. 1005. The motion prevailed.

Agbaje moved that the name of Hornstein be added as an author on H. F. No. 1324. The motion prevailed.

Backer moved that the name of Zeleznikar be added as an author on H. F. No. 2473. The motion prevailed.

Franson moved that the name of Niska be added as an author on H. F. No. 2500. The motion prevailed.

Bahner moved that the name of Franson be added as an author on H. F. No. 2503. The motion prevailed.

Klevorn moved that the name of Myers be added as an author on H. F. No. 2843. The motion prevailed.

Fischer moved that the name of Tabke be added as an author on H. F. No. 3223. The motion prevailed.

Wiener moved that the names of Virnig, Edelson and Rehm be added as authors on H. F. No. 3295. The motion prevailed.

Urdahl moved that the name of Hollins be added as an author on H. F. No. 3299. The motion prevailed.

Kraft moved that the name of Bahner be added as an author on H. F. No. 3320. The motion prevailed.

Hemmingsen-Jaeger moved that the names of Zeleznikar and Murphy be added as authors on H. F. No. 3330. The motion prevailed.

Freiberg moved that the name of Pursell be added as an author on H. F. No. 3338. The motion prevailed.

Koegel moved that the name of Zeleznikar be added as an author on H. F. No. 3339. The motion prevailed.

Freiberg moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 3410. The motion prevailed.

Hicks moved that the name of Virnig be added as an author on H. F. No. 3419. The motion prevailed.

Huot moved that the name of Klevorn be added as chief author on H. F. No. 3431. The motion prevailed.

Greenman moved that the name of Elkins be added as an author on H. F. No. 3438. The motion prevailed.

Mueller moved that the name of Schomacker be added as an author on H. F. No. 3475. The motion prevailed.

Clardy moved that the name of Myers be added as an author on H. F. No. 3575. The motion prevailed.

Acomb moved that the name of Kraft be added as an author on H. F. No. 3590. The motion prevailed.

Finke moved that the name of Virnig be added as an author on H. F. No. 3607. The motion prevailed.

Robbins moved that the name of Zeleznikar be added as an author on H. F. No. 3654. The motion prevailed.

Hassan moved that the name of Noor be added as an author on H. F. No. 3687. The motion prevailed.

Smith moved that the name of Koegel be added as an author on H. F. No. 3700. The motion prevailed.

Edelson moved that the name of Myers be added as an author on H. F. No. 3726. The motion prevailed.

Lee, F., moved that the name of Kraft be added as an author on H. F. No. 3738. The motion prevailed.

Hansen, R., moved that the name of Kraft be added as an author on H. F. No. 3739. The motion prevailed.

Hanson, J., moved that the name of Garofalo be added as an author on H. F. No. 3788. The motion prevailed.

Keeler moved that the names of Pursell and Bakeberg be added as authors on H. F. No. 3827. The motion prevailed.

Hicks moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 3889. The motion prevailed.

Bahner moved that the name of Franson be added as an author on H. F. No. 3902. The motion prevailed.

Swedzinski moved that the name of Petersburg be added as an author on H. F. No. 3904. The motion prevailed.

Hassan moved that the name of Fischer be added as an author on H. F. No. 3917. The motion prevailed.

Lislegard moved that the name of Kiel be added as an author on H. F. No. 3992. The motion prevailed.

Cha moved that the name of Pursell be added as an author on H. F. No. 4034. The motion prevailed.

Jacob moved that the name of Kiel be added as an author on H. F. No. 4044. The motion prevailed.

Hanson, J., moved that the name of Zeleznikar be added as an author on H. F. No. 4073. The motion prevailed.

Norris moved that the name of Brand be added as an author on H. F. No. 4117. The motion prevailed.

Lillie moved that the name of Feist be added as an author on H. F. No. 4123. The motion prevailed.

Burkel moved that the name of Petersburg be added as an author on H. F. No. 4127. The motion prevailed.

Hemmingsen-Jaeger moved that the names of Freiberg and Myers be added as authors on H. F. No. 4150. The motion prevailed.

Lislegard moved that the name of Skraba be added as an author on H. F. No. 4181. The motion prevailed.

Keeler moved that the name of Kiel be added as an author on H. F. No. 4204. The motion prevailed.

Lee, K., moved that the names of Pursell and Zeleznikar be added as authors on H. F. No. 4220. The motion prevailed.

Her moved that the name of Kraft be added as an author on H. F. No. 4251. The motion prevailed.

Myers moved that the name of Zeleznikar be added as an author on H. F. No. 4253. The motion prevailed.

Myers moved that the name of Lislegard be added as an author on H. F. No. 4288. The motion prevailed.

Gomez moved that the name of Sencer-Mura be added as an author on H. F. No. 4304. The motion prevailed.

Bierman moved that the name of Myers be added as an author on H. F. No. 4318. The motion prevailed.

Curran moved that the name of Zeleznikar be stricken as an author on H. F. No. 4326. The motion prevailed.

Davids moved that the name of Davids be stricken as an author on H. F. No. 4332. The motion prevailed.

Nadeau moved that the name of Zeleznikar be added as an author on H. F. No. 4349. The motion prevailed.

Clardy moved that the name of Pérez-Vega be added as an author on H. F. No. 4406. The motion prevailed.

Hemmingsen-Jaeger moved that the name of Zeleznikar be added as an author on H. F. No. 4422. The motion prevailed.

Myers moved that the name of Zeleznikar be added as an author on H. F. No. 4435. The motion prevailed.

Wolgamott moved that the names of Hanson, J., and Noor be added as authors on H. F. No. 4493. The motion prevailed.

Clardy moved that the name of Kraft be added as an author on H. F. No. 4500. The motion prevailed.

Schultz moved that the name of Fischer be added as an author on H. F. No. 4502. The motion prevailed.

Koznick moved that the name of Myers be added as an author on H. F. No. 4504. The motion prevailed.

Jordan moved that the names of Sencer-Mura and Hemmingsen-Jaeger be added as authors on H. F. No. 4508. The motion prevailed.

Berg moved that the name of Kraft be added as an author on H. F. No. 4512. The motion prevailed.

Frederick moved that the name of Zeleznikar be added as an author on H. F. No. 4548. The motion prevailed.

Tabke moved that the names of Myers and Bakeberg be added as authors on H. F. No. 4553. The motion prevailed.

Klevorn moved that the name of Zeleznikar be added as an author on H. F. No. 4557. The motion prevailed.

Hollins moved that the name of Stephenson be added as an author on H. F. No. 4558. The motion prevailed.

Howard moved that the name of Kraft be added as an author on H. F. No. 4569. The motion prevailed.

Stephenson moved that the name of Kraft be added as an author on H. F. No. 4574. The motion prevailed.

Feist moved that the name of Kraft be added as an author on H. F. No. 4581. The motion prevailed.

Bierman moved that the names of Pursell and Youakim be added as authors on H. F. No. 4587. The motion prevailed.

Klevorn moved that the name of Kraft be added as an author on H. F. No. 4592. The motion prevailed.

Klevorn moved that the name of Fischer be added as an author on H. F. No. 4593. The motion prevailed.

Huot moved that the name of Zeleznikar be added as an author on H. F. No. 4600. The motion prevailed.

Engen moved that the name of Knudsen be added as an author on H. F. No. 4602. The motion prevailed.

Engen moved that the name of Knudsen be added as an author on H. F. No. 4603. The motion prevailed.

Nadeau moved that the name of Bakeberg be added as an author on H. F. No. 4619. The motion prevailed.

Hansen, R., moved that the name of Myers be added as an author on H. F. No. 4624. The motion prevailed.

Smith moved that the name of Hornstein be added as an author on H. F. No. 4630. The motion prevailed.

Frazier moved that the names of Hudson and Feist be added as authors on H. F. No. 4673. The motion prevailed.

Schomacker moved that the name of Carroll be added as an author on H. F. No. 4680. The motion prevailed.

Dotseth moved that the name of Knudsen be added as an author on H. F. No. 4687. The motion prevailed.

Noor moved that the name of Sencer-Mura be added as an author on H. F. No. 4692. The motion prevailed.

Acomb moved that the name of Pryor be added as an author on H. F. No. 4710. The motion prevailed.

Acomb moved that the name of Pryor be added as an author on H. F. No. 4711. The motion prevailed.

Vang moved that the names of Kozlowski and Lee, F., be added as authors on H. F. No. 4773. The motion prevailed.

Jordan moved that the name of Sencer-Mura be added as an author on H. F. No. 4780. The motion prevailed.

Nash moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 4793. The motion prevailed.

Bierman moved that the name of Bakeberg be added as an author on H. F. No. 4799. The motion prevailed.

Olson, B., moved that the name of Torkelson be added as an author on H. F. No. 4805. The motion prevailed.

Feist moved that the name of Pursell be added as an author on H. F. No. 4822. The motion prevailed.

Keeler moved that the names of Wolgamott and Xiong be added as authors on H. F. No. 4832. The motion prevailed.

Bierman moved that the name of Fischer be added as an author on H. F. No. 4870. The motion prevailed.

Brand moved that the name of Hill be added as an author on H. F. No. 4872. The motion prevailed.

Brand moved that the name of Kraft be added as an author on H. F. No. 4874. The motion prevailed.

Tabke moved that the name of Kraft be added as an author on H. F. No. 4900. The motion prevailed.

Greenman moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 4904. The motion prevailed.

Bahner moved that the name of Franson be added as an author on H. F. No. 4916. The motion prevailed.

Pfarr moved that the name of Brand be added as an author on H. F. No. 4919. The motion prevailed.



Curran moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 4936. The motion prevailed.

Hassan moved that the name of Joy be added as an author on H. F. No. 4937. The motion prevailed.

Keeler moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 4950. The motion prevailed.

Zeleznikar moved that the name of Baker be added as an author on H. F. No. 4962. The motion prevailed.

Kozlowski moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 4964. The motion prevailed.

Olson, B., moved that the name of Torkelson be added as an author on H. F. No. 4971. The motion prevailed.

Agbaje moved that the name of Davids be added as an author on H. F. No. 4977. The motion prevailed.

Lislegard moved that the name of Brand be added as an author on H. F. No. 4986. The motion prevailed.

Engen moved that the name of West be added as an author on H. F. No. 5006. The motion prevailed.

Hollins moved that the name of Kraft be added as an author on H. F. No. 5018. The motion prevailed.

Bahner moved that the names of Kraft and Moller be added as authors on H. F. No. 5032. The motion prevailed.

Acomb moved that the names of Hemmingsen-Jaeger and Youakim be added as authors on H. F. No. 5050. The motion prevailed.

Tabke moved that the name of Kraft be added as an author on H. F. No. 5057. The motion prevailed.

Hassan moved that the name of Kraft be added as an author on H. F. No. 5076. The motion prevailed.

Edelson moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 5110. The motion prevailed.

Kresha moved that the names of Hudson and Robbins be added as authors on H. F. No. 5123. The motion prevailed.

Wolgamott moved that the name of Zeleznikar be added as an author on H. F. No. 5137. The motion prevailed.

Long moved that the names of Kraft and Coulter be added as authors on H. F. No. 5156. The motion prevailed.

Pérez-Vega moved that the name of Kraft be added as an author on H. F. No. 5159. The motion prevailed.

Carroll moved that the name of Freiberg be added as an author on H. F. No. 5169. The motion prevailed.

Carroll moved that the name of Kraft be added as an author on H. F. No. 5171. The motion prevailed.

Urdahl moved that H. F. No. 3325 be recalled from the Committee on Public Safety Finance and Policy and be re-referred to the Committee on Education Finance. The motion prevailed.

Pinto moved that H. F. No. 5033 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Judiciary Finance and Civil Law. The motion prevailed.

## ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following appointments and changes in committee assignments:

Children and Families Finance and Policy: Delete the name of Burkel and add the name of Lawrence.

Education Finance: Delete the name of Hudella and add the name of Lawrence.

## ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, April 4, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:30 p.m., Thursday, April 4, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives