STATE OF MINNESOTA

NINETY-THIRD SESSION — 2023

SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 18, 2023

The House of Representatives convened at 11:00 a.m. and was called to order by Dan Wolgamott, Speaker pro tempore.

The members of the House paused for a brief meditation or moment of reflection.

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

The roll was called and the following members were present:

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

A quorum was present.

Anderson, P. H.; Kiel; McDonald and Newton were excused.

Pursell was excused until 1:15 p.m. Vang was excused until 1:55 p.m. Nelson, N., was excused until 2:30 p.m.

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.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Niska, Demuth, Scott, Torkelson, Engen, Baker, Schultz, Nash, Robbins, Hudson, Neu Brindley, O'Driscoll, Davis, Knudsen, Bennett, Bakeberg, Backer, Fogelman, Joy, Harder, Murphy, Altendorf, Grossell, Dotseth, Wiens, Skraba, McDonald, Koznick, Perryman, Mekeland, Burkel, Daniels, Wiener, West and Zeleznikar introduced:

H. F. No. 3328, A bill for an act relating to state government; creating an exclusion to protected classes; proposing coding for new law in Minnesota Statutes, chapter 645.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Howard; Agbaje; Reyer; Hassan; Finke; Her; Kozlowski; Hussein; Keeler; Jordan; Cha; Greenman; Lee, F.; Sencer-Mura; Bierman; Hollins; Frazier; Brand; Bahner; Pérez-Vega; Freiberg and Coulter introduced:

H. F. No. 3329, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for housing purposes; creating a homeownership opportunity fund, a rental opportunity fund, and a household and community stability fund; creating fund councils; providing appointments; requiring reports; proposing coding for new law in Minnesota Statutes, chapters 256K; 462A.

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

Hemmingsen-Jaeger, Reyer, Bierman and Quam introduced:

H. F. No. 3330, A bill for an act relating to insurance; requiring a health carrier to provide coverage for rapid whole genome sequencing; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1370, A bill for an act relating to public safety; establishing a cause of action for nonconsensual dissemination of deep fake sexual images; establishing the crime of using deep fake technology to influence an election; establishing a crime for nonconsensual dissemination of deep fake sexual images; proposing coding for new law in Minnesota Statutes, chapters 604; 609; 617.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3288, A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 37.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 37, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality under the law.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 2310

A bill for an act relating to state government; appropriating money for environment, natural resources, climate, and energy; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; reestablishing Legislative Water Commission; modifying Legislative-Citizen Commission on Minnesota Resources; modifying permit and environmental review requirements; modifying requirements for recreational vehicles; modifying state trail and state park provisions; establishing Lowland Conifer Carbon Reserve; modifying forestry provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; providing appointments; modifying and providing for fees; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; providing for enhanced transportation electrification; adding and modifying provisions governing Public Utilities Commission proceedings; establishing various clean and renewable energy grant programs; making technical changes; requiring reports; requiring rulemaking; amending Minnesota Statutes

2022, sections 13.643, subdivision 6; 16A.151, subdivision 2; 16A.152, subdivision 2; 16B.325; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 17.118, subdivision 2; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.82, subdivision 3; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.0274, subdivision 6; 84.0276; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 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; 84.90, subdivision 7; 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 84D.15, subdivision 2; 85.015, subdivision 10; 85.052, subdivision 6; 85.055, subdivision 1; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, subdivision 51, by adding a subdivision; 97A.031; 97A.126; 97A.137, subdivision 3; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13, 41; 97B.031, subdivision 1; 97B.071; 97B.301, subdivision 6; 97B.516; 97B.645, subdivision 9; 97B.668; 97C.087, subdivision 2; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1, by adding a subdivision; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision 6, by adding subdivisions; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.1295, subdivision 1; 168.27, by adding a subdivision; 171.07, by adding a subdivision; 216B.096, subdivision 11; 216B.1611, by adding a subdivision; 216B.164, by adding a subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2422, subdivision 7; 216B.2425, subdivision 3; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.05, subdivision 2; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 326B.106, subdivision 1; 373.475; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; proposing coding for new law in Minnesota Statutes, chapters 3; 16B; 18B; 21; 84; 86B; 88; 97A; 97B; 97C; 103B; 103E; 103F; 103G; 115A; 116; 116C; 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 84.033, subdivision 3; 84.944, subdivision 3; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97A.145, subdivision 2; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216B.16, subdivision 10; 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900.

May 17, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2310 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2310 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**

Sec. 2. **POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation** **$305,345,000** **$229,638,000**

Appropriations by Fund

	2024	2025
General	179,534,000	100,098,000
State Government Special Revenue	85,000	90,000
Environmental	106,055,000	109,203,000
Remediation	19,671,000	20,247,000

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

The commissioner must present the agency's biennial budget for fiscal years 2026 and 2027 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. **Environmental Analysis and Outcomes** 79,311,000 72,785,000

Appropriations by Fund

	2024	2025
General	60,103,000	53,047,000
Environmental	18,959,000	19,533,000
Remediation	249,000	205,000

(a) $122,000 the first year and $125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for urban, suburban, and Greater Minnesota municipalities to achieve permit requirements.

(b) $216,000 the first year and $219,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) $132,000 the first year and $137,000 the second year are for monitoring water quality and operating assistance programs.

(d) $390,000 the first year and $399,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) $106,000 the first year and $109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, $68,000 the first year and $70,000 the second year are transferred to the commissioner of health.

(f) $128,000 the first year and $132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) $1,492,000 the first year and $1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to $1,226,000 the first year and $1,248,000 the second year are for transfer to the commissioner of health.

(h) $61,000 the first year and $62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) $72,000 the first year and $74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) $500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) $50,266,000 the first year and $50,270,000 the second year are to establish and implement a local government climate resiliency and water infrastructure grant program for local governmental units and Tribal governments. Of this amount, $49,100,000 each year is for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate. At least 40 percent of the money granted under this paragraph must be for projects in areas that meet environmental justice criteria. By December 30, 2027, the commissioner must submit a report on the use of grant money to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources finance. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and beyond is $270,000.

(l) $75,000 the first year is for a grant to the city of Fergus Falls to address water-quality concerns at Lake Alice.

(m) $150,000 the first year is for a grant to Rice County to address water-quality concerns at French Lake.

(n) $75,000 the first year is for a grant to Ramsey County to address water-quality concerns at Round Lake.

(o) Recipients of money appropriated in paragraphs (l), (m), and (n) may use the grants to contract for water-quality improvement services, testing, necessary infrastructure, training, and maintenance.

(p) $2,070,000 the first year and $2,070,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including *Minnesota's PFAS Blueprint*.

(q) $1,820,000 the first year and $1,820,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(r) $500,000 the first year is from the general fund for the report on firefighter turnout gear and biomonitoring required under this act. Of this amount, up to $250,000 may be transferred to the commissioner of health for biomonitoring of firefighters.

(s) $500,000 the first year is to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed. This is a onetime appropriation and is available until June 30, 2025.

(t) $50,000 the first year is from the remediation fund for the work group on PFAS manufacturer fees and report required under this act.

(u) $387,000 the first year and $90,000 the second year are to develop and implement the requirements for fish kills under Minnesota Statutes, sections 103G.216 and 103G.2165. Of this amount, up to $331,000 the first year and $90,000 the second year may be transferred to the commissioners of health, natural resources, agriculture, and public safety and to the Board of Regents of the University of Minnesota as necessary to implement those sections. The base for this appropriation for fiscal year 2026 and beyond is $7,000.

(v) $63,000 the first year and $92,000 the second year are for transfer to the commissioner of health for amending the health risk limit for PFOS. This is a onetime appropriation and is available until June 30, 2026.

(w) $5,000,000 the first year is for community air-monitoring grants as provided in this act. This is a onetime appropriation and is available until June 30, 2027.

(x) $2,333,000 the first year and $2,333,000 the second year are to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062. The general fund appropriations are onetime and are available until June 30, 2027. The base for this appropriation is $0 in fiscal year 2026 and $1,400,000 from the environmental fund in fiscal year 2027 and beyond.

Subd. 3. **Industrial** 45,214,000 26,929,000

Appropriations by Fund

	2024	2025
General	26,415,000	7,475,000
Environmental	17,078,000	17,681,000
Remediation	1,721,000	1,773,000

(a) $1,621,000 the first year and $1,670,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) $448,000 the first year and $457,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, $145,000 the first year and $149,000 the second year are transferred to the commissioner of health.

(c) $4,000 the first year and $4,000 the second year are from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities.

(d) $3,200,000 the first year and $3,200,000 the second year are to provide air emission reduction grants. Of this amount, $2,800,000 each year is for grants to reduce air pollution at regulated facilities within environmental justice areas of concern. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(e) $40,000 the first year and $40,000 the second year are for air compliance equipment maintenance. This is a onetime appropriation.

(f) $19,100,000 the first year and $300,000 the second year are to support research on innovative technologies to treat difficult-to-manage pollutants and for implementation grants based on this research at taconite facilities. Of this amount, $2,100,000 is for the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute for research to foster economic development of the state's natural resources in an environmentally sound manner and $16,700,000 is for grants. This appropriation is onetime and is available until June 30, 2027.

(g) $280,000 the first year and $140,000 the second year are from the general fund for the purposes of the public informational meeting requirements under Minnesota Statutes, section 116.07, subdivision 4m. The general fund appropriations are onetime and are available until June 30, 2027. The base for this appropriation in fiscal year 2026 is $0 and the base for fiscal year 2027 is $140,000 from the environmental fund.

(h) $250,000 the first year and $250,000 the second year are for rulemaking and implementation of the odor management requirements under Minnesota Statutes, section 116.064.

(i) 2,457,000 the first year and $2,457,000 the second year are from the general fund for implementation of the environmental justice, cumulative impact analysis and other requirements under Minnesota Statutes, section 116.065. The general fund appropriations are onetime and are available until June 30, 2028. The base for this appropriation in fiscal year 2026 is $0 and the base for fiscal year 2027 is $2,500,000 from the environmental fund.

(j) $1,088,000 the first year and $1,088,000 the second year are to support water permitting and compliance programs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(k) The total general fund base budget for the industrial division for fiscal year 2026 and later is $250,000.

Subd. 4. **Municipal** 11,269,000 11,917,000

Appropriations by Fund

	2024	2025
General	1,305,000	1,311,000
State Government Special Revenue	85,000	90,000
Environmental	9,879,000	10,516,000

(a) $217,000 the first year and $223,000 the second year are for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) $50,000 the first year and $50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) $1,240,000 the first year and $1,338,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, $350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) $994,000 the first year and $1,094,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) $1,088,000 the first year and $1,088,000 the second year are to support water permitting and compliance programs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2028.

(g) The total general fund base budget for the municipal division for fiscal year 2026 and later is $223,000.

Subd. 5. **Operations** 31,658,000 30,363,000

Appropriations by Fund

	2024	2025
General	20,750,000	19,359,000
Environmental	8,291,000	8,513,000
Remediation	2,617,000	2,491,000

(a) $1,154,000 the first year and $1,124,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) $3,000,000 the first year and $3,109,000 the second year are to support agency information technology services provided at the enterprise and agency level to improve operations.

(c) $906,000 the first year and $919,000 the second year are from the environmental fund to develop and maintain systems to support agency permitting and regulatory business processes and data.

(d) $2,000,000 the first year and $2,000,000 the second year are to provide technical assistance to Tribal governments. This is a onetime appropriation.

(e) $15,750,000 the first year and $14,250,000 the second year are to support modernizing and automating agency environmental programs and data systems and how the agency provides services to regulated parties, partners, and the public. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) $270,000 the first year and $270,000 the second year are from the environmental fund to support current and future career pathways for underrepresented students.

(g) $700,000 the first year and $700,000 the second year are from the environmental fund to improve the coordination, effectiveness, transparency, and accountability of the environmental review and permitting process.

(h) $360,000 the first year and $360,000 the second are from the environmental fund to support financial planning and analysis to assist with risk and compliance management across agency programs and financial systems.

Subd. 6. **Remediation** 42,458,000 16,162,000

Appropriations by Fund

	2024	2025
General	27,140,000	140,000
Environmental	607,000	628,000
Remediation	14,711,000	15,394,000

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments.

(b) $415,000 the first year and $426,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) $4,476,000 the first year and $4,622,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) $308,000 the first year and $316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(e) $25,000,000 the first year is for grants to support planning, designing, and preparing for solutions for public water treatment systems contaminated with PFAS and for the agency to conduct source investigations of PFAS contamination and to sample, address, and treat private drinking water wells. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(f) $76,000 the first year is from the remediation fund for the petroleum tank release cleanup program duties and report required under this act. This is a onetime appropriation.

(g) $2,000,000 the first year is for a grant to St. Louis County to plan, design, and construct one or more facilities, structures, or other solutions to protect Lake Superior and other waters in the Great Lakes watershed from PFAS contamination from landfills.

(h) $140,000 the first year and $140,000 the second year are for the Pig's Eye Landfill Task Force. This is a onetime appropriation.

Subd. 7. **Resource Management and Assistance** 82,000,000 57,974,000

Appropriations by Fund

	2024	2025
General	38,464,000	13,850,000
Environmental	43,536,000	44,124,000

(a) Up to $150,000 the first year and $150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) $1,000,000 the first year and $1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, $300,000 the first year and $300,000 the second year are from the general fund, and $700,000 the first year and $700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) $694,000 the first year and $694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, $100,000 the first year and $100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) $18,450,000 the first year and $18,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) $119,000 the first year and $119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) $400,000 the first year and $400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses. This appropriation is available until June 30, 2027.

(g) $767,000 the first year and $770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, $500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) $2,797,000 the first year and $2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) $318,000 the first year and $324,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, $78,000 the first year and $80,000 the second year are transferred to the commissioner of health.

(j) $180,000 the first year and $140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(k) $1,790,000 the first year and $70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, $1,720,000 the first year is for zero-interest loans to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) $190,000 the first year and $190,000 the second year are to support the Greenstep Cities program. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(m) $420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation and is available until June 30, 2026.

(n) $650,000 the first year and $650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(o) $4,210,000 the first year and $210,000 the second year are for PFAS reduction grants. Of this amount, $4,000,000 the first year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. Priority must be given to projects in underserved communities. This is a onetime appropriation and is available until June 30, 2027.

(p) $12,940,000 the first year and $12,940,000 the second year are for a waste prevention and reduction grants and loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount in the first year, $7,950,000 is for waste prevention and reduction grants and loans and $3,000,000 is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by the emerald ash borer. Of this amount in the second year, $10,950,000 is for waste prevention and reduction grants and loans. By October 1, 2024, the commissioner of the Pollution Control Agency must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the use of money appropriated for the wood dehydrator under this paragraph.

(q) $16,562,000 the first year is for grants to a Minnesota nonprofit corporation that owns a cogeneration facility that serves a St. Paul district heating and cooling system to preserve existing biomass energy infrastructure for purposes of local and regional emerald ash borer response efforts. The commissioner of the Pollution Control Agency may require the nonprofit corporation to charge a fee per ton of wood waste delivered to the facility. This is a onetime appropriation and is available until June 30, 2030.

(r) $1,163,000 the first year and $1,115,000 the second year are from the environmental fund for rulemaking and implementation of the new PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, $312,000 the first year and $468,000 the second year are for transfer to the commissioner of health.

(s) $680,000 the first year is for the resource management report required in this act. This is a onetime appropriation and is available until June 30, 2026.

(t) $35,000 the second year is from the environmental fund for the compostable labeling requirements under Minnesota Statutes, section 325E.046. The base for this appropriation in fiscal year 2026 and beyond is $68,000 from the environmental fund.

(u) $175,000 the first year is for the rulemaking required under this act providing for the safe and lawful disposal of waste treated seed. This appropriation is available until June 30, 2025.

(v) $1,000,000 the first year is for a lead tackle reduction program that provides outreach, education, and opportunities to safely dispose of and exchange lead tackle throughout the state. This is a onetime appropriation and is available until June 30, 2027.

(w) $17,000 the first year is for rulemaking for the capital assistance program. This is a onetime appropriation.

(x) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

Subd. 8. **Watershed** 11,360,000 11,869,000

Appropriations by Fund

	2024	2025
General	3,503,000	3,503,000
Environmental	7,484,000	7,982,000
Remediation	373,000	384,000

(a) $2,959,000 the first year and $2,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) $236,000 the first year and $241,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) $125,000 the first year and $129,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) $544,000 the first year and $544,000 the second year are to support water permitting and compliance programs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

Subd. 9. **Environmental Quality Board** 2,075,000 1,639,000

Appropriations by Fund

	2024	2025
General	1,854,000	1,413,000
Environmental	221,000	226,000

$620,000 the first year and $140,000 the second year are to develop a Minnesota-based greenhouse gas sector and source-specific guidance, including climate information, a greenhouse gas calculator, and technical assistance for users. This is a onetime appropriation.

Subd. 10. **Transfers**

(a) The commissioner must transfer up to $24,000,000 the first year and $24,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2. The base for this transfer is $24,000,000 in fiscal year 2026 and beyond.

(b) By June 30, 2024, the commissioner of management and budget must transfer $27,397,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17, and to compensate the account for the estimated lost investment income.

(c) Beginning in fiscal year 2024, the commissioner of management and budget must transfer $100,000 each year from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17.

Sec. 3. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$535,868,000** **$403,116,000**

Appropriations by Fund

	2024	2025
General	281,054,000	150,078,000
Natural Resources	123,986,000	123,706,000
Game and Fish	129,920,000	128,513,000
Remediation	117,000	117,000
Permanent School	791,000	702,000

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

Subd. 2. **Land and Mineral Resources Management** 9,937,000 9,670,000

Appropriations by Fund

	2024	2025
General	4,937,000	4,670,000
Natural Resources	4,438,000	4,438,000
Game and Fish	344,000	344,000
Permanent School	218,000	218,000

(a) $319,000 the first year and $319,000 the second year are for environmental research relating to mine permitting, of which $200,000 each year is from the minerals management account in the natural resources fund and $119,000 each year is from the general fund.

(b) $3,383,000 the first year and $3,383,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

(c) $218,000 the first year and $218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) $338,000 the first year and $338,000 the second year are from the water management account in the natural resources fund for mining hydrology.

(e) $1,294,000 the first year and $484,000 the second year are for modernizing utility licensing for state lands and public waters. These appropriations are available through fiscal year 2028. This is a onetime appropriation.

(f) The total general fund base budget for the land and mineral resources management division for fiscal year 2026 and later is $3,586,000.

Subd. 3. **Ecological and Water Resources** 48,738,000 45,797,000

Appropriations by Fund

	2024	2025
General	27,083,000	26,142,000
Natural Resources	13,831,000	13,831,000
Game and Fish	7,824,000	5,824,000

(a) $4,222,000 the first year and $4,222,000 the second year are from the invasive species account in the natural resources fund and $2,831,000 the first year and $2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) $6,056,000 the first year and $6,056,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) $124,000 the first year and $124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction. By December 15, 2025, the board must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the activities funded under this paragraph and the progress made in implementing the comprehensive plan.

(d) $10,000 the first year and $10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) $300,000 the first year and $300,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement. The base for this appropriation in fiscal year 2026 and beyond is $264,000.

(f) $2,598,000 the first year and $2,598,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) $1,150,000 the first year and $1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, $100,000 the first year and $100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, $48,000 the first year and $48,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) $6,000,000 the first year and $6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) $2,410,000 the first year and $410,000 the second year are from the heritage enhancement account in the game and fish fund and $500,000 the first year and $500,000 the second year are from the general fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(k) $268,000 the first year and $268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(l) $998,000 the first year and $568,000 the second year are for protecting and restoring carbon storage in state-administered peatlands by reviewing and updating the state's peatland inventory, piloting a restoration project, and piloting trust fund buyouts. This is a onetime appropriation and is available until June 30, 2028.

(m) $250,000 the first year is for a grant to the Minnesota Lakes and Rivers Advocates to work with civic leaders to purchase, install, and operate waterless cleaning stations for watercraft; conduct aquatic invasive species education; and implement education upgrades at public accesses to prevent invasive starry stonewort spread beyond the lakes already infested. This is a onetime appropriation and is available until June 30, 2025.

(n) $1,720,000 the first year is to prevent and manage invasive carp. This includes activities related to the Mississippi River Lock and Dam and stakeholder engagement. Up to $325,000 may be used for a grant to the Board of Regents of the University of Minnesota to study the Mississippi River Lock Dam 5 spillway and provide preliminary design to optimize management to reduce invasive carp passage.

(o) Up to $6,000,000 the first year is available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund to expand Grey Cloud Island Scientific and Natural Area and for other scientific and natural area acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(p) $40,000 the first year is for a grant to the Stearns Coalition of Lake Associations to manage aquatic invasive species. The unencumbered balance of the general fund appropriation in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 3, paragraph (a), for the grant to the Stearns Coalition of Lake Associations, estimated to be $40,000, is canceled no later than June 29, 2023.

(q) $200,000 the first year is for a grant to the Board of Regents of the University of Minnesota for the University of Minnesota Water Council to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years according to this act.

(r) The total general fund base budget for the ecological and water resources division for fiscal year 2026 and later is $24,870,000.

Subd. 4. **Forest Management** 69,423,000 71,765,000

Appropriations by Fund

	2024	2025
General	51,645,000	53,987,000
Natural Resources	16,161,000	16,161,000
Game and Fish	1,617,000	1,617,000

(a) $7,521,000 the first year and $7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) $15,386,000 the first year and $15,386,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) $1,617,000 the first year and $1,617,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) $906,000 the first year and $926,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) $1,143,000 the first year and $1,143,000 the second year are for the Next Generation Core Forestry data system. Of this appropriation, $868,000 each year is from the general fund and $275,000 each year is from the forest management investment account in the natural resources fund.

(f) $500,000 the first year and $500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) $500,000 the first year and $500,000 the second year are for forest road maintenance on county forest roads.

(h) $2,086,000 the first year and $2,086,000 the second year are to support forest management, cost-share assistance, and inventory on private woodlands. This is a onetime appropriation.

(i) $400,000 the first year and $400,000 the second year are to accelerate tree seed collection to support a growing demand for tree planting on public and private lands. This is a onetime appropriation and is available until June 30, 2027.

(j) $7,998,000 the first year and $7,998,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82, the Minnesota ReLeaf program. This appropriation is available until June 30, 2027. Money appropriated for grants under this paragraph may be used to pay reasonable costs incurred by the commissioner of natural resources to administer the grants. The base is $400,000 beginning in fiscal year 2026.

(k) $1,500,000 the first year and $1,500,000 the second year are for forest stand improvement and to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2. This is a onetime appropriation.

Subd. 5. **Parks and Trails Management** 118,305,000 111,680,000

Appropriations by Fund

	2024	2025
General	42,952,000	36,707,000
Natural Resources	73,053,000	72,673,000
Game and Fish	2,300,000	2,300,000

(a) $8,485,000 the first year and $8,735,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) $21,828,000 the first year and $22,078,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) $1,300,000 the first year and $1,300,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. Priority must be given for projects that are in

underserved communities or that increase access to persons with disabilities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) $9,624,000 the first year and $9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) $2,435,000 the first year and $2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, $1,960,000 each year is from the all-terrain vehicle account; $150,000 each year is from the off-highway motorcycle account; and $325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) $2,250,000 the first year and $2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) $250,000 the first year and $250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) $250,000 the first year and $250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) $750,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a state capital investment appropriation.

(j) $700,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of a new trail within the Prospector

trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a state capital investment appropriation.

(k) $5,000,000 the first year is to facilitate the transfer of land within Upper Sioux Agency State Park required under this act, including but not limited to the acquisition of any land necessary to facilitate the transfer. This is a onetime appropriation and is available until June 30, 2033.

(l) $400,000 the first year and $600,000 the second year are from the natural resources fund for parks and trails of regional significance outside of the seven-county metropolitan area under Minnesota Statutes, section 85.535, based on the recommendations from the Greater Minnesota Regional Parks and Trails Commission. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (i).

(m) $400,000 the first year and $600,000 the second year are from the natural resources fund for projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j).

(n) $250,000 the first year and $250,000 the second year are from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to Aitkin County, in cooperation with the Northwoods Regional ATV Trail Alliance, to maintain and repair the Northwoods Regional ATV trail system. This is a onetime appropriation and is available until June 30, 2026.

(o) $458,000 the first year is for a grant to Dakota County for improvements to the Swing Bridge Trailhead and historic Rock Island Swing Bridge along the Mississippi River Greenway, including LED lighting.

(p) $1,200,000 the first year is for a grant to Dakota County for adding a public boat launch along the Mississippi River between South St. Paul and Hastings.

(q) $400,000 the first year is for a grant to the city of Silver Bay for construction of the Silver Bay Trailhead.

(r) $500,000 the first year is for a grant to the city of Chisolm for trail development, maintenance, and related amenities at Redhead Mountain Bike Park.

(s) $1,900,000 the first year is for a grant to the town of Crane Lake for construction, improvements, and maintenance at one or more of the following locations: the Crane Lake Voyageurs National Park Visitor Center and Campground and the state-operated boat ramp at Crane Lake. This is a onetime appropriation and is available until June 30, 2026.

(t) The total general fund base budget for the parks and trails division for fiscal year 2026 and later is $35,707,000.

Subd. 6. **Fish and Wildlife Management** 111,125,000 96,963,000

Appropriations by Fund

	2024	2025
General	23,643,000	9,888,000
Natural Resources	2,082,000	2,082,000
Game and Fish	85,400,000	84,993,000

(a) $11,158,000 the first year and $11,158,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) $982,000 the first year and $982,000 the second year are from the general fund and $1,675,000 the first year and $1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The general fund base for this appropriation in fiscal year 2026 and beyond is $282,000.

(c) $5,150,000 the first year and $3,250,000 the second year are for inspections, investigations, and enforcement activities taken for the white-tailed deer farm program and for statewide response and management of chronic wasting disease. This appropriation is available until June 30, 2029.

(d) $8,546,000 the first year and $8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(e) $268,000 the first year and $268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(f) $10,000,000 the first year is for enhancing prairies and grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(g) $500,000 the first year and $500,000 the second year are from the general fund and $500,000 the first year and $500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. Priority must be given to projects benefiting underserved communities. The base for this appropriation in fiscal year 2026 and beyond is $500,000 from the heritage enhancement account in the game and fish fund. The general fund appropriation is onetime.

(h) $2,300,000 the first year is for a grant to the Fond du Lac Band of Lake Superior Chippewa to expand Minnesota's wild elk population and range. Consideration must be given to moving elk from existing herds in northwest Minnesota to the area of the Fond du Lac State Forest and the Fond du Lac Reservation in Carlton and southern St. Louis Counties. The Fond du Lac Band of Lake Superior Chippewa's elk reintroduction efforts must undergo thorough planning with the Department of Natural Resources to develop necessary capture and handling protocols, including protocols related to cervid disease management, and to produce postrelease state and Tribal elk comanagement plans. Of this amount, $300,000 is for the department for the purposes of this paragraph. This is a onetime appropriation and is available until June 30, 2026.

(i) $767,000 the first year is from the heritage enhancement account in the game and fish fund to examine the effects of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(j) $134,000 the first year and $134,000 the second year are from the heritage enhancement account in the game and fish fund for native fish conservation and classification.

(k) $82,000 the first year is for the native fish reports required under this act. This is a onetime appropriation.

(l) $65,000 the first year is for preparing the report on feral pigs and mink required under this act and holding at least one public meeting on the topic.

(m) Up to $5,750,000 the first year and up to $2,225,000 the second year are available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund for wildlife management areas acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(n) Notwithstanding Minnesota Statutes, section 297A.94, $300,000 the first year and $300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2026. This appropriation must be allocated as follows:

(1) $200,000 each fiscal year is for grants of $25,000 or less; and

(2) $100,000 each fiscal year is for grants in excess of $25,000.

(o) $75,000 the first year is from the heritage enhancement account in the game and fish fund for enhanced fish stocking of white bass and crappies in lakes in the metropolitan area that have pier and shore fishing opportunities where communities are currently underserved.

(p) $1,633,000 the first year is for a grant to the Board of Regents of the University of Minnesota for chronic wasting disease contingency plans developed by the Center for Infectious Disease Research and Policy. This is a onetime appropriation.

(q) $900,000 the first year is to create new or expand existing outreach and education programs for non-native English-speaking communities. Of this amount, $250,000 is for the commissioner of the Pollution Control Agency and $250,000 is for the Board of Water and Soil Resources for this purpose. Up to $400,000 may be used to expand the Fishing in the Neighborhood program for outreach to new and underserved audiences. This appropriation may be used for community outreach consultants for reaching new audiences. This is a onetime appropriation and is available until June 30, 2027.

Subd. 7. **Enforcement** 62,062,000 61,618,000

Appropriations by Fund

	2024	2025
General	15,599,000	14,055,000
Natural Resources	13,911,000	14,011,000
Game and Fish	32,435,000	33,435,000
Remediation	117,000	117,000

(a) $1,718,000 the first year and $1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) $2,980,000 the first year and $2,980,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) $1,442,000 the first year and $1,442,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) $315,000 the first year and $315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) $250,000 the first year and $250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, $25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) $510,000 the first year and $510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, $498,000 each year is from the all-terrain vehicle account, $11,000 each year is from the off-highway motorcycle account, and $1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, $25,000 each year is for administering the grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) $2,900,000 of the general fund appropriation for fiscal years 2022 and 2023 in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 7, paragraph (i), for inspections, investigations, and enforcement activities taken in conjunction with the Board of Animal Health for the white-tailed deer farm program is canceled no later than June 29, 2023.

(h) $3,050,000 the first year is for modernizing the enforcement aviation fleet. This appropriation is available until June 30, 2027.

Subd. 8. **Operations Support** 1,984,000 1,408,000

(a) $1,684,000 the first year and $1,408,000 second year are for information technology security and modernization. This is a onetime appropriation.

(b) $300,000 the first year is for legal costs. The unencumbered amount of the general fund appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 8, for legal costs, estimated to be $300,000, is canceled no later than June 29, 2023.

Subd. 9. **Pass Through Funds** 4,294,000 4,215,000

Appropriations by Fund

	2024	2025
General	3,211,000	3,221,000
Natural Resources	510,000	510,000
Permanent School	573,000	484,000

(a) $510,000 the first year and $510,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) $211,000 the first year and $221,000 the second year are for the Office of School Trust Lands.

(c) $250,000 the first year and $150,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) $323,000 the first year and $334,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

(e) $3,000,000 the first year and $3,000,000 the second year are for proportional payments to Tribes receiving payments under Minnesota Statutes, section 97A.157. This is a onetime appropriation. The commissioner must work with the signatory Tribes to update and amend the affected agreement.

Subd. 10. **Get Out MORE (Modernizing Outdoor Recreation Experiences)** 110,000,000 -0-

(a) $110,000,000 the first year is for modernizing Minnesota's state-managed outdoor recreation experiences. Of this amount:

(1) $25,000,000 is for enhancing access and welcoming new users to public lands and outdoor recreation facilities, including improvements to improve climate resiliency;

(2) $5,000,000 is for modernizing camping and related infrastructure, including improvements to improve climate resiliency;

(3) $35,000,000 is for modernizing fish hatcheries and fishing infrastructure;

(4) $10,000,000 is for restoring streams and modernizing water-related infrastructure with priority given to fish habitat improvements, dam removal, and improvements to improve climate resiliency; and

(5) $35,000,000 is for modernizing boating access.

(b) Priority for money allocated under paragraph (a), clauses (1), (3), (4), and (5), must be given to projects where communities are currently underserved.

(c) The commissioner may reallocate money appropriated in paragraph (a) across those purposes based on project readiness and priority. The appropriations in paragraph (a) are available until June 30, 2029.

(d) No later than November 30 each year, the commissioner must provide a progress report on the expenditure of money appropriated under this subdivision to the chairs of the legislative committees with jurisdiction over environment and natural resources finance.

Subd. 11. **Fiscal Year 2023 Appropriation**

$1,000,000 in fiscal year 2023 is from the general fund to address safety concerns at the drill core library. This is a onetime appropriation and is available until June 30, 2026.

Subd. 12. **Transfer**

By June 30, 2024, the commissioner of management and budget must transfer $58,000 from the water recreation account in the natural resources fund to the driver services operating account under Minnesota Statutes, section 299A.705.

EFFECTIVE DATE. Subdivisions 3, 7, 8, 11, and 12 are effective the day following final enactment.

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES** **$61,943,000** **$58,131,000**

(a) $3,116,000 the first year and $3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) $761,000 the first year and $761,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(c) $1,560,000 the first year and $1,560,000 the second year are for the following:

(1) $1,460,000 the first year and $1,460,000 the second year are for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) $100,000 the first year and $100,000 the second year are for county cooperative weed management programs and to restore native plants at selected invasive species management sites.

(d) $166,000 the first year and $166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13. The Drainage Work Group must review a drainage authority's power

under Minnesota Statutes, chapter 103E, to consider the abandonment or dismantling of drainage systems; to re-meander, restore, or reconstruct a natural waterway that has been modified by drainage; or to deconstruct dikes, dams, or other water-control structures.

(e) $100,000 the first year and $100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(f) $190,000 the first year and $190,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management. The base for fiscal year 2026 and later is $140,000.

(g) $125,000 the first year and $125,000 the second year are for conservation easement stewardship.

(h) $240,000 the first year and $240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(i) $2,000,000 the first year and $2,000,000 the second year are for the lawns to legumes program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This is a onetime appropriation and is available until June 30, 2027.

(j) $2,000,000 the first year and $2,000,000 the second year are for the habitat enhancement landscape program under Minnesota Statutes, section 103B.106. This is a onetime appropriation and is available until June 30, 2027.

(k) $10,557,000 the first year and $10,557,000 the second year are for soil health activities to achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits consistent with Minnesota Statutes, section 103F.06. This is a onetime appropriation and is available until June 30, 2027. The board may use grants to local governments, including soil and water conservation districts, and agreements with the United States Department of Agriculture; the University of Minnesota, Office for Soil Health; AgCentric, Minnesota State Northern Center of Excellence; and other practitioners and partners to accomplish this work.

(l) $203,000 the first year and $203,000 the second year are for soil health practice adoption purposes consistent with the cost-sharing provisions of Minnesota Statutes, section 103C.501, and for soil health program responsibilities in consultation with the University of Minnesota Office for Soil Health.

(m) $10,500,000 the first year and $10,500,000 the second year are for conservation easements and to restore and enhance grasslands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to $423,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(n) $4,000,000 the first year and $5,000,000 the second year are to acquire conservation easements and to restore and enhance peatlands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to $299,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(o) $2,000,000 the first year and $2,000,000 the second year are to enhance existing easements established under Minnesota Statutes, sections 103F.501 to 103F.531. Enhancements are for the purposes of climate resiliency, adaptation, and carbon sequestration and include but are not limited to increasing biodiversity and mitigating the effects of rainfall and runoff events. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(p) $8,500,000 the first year and $8,500,000 the second year are for water quality and storage practices and projects to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts consistent with Minnesota Statutes, section 103F.05. This is a onetime appropriation and is

available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(q) $4,673,000 the first year and $4,673,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base for this appropriation in fiscal year 2026 and beyond is $3,423,000.

(r) $129,000 the first year and $136,000 the second year are to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2026 and each year thereafter is $144,000.

(s) $3,000,000 the first year is to provide onetime state incentive payments to enrollees in the federal Conservation Reserve Program (CRP) during the continuous enrollment period and to enroll complementary areas in conservation easements consistent with Minnesota Statutes, section 103F.515. The board may establish payment rates based on land valuation and on environmental benefit criteria, including but not limited to surface water or groundwater pollution reduction, drinking water protection, soil health, pollinator and wildlife habitat, and other conservation enhancements. The board may use state funds to implement the program and to provide technical assistance to landowners or their agents to fulfill enrollment and contract provisions. The board must consult with the commissioners of agriculture, health, natural resources, and the Pollution Control Agency and the United States Department of Agriculture in establishing program criteria. This is a onetime appropriation and is available until June 30, 2027.

(t) $2,000,000 the first year is to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands and to restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands, in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling

environmentally sensitive lands that have expiring federal conservation agreements. The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to five percent of this appropriation may be used for restoration and enhancement.

(u) $5,623,000 the first year and $5,804,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(v) $500,000 the first year and $500,000 the second year are for the habitat-friendly utilities program under Minnesota Statutes, section 103B.105. This is a onetime appropriation and is available until June 30, 2027.

(w) The board may shift money in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(x) Returned grants and payments are available for two years after they are returned or regranted, whichever is later. Funds must be regranted consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(y) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL** **$32,240,000** **$11,490,000**

Appropriations by Fund

	2024	2025
General	23,290,000	2,540,000
Natural Resources	8,950,000	8,950,000

(a) $8,540,000 the first year and $2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) $8,950,000 the first year and $8,950,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

(c) $9,000,000 the first year is to modernize regional parks and trails. This is a onetime appropriation and is available until June 30, 2027.

(d) $2,750,000 the first year is for capital improvements to the municipal wastewater collection system within the city of Newport to reduce the amount of inflow and infiltration to the sanitary sewer disposal system. This is a onetime appropriation and is available until June 30, 2026.

(e) $1,000,000 the first year is for grants to implementing agencies to remove hazardous trees and replace ash trees with more diverse, climate-adapted species within the metropolitan regional park system. This is a onetime appropriation.

(f) $2,000,000 the first year is to develop a comprehensive plan to ensure communities in the White Bear Lake area have access to sufficient safe drinking water to allow for municipal growth while simultaneously ensuring the sustainability of surface water and groundwater resources to supply the needs of future generations. The Metropolitan Council must establish a work group consisting of the commissioners of natural resources, health, and the Pollution Control Agency or their designees and representatives from the Metropolitan Area Water Supply Advisory Committee; the St. Paul Regional Water Services; the cities of Stillwater, Mahtomedi, Hugo, Lake Elmo, Lino Lakes, North St. Paul, Oakdale, Vadnais Heights, Shoreview, Woodbury, New Brighton, North Oaks, and White Bear Lake; and the town of White Bear to advise the council in developing the comprehensive plan. This is a onetime appropriation and is available until June 30, 2027. The comprehensive plan must:

(1) evaluate methods for conserving and recharging groundwater in the area, including:

(i) converting water supplies that are groundwater dependent to total or partial supplies from surface water sources;

(ii) reusing water, including water discharged from contaminated wells;

(iii) projects designed to increase groundwater recharge; and

(iv) other methods for reducing groundwater use;

(2) based on the evaluation conducted under clause (1), determine which existing groundwater supply wells, if converted to surface water sources, would be most effective and efficient in ensuring future water sustainability in the area;

(3) identify a long-term plan for converting groundwater supply wells identified in clause (2) to surface water sources, including recommendations on water supply governance and concept-level engineering that addresses preliminary design considerations, including supply source, treatment, distribution, operation, and financing needed to complete any changes to water supply infrastructure;

(4) include any policy and funding recommendations for converting groundwater supply wells to surface water sources, recommendations for treating and reusing wastewater, and any other recommendations for additional measures that reduce groundwater use, promote water reuse, and increase groundwater recharge;

(5) include any policy and funding recommendations for local wastewater treatment and recharge; and

(6) be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources finance and policy by June 30, 2027.

Sec. 6. **CONSERVATION CORPS MINNESOTA** **$1,070,000** **$1,070,000**

Appropriations by Fund

	2024	2025
General	580,000	580,000
Natural Resources	490,000	490,000

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD** **$14,244,000** **$13,812,000**

Appropriations by Fund

	2024	2025
General	13,989,000	13,557,000
Natural Resources	255,000	255,000

(a) $255,000 the first year and $255,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) $850,000 the first year is to improve safety and security at the Minnesota Zoo. This is a onetime appropriation.

Sec. 8. **SCIENCE MUSEUM** **$8,200,000** **$1,260,000**

$7,000,000 the first year is for debt reduction, rehiring and retaining employees, supporting employee contracts, and diversity and inclusion training and outreach.

Sec. 9. **UNIVERSITY OF MINNESOTA** **$1,500,000** **$-0-**

(a) $1,000,000 the first year is for the Minnesota Aquatic Invasive Species Research Center to enhance and implement the center's aquatic invasive species research-based solutions through:

(1) implementation of a watershed-scale carp management plan and additional research focused on site-specific method refinement and evaluation;

(2) creation of a long-term monitoring program with state and local partners that evaluates the feasibility of whole-lake zebra mussel control projects and the development of criteria for selecting and managing lakes;

(3) refinement and implementation of large-scale surveillance and early detection methods for high-priority aquatic invasive species, including but not limited to zebra mussels, spiny water flea, and starry stonewort; and

(4) development and sharing, with relevant experts and stakeholders, contingency plans regarding the potential risks of aquatic invasive species. The contingency plans must provide a blueprint for preparedness and response planning documents, including authoritative risk communication, education, and outreach materials. The communication, education, and outreach materials must be prepared in multiple languages, including but not limited to Tribal languages.

(b) The board must ensure that the Minnesota Aquatic Invasive Species Research Center coordinates research activities funded under paragraph (a) with Tribal governments.

(c) The appropriation under paragraph (a) is onetime and available until June 30, 2027.

(d) $500,000 the first year is for a multidisciplinary research study involving several departments of the University of Minnesota, including the Department of Forest Resources; Department of Soil, Water, and Climate; Department of Bioproducts and Biosystems Engineering; and Department of Applied Economics, of lowland conifer stands over 40 acres that are under state management. The study must provide spatial estimates for carbon found in aboveground biomass, as well as soils and peat; develop strategies that maximize mitigation of global climate change; and provide

recommendations for maximizing climate resilience, encouraging biodiversity, and providing air- and water-quality benefits. A report with the results of the study must be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2027. This is a onetime appropriation and is available until June 30, 2027.

Sec. 10. **PUBLIC SAFETY** **$-0-** **$229,000**

$229,000 the second year is from the fire safety account in the special revenue fund for purposes of the class B firefighting foam requirements under Minnesota Statutes, section 325F.072. This is a onetime appropriation and is available until June 30, 2026.

ARTICLE 2
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation. These are onetime appropriations.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **MINNESOTA RESOURCES**		
Subdivision 1. **Total Appropriation**	**$79,833,000**	**$-0-**

Appropriations by Fund

	2024	2025
Environment and Natural Resources Trust Fund	79,644,000	-0-
Great Lakes Protection Account	189,000	-0-

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

Subd. 2. **Definitions**

(a) "Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

(b) "Great Lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

Subd. 3. **Foundational Natural Resource Data and Information** 8,219,000 -0-

(a) **Assessing Restorations for Rusty-Patched and Other Bumblebee Habitat**

$75,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Mississippi River to assess how prairie restoration and different restoration seeding methods affect bumblebee abundance, diversity, and habitat and make recommendations to improve restoration outcomes.

(b) **Removing Barriers to Carbon Market Entry**

$482,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop ground-tested carbon stock models of forest resources throughout Minnesota to enable better resource management of public and private forests as well as generate reliable tools for landowners seeking to enter carbon markets.

(c) **Mapping Migratory Bird Pit Stops in Minnesota**

$340,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Minnesota office, to identify avian migratory stopover sites, develop a shared decision-support tool, and publish guidance for conserving migratory birds in Minnesota. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(d) **Enhancing Knowledge of Minnesota River Fish Ecology**

$199,000 the first year is from the trust fund to the commissioner of natural resources to collect baseline information about the diets, distribution, status, and movement patterns of fish in the Minnesota River to inform management and conservation decisions.

(e) **Changing Distribution of Flying Squirrel Species in Minnesota**

$186,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to determine current distribution and habitat associations of northern and southern flying squirrels to fill key knowledge gaps in flying squirrel status in Minnesota.

(f) **Statewide Forest Carbon Inventory and Change Mapping**

$987,000 the first year is from the trust fund to the commissioner of natural resources to work with Minnesota Forest Resources Council, Minnesota Forestry Association, the Board of Water and Soil Resources, and the University of Minnesota to develop a programmatic approach and begin collecting plot-based inventories on private forestland for use with remote sensing data to better assess changing forest conditions and climate mitigation opportunities across all ownerships in the state.

(g) **Predicting the Future of Aquatic Species by Understanding the Past**

$170,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use past and present information to model future ranges of native aquatic species in Minnesota to generate publicly available tools for species and habitat management.

(h) **Assessing Status of Common Tern Populations in Minnesota**

$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to assess the population status of Common Tern breeding colonies in Minnesota, implement management activities, and develop a standardized monitoring protocol and online database for accessing current and historic monitoring data to help prioritize conservation and restoration actions for this state-threatened species.

(i) **Salvaged Wildlife to Inform Environmental Health, Ecology, and Education**

$486,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to establish a statewide network to collect, analyze, and archive salvaged dead wildlife and build a foundation of biodiversity resources to track ecosystem-wide changes, monitor environmental health, and educate Minnesotans about the value of scientific specimens.

(j) **Developing Conservation Priorities for Rare and Specialist Bees**

$619,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to collect data on rare and specialist bees and their habitat preferences, determine their conservation status, and develop strategies to improve their chances of survival.

(k) **Efficacy of Urban Archery Hunting to Manage Deer**

$393,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities for Bemidji State University to conduct an analysis of deer survival, habitat use, and hunter data in the city of Bemidji to improve special archery hunt management practices in urban areas of the state.

(l) **Mapping the Ecology of Urban and Rural Canids**

$601,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to determine how disease prevalence, diet, habitat use, and interspecies interactions of coyotes and foxes change from urban to rural areas along the Mississippi River corridor.

(m) **Maximizing Lowland Conifer Ecosystem Services - Phase II**

$482,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to continue monitoring forested peatland hydrology and wildlife, conduct new wildlife and habitat surveys, and quantify carbon storage to provide support for management decisions.

(n) **Modernizing Minnesota's Wildlife (and Plant) Action Plan**

$889,000 the first year is from the trust fund to the commissioner of natural resources to modernize the Minnesota Wildlife Action Plan by filling critical data gaps, including adding rare plants to the plan, and standardizing conservation status assessment methods to ensure Minnesota's natural heritage is protected into the future.

(o) **Linking Breeding and Migratory Bird Populations in Minnesota**

$199,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Hawk Ridge Bird Observatory to map year-round habitat use of understudied bird species of special conservation concern and evaluate areas with the greatest risk of contaminant exposure.

(p) **Old Growth Forest Monitoring**

$441,000 the first year is from the trust fund to the commissioner of natural resources to establish baseline conditions and develop a cost-effective method to monitor approximately 93,000 acres of old growth forest in Minnesota to ensure that these rare and important forest resources are properly protected.

(q) **Integrating Remotely Sensed Data with Traditional Forest Inventory**

$191,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to calibrate and optimize the use of LiDAR for forest inventory purposes and estimate stand-level forest resource metrics in northeastern Minnesota so ecosystem services can be better considered in management decisions.

(r) **Community Response Monitoring for Adaptive Management in Southeast Minnesota**

$483,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Nature Conservancy to assess community-level plant and animal responses to past restoration efforts in select southeast Minnesota conservation focus areas to determine if management outcomes are being achieved.

(s) **Minnesota Biodiversity Atlas - Phase III**

$797,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to expand the Minnesota Biodiversity Atlas to include more than 2,000,000 records and images of Minnesota wildlife, plants, and fungi by adding insect specimens, collections from new partners, historical data, and repatriating records of Minnesota's biodiversity that exist in various federal institutions.

Subd. 4. **Water Resources**	8,328,000	-0-

Appropriations by Fund

Environment and Natural Resources Trust Fund	8,139,000	-0-
Great Lakes Protection Account	189,000	-0-

(a) **Ditching Delinquent Ditches: Optimizing Wetland Restoration**

$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use new techniques to identify and rank areas statewide where targeted removal of poorly functioning drainage ditches and restoration to wetlands can provide maximum human and ecological benefits, including aquifer recharge and flood prevention.

(b) **Assessment of Red River Basin Project Outcomes**

$920,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Red River Watershed Management Board acting as fiscal agent for the Red River Basin Flood Damage Reduction Work Group to plan and implement multiresource monitoring at flood damage reduction and natural resource enhancement projects across the Red River Basin to evaluate outcomes and improve design of future projects at a regional scale. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(c) **Wind Wave and Boating Impacts on Inland Lakes**

$415,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to conduct a field study to measure the impacts of boat propeller wash and boat wakes on lake bottoms, shorelines, and water quality compared to the impacts of wind-generated waves.

(d) **Finding, Capturing, and Destroying PFAS in Minnesota Waters**

$478,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop novel methods for the detection, sequestration, and degradation of poly- and perfluoroalkyl substances (PFAS) in Minnesota's lakes and rivers.

(e) **Sinking and Suspended Microplastic Particles in Lake Superior**

$412,000 the first year is to the Board of Regents of the University of Minnesota for the Large Lakes Observatory in Duluth to investigate the abundance, characteristics, and fate of microplastic particles in Lake Superior to inform remediation strategies and analyses of environmental impacts. Of this amount, $189,000 is from the Great Lakes protection account and $223,000 is from the trust fund. These appropriations may also be used to educate the public about the research conducted with this appropriation.

(f) **Ecotoxicological Impacts of Quinone Outside Inhibitor (QoI) Fungicides**

$279,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to assess the ecological hazards associated with QoI fungicides and their major environmental transformation products.

(g) **Brightsdale Dam Channel Restoration**

$1,004,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Fillmore County Soil and Water Conservation District to reduce sedimentation and improve aquatic habitat by restoring a channel of the north branch of the Root River at the site of a failed hydroelectric power dam that was removed in 2003.

(h) **Mapping Aquifer Recharge Potential**

$391,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to partner with the Freshwater Society to develop a practical tool for mapping aquifer recharge potential, demonstrate the tool with laboratory and field tests, use the tool to evaluate recharge potential of several aquifers in Minnesota, and analyze aquifer recharge policy.

(i) **ALASD's Chloride Source Reduction Pilot Program**

$764,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Alexandria Lake Area Sanitary District (ALASD) to coordinate with Douglas County and the Pollution Control Agency to pilot an incentive program for residences and businesses to install high-efficiency water softeners, salt-free systems, or softener discharge disposal systems to reduce the annual salt load to Lake Winona and downstream waters. The pilot program includes rebates, inspections, community education, and water quality monitoring to measure chloride reduction success. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(j) **Removing CECs from Stormwater with Biofiltration**

$641,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to develop a treatment practice design using biofiltration media to remove contaminants of emerging concern (CECs) from stormwater runoff and to provide statewide stormwater management guidance.

(k) **Didymo II The North Shore Threat Continues**

$394,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to identify North Shore streams with didymo, determine the risk of invasion to other streams, document didymo impacts to stream functioning, and develop strategies to prevent further spread of didymo.

(l) **Leveraging Data Analytics Innovations for Watershed District Planning**

$738,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnehaha Creek Watershed District to integrate local and statewide data sets into a high-resolution planning tool that forecasts the impacts of changing precipitation patterns and quantitatively compares cost effectiveness and outcomes for water quality, ecological integrity, and flood prevention projects in the district. Minnehaha Creek Watershed District may license third parties to use products developed with this appropriation without further approval from the legislature or the Legislative-Citizen Commission on Minnesota Resources, provided the licensing does not generate income. This appropriation is subject to Minnesota Statutes, section 116P.10.

(m) **Protecting Water in the Central Sands Region of the Mississippi River Headwaters**

$1,693,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the White Earth Band of Minnesota Chippewa Indians to conduct a policy analysis and assess aggregate irrigation impacts on water quality and quantity in the Pineland Sands region of the state.

Subd. 5. **Environmental Education** 3,905,000 -0-

(a) **Fostering Conservation by Connecting Students to the BWCA**

$1,080,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Boundary Waters Wilderness to connect Minnesota youth to the Boundary Waters through environmental education, experiential learning, and wilderness canoe trips.

(b) **Statewide Environmental Education via PBS Outdoor Series**

$391,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pioneer Public Broadcasting Service to produce new episodes of a statewide

public television series and an educational web page designed to inspire Minnesotans to connect with the outdoors and to restore and protect the state's natural resources.

(c) **Increasing Diversity in Environmental Careers**

$763,000 the first year is from the trust fund to the commissioner of natural resources in cooperation with Conservation Corps Minnesota and Iowa to ensure a stable and prepared natural resources work force in Minnesota by encouraging a diversity of students to pursue careers in environment and natural resources through internships, mentorships, and fellowships with the Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(d) **Reducing Biophobia & Fostering Environmental Stewardship in Underserved Schools**

$180,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to foster long-lasting environmental stewardship and literacy in Minnesota youth in underserved schools by providing engaging, multiunit, standards-based environmental programming featuring positive interactions with raptors and evaluating program effectiveness and areas for improvement.

(e) **Sharing Minnesota's Biggest Environmental Investment**

$628,000 the first year is from the trust fund to the Science Museum of Minnesota, in coordination with the Legislative-Citizen Commission on Minnesota Resources (LCCMR), to increase public access to the results of LCCMR-recommended research, including through a free online interactive map, in-depth videos, and public events.

(f) **North Shore Private Forestry Outreach and Implementation**

$375,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Sugarloaf: The North Shore Stewardship Association to conduct outreach to private forest landowners, develop site restoration plans, and connect landowners with restoration assistance to encourage private forest restoration and improve the ecological health of Minnesota's North Shore forest landscape.

(g) **Teaching Students about Watersheds through Outdoor Science**

$290,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to engage students in classroom and outdoor hands-on learning focused on water quality, groundwater, aquatic life, and watershed stewardship and provide youth and their families with fishing experiences to further foster a conservation ethic.

(h) **Bioblitz Urban Parks: Engaging Communities in Scientific Efforts**

$198,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to work with volunteers to collect baseline biodiversity data for neighborhood and regional parks to inspire stewardship and inform habitat restoration work.

Subd. 6. **Aquatic and Terrestrial Invasive Species** 5,104,000 -0-

(a) **Northward Expansion of Ecologically Damaging Amphibians and Reptiles**

$163,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the distribution and potential for expansion of key detrimental and nonnative amphibians and reptiles in Minnesota.

(b) **Developing Research-Based Solutions to Minnesota's AIS Problems**

$4,941,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to conduct high-priority projects aimed at solving Minnesota's aquatic invasive species problems using rigorous science and a collaborative process. Additionally, funds may be spent to deliver research findings to end users through strategic communication and outreach. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

Subd. 7. **Air Quality, Climate Change, and Renewable Energy** 3,913,000 -0-

(a) **Community Forestry AmeriCorps**

$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with ServeMinnesota to preserve and increase tree canopy throughout the state by training, supporting, and deploying AmeriCorps members to local agencies

and nonprofit organizations to plant and inventory trees, develop and implement pest management plans, create and maintain nursery beds for replacement trees, and organize opportunities for community engagement in tree stewardship activities.

(b) **Biochar Implementation in Habitat Restoration: A Pilot**

$185,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to pilot the use of portable biochar kilns as an alternative to open-pile burning of trees and shrubs to reduce smoke and carbon emissions and produce beneficial by-products from invasive species removal and land restoration efforts.

(c) **Completing Installment of the Minnesota Ecological Monitoring Network**

$1,094,000 the first year is from the trust fund to the commissioner of natural resources to improve conservation and management of Minnesota's native forests, wetlands, and grasslands by completing the Ecological Monitoring Network to measure ecosystems' change through time.

(d) **Lichens as Low-Cost Air Quality Monitors in Minnesota**

$341,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop community science protocols for using lichens as indicators of air quality and conduct an analysis of air pollution changes across Minnesota in the present and in the past century.

(e) **Environment-Friendly Decarbonizing of Steel Production with Hydrogen Plasma**

$739,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to investigate the use of microwave hydrogen plasma to reduce fossil fuel use, carbon dioxide emissions, and waste and enable the use of alternative iron resources, including lower quality iron ores, tailings, and iron ore waste piles, in the iron-making industry. This appropriation is subject to Minnesota Statutes, section 116P.10.

(f) **Economic Analysis Guide for Minnesota Climate Investments**

$54,000 the first year is from the trust fund to the commissioner of the Minnesota Pollution Control Agency to create a guide that will incorporate nation-wide best practices for considering costs, benefits, economics, and equity in Minnesota climate policy decisions.

Subd. 8. **Methods to Protect or Restore Land, Water, and Habitat** 15,997,000 -0-

(a) **Minnesota Bee and Beneficial Species Habitat Enhancement II**

$876,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever Inc. to enhance grassland habitats to benefit pollinators and other wildlife species on permanently protected lands and to collaborate with the University of Minnesota to determine best practices for seeding timing and techniques.

(b) **Karner Blue Butterfly Insurance Population Establishment in Minnesota**

$405,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Three Rivers Park District to establish a breeding population of the federally endangered Karner blue butterfly on protected lands within the butterfly's northern expanding range, increase the habitat area, and evaluate the butterfly establishment effort to assist with adaptive management. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(c) **Root River Habitat Restoration at Eagle Bluff**

$866,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Eagle Bluff Environmental Learning Center to restore habitat in and alongside the Root River north of Lanesboro, Minnesota, and to conduct monitoring to ensure water quality and fish population improvements are achieved. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(d) **Restoring Mussels in Streams and Lakes - Continuation**

$825,000 the first year is from the trust fund to the commissioner of natural resources to propagate, rear, and restore native freshwater mussel assemblages and the ecosystem services they provide in the Mississippi, Cedar, and Cannon Rivers; to evaluate reintroduction success; and to inform the public on mussels and mussel conservation.

(e) **Minnesota Million: Seedlings for Reforestation and CO_2 Sequestration**

$906,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Duluth, to collaborate with The Nature Conservancy and Minnesota Extension to expand

networks of seed collectors and tree growers and to research tree planting strategies to accelerate reforestation for carbon sequestration, wildlife habitat, and watershed resilience.

(f) **Panoway on Wayzata Bay Shoreline Restoration Project**

$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Wayzata to restore native lake bottom and shoreline vegetation to improve shoreline stability, wildlife habitat, and the natural beauty of Lake Minnetonka's Wayzata Bay. The recipient must report to the Legislative-Citizen Commission on Minnesota Resources on the effectiveness of any new methods tested while conducting the project and may use a portion of the appropriation to prepare that report.

(g) **Pollinator Central III: Habitat Improvement with Community Monitoring**

$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance pollinator habitat in parks, schools, and other public spaces to benefit pollinators and people and to build knowledge about impacts of the pollinator plantings through community-based monitoring.

(h) **Restoring Forests and Savannas Using Silvopasture - Phase II**

$674,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to continue to partner with the University of Minnesota and the Sustainable Farming Association to demonstrate, evaluate, and increase adoption of the combined use of intensive tree, forage, and grazing as a method to restore and manage forest and savanna habitats.

(i) **Minnesota Community Schoolyards**

$1,433,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to engage students and communities to create nature-focused habitat improvements at schoolyards across the state to increase environmental outcomes and encourage outdoor learning.

(j) **Pollinator Enhancement and Mississippi River Shoreline Restoration**

$187,000 the first year is from the trust fund to the adjutant general of the Department of Military Affairs to restore native prairie, support pollinator plantings, and stabilize a large section of stream bank along the Mississippi River within Camp Ripley.

(k) **Conservation Cooperative for Working Lands**

$2,611,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever Inc. to collaborate with Natural Resources Conservation Service, Board of Water and Soil Resources, and Minnesota Association of Soil and Water Conservation Districts to accelerate adoption of voluntary conservation practices on working lands in Minnesota by increasing technical assistance to farmers and landowners while also attracting federal matching funds.

(l) **Quantifying Environmental Benefits of Peatland Restoration in Minnesota**

$754,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify the capacity of restored peatlands to store and accumulate atmospheric carbon and prevent release of accumulated mercury into the surrounding environment. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(m) **Renewing Access to an Iconic North Shore Vista**

$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to use national trail design best practices to renew trails and a campground along the Bean and Bear Lakes section of the Superior Hiking Trail that provides access to one of Minnesota's most iconic vistas.

(n) **Addressing Erosion Along High Use River Loops**

$368,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rehabilitate and renew popular river loops of the Superior Hiking Trail to withstand high visitor use and serve Minnesotans for years to come.

(o) **Pollinator Habitat Creation at Minnesota Closed Landfills**

$1,508,000 the first year is from the trust fund to the commissioner of the Minnesota Pollution Control Agency to conduct a pilot project to create pollinator habitat at closed landfill sites in the closed landfill program. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(p) **Enhancing Habitat Connectivity within the Urban Mississippi Flyway**

$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to enhance and restore habitat in and between urban neighborhood parks and the Mississippi River to benefit animals, plants, and neighborhoods traditionally disconnected from nature and to raise awareness of the Mississippi River Flyway.

(q) **Statewide Diversion of Furniture and Mattress Waste Pilots**

$2,833,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with EMERGE Community Development to work collaboratively with the University of Minnesota, Second Chance Recycling, and local governments to test and implement methods to expand mattress and furniture recycling statewide, including by researching value-add commodity markets for recycled materials, piloting mattress collection in greater Minnesota counties, piloting curbside furniture collection in the metropolitan area, and increasing facility capacity to recycle collected mattresses. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project. This appropriation is subject to Minnesota Statutes, section 116P.10.

(r) **Phelps Mill Wetland and Prairie Restoration**

$974,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to plan, engineer, and restore wetlands and prairie within the newly expanded Phelps Mill County Park to improve habitat connectivity for wildlife and enhance recreational experiences for users. Up to $322,000 of this appropriation may be used to plan, engineer, and construct a boardwalk, viewing platforms, and soft trails within the park. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

Subd. 9. **Land Acquisition, Habitat, and Recreation**	31,241,000	-0-

(a) **SNA Stewardship, Outreach, and Biodiversity Protection**

$1,919,000 the first year is from the trust fund to the commissioner of natural resources to restore and enhance exceptional habitat on scientific and natural areas (SNAs), increase public involvement and outreach, and strategically acquire lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(b) **Wannigan Regional Park Land Acquisition**

$727,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Frazee to acquire land for protecting and enhancing natural resources and for future development as Wannigan Regional Park, where the Heartland State, North Country National, and Otter Tail River Water Trails will meet. Initial site development or restoration work may be conducted with this appropriation.

(c) **Local Parks, Trails, and Natural Areas Grant Programs**

$3,802,000 the first year is from the trust fund to the commissioner of natural resources to solicit and rank applications and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(d) **Outreach and Stewardship Through the Native Prairie Bank Program**

$620,000 the first year is from the trust fund to the commissioner of natural resources to enhance and monitor lands enrolled in the native prairie bank and to provide outreach and technical assistance to landowners, practitioners, and the public to increase awareness and stewardship of the state's remaining native prairie. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(e) **Minnesota State Trails Development**

$4,952,000 the first year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges.

(f) **Construction of East Park**

$700,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Joseph to increase recreational opportunities and access at East Park along the Sauk River in St. Joseph through enhancements such as a canoe and kayak access, a floating dock, paved and mowed trails, and parking entrance improvements.

(g) **Scandia Gateway Trail to William O'Brien State Park**

$2,689,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Scandia to engineer and construct a segment of the Gateway State Trail between the city of Scandia and William O'Brien State Park that will be maintained by the Department of Natural Resources. The segment to be constructed includes a pedestrian tunnel and trailhead parking area. This project must be designed and constructed in accordance with Department of Natural Resources state trail standards. Engineering and construction plans must be approved by the commissioner of natural resources before construction may commence. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(h) **Grand Marais Mountain Bike Trail Rehabilitation - Phase II**

$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Superior Cycling Association to rehabilitate and modify existing mountain bike trails at Pincushion Mountain to increase the trail's environmental sustainability and provide better access to beginner and adaptive cyclers.

(i) **Acquisition of State Parks and Trails Inholdings**

$5,425,000 the first year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(j) **St. Louis River Re-Connect - Phase II**

$1,375,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to increase recreational opportunities and access to the Waabizheshikana hiking and water trails in West Duluth with trail and trailhead enhancements such as accessible canoe and kayak launches, picnic areas, and restrooms; restored habitat; stormwater improvements; directional signage, and trailside interpretation. This appropriation may also be used to partner with the St. Louis River Alliance to create an ambassadors program to engage the surrounding community and facilitate use of the trails.

(k) **City of Biwabik Recreation**

$1,306,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Biwabik to reconstruct and renovate Biwabik Recreation Area's access road, parking area, and bathroom facilities.

(l) **Silver Bay Multimodal Trailhead Project**

$1,970,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Silver Bay to develop a multimodal trailhead center to provide safe access to the Superior Hiking, Gitchi-Gami Bike, and C.J. Ramstad/North Shore trails; Black Beach Park; and other recreational destinations. Before any construction costs are incurred, the city must demonstrate that all funding to complete the project are secured.

(m) **Above the Falls Regional Park Restoration Planning and Acquisition**

$1,376,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to acquire land along the Mississippi River from willing sellers for habitat restoration, trail development, and low-intensity recreational facilities in Above the Falls Regional Park. This appropriation may also be used to prepare restoration plans for lands acquired. This appropriation may not be used to purchase habitable residential structures. Before the acquisition, a phase 1 environmental assessment must be completed and the Minneapolis Park and Recreation Board must not accept any liability for previous contamination of lands acquired with this appropriation.

(n) **Redhead Mountain Bike Park**

$1,666,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Chisholm as the fiscal agent for the Minnesota Discovery Center to enhance outdoor recreational opportunities by adding trails and amenities to the Redhead Mountain Bike Park in Chisholm. Amenities may include such things as pump tracks, skills courses, changing stations, shade shakes, and signage.

(o) **Maplewood State Park Trail Segment of the Perham to Pelican Rapids Regional Trail**

$2,514,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to partner with the Department of Natural Resources to construct the Maplewood State Park segment of the Perham to Pelican Rapids Regional Trail. This project must be designed and constructed in

accordance with Department of Natural Resources state trail standards. Engineering and construction plans must be approved by the commissioner of natural resources before construction may commence.

Subd. 10. **Administration, Emerging Issues, and Contract Agreement Reimbursement** 3,126,000 -0-

(a) **LCCMR Administrative Budget**

$2,133,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2024 and 2025 as provided in Minnesota Statutes, section 116P.09, subdivision 5. This appropriation is available until June 30, 2025. Notwithstanding Minnesota Statutes, section 116P.11, paragraph (b), Minnesota Statutes, section 16A.281, applies to this appropriation.

(b) **Emerging Issues**

$767,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

(c) **Contract Agreement Reimbursement**

$224,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred in preparing and administering contracts, including for the agreements specified in this section.

(d) **Legislative Coordinating Commission Legacy Website**

$2,000 the first year is from the trust fund to the Legislative Coordinating Commission for the website required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 11. **Availability of Appropriations**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and

individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available for three years beginning July 1, 2023, and ending June 30, 2026, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal award, the period of the appropriation is extended to equal the federal award period to a maximum trust fund appropriation length of six years.

Subd. 12. **Data Availability Requirements Data**

Data collected by the projects funded under this section must conform to guidelines and standards adopted by Minnesota IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 13. **Project Requirements**

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct

recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and Minnesota Statutes, chapter 116P.

(m) A recipient of an appropriation from the trust fund under this section that is receiving funding to conduct children's services, as defined in Minnesota Statutes, section 299C.61, subdivision 7, must certify to the Legislative-Citizen Commission on Minnesota Resources, as part of the required work plan, that criminal background checks for background check crimes, as defined in Minnesota Statutes, section 299C.61, subdivision 2, are performed on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services using the appropriation.

Subd. 14. **Payment Conditions and Capital Equipment Expenditures**

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2023, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 15. **Purchasing Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials, and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 16. **Energy Conservation and Sustainable Building Guidelines**

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 17. **Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 18. **Carryforward; Extensions**

The availability of the appropriations for the following projects is extended to June 30, 2024:

(1) Laws 2018, chapter 214, article 4, section 2, subdivision 6, paragraph (a), Minnesota Invasive Terrestrial Plants and Pests Center - Phase 4;

(2) Laws 2018, chapter 214, article 4, section 2, subdivision 8, paragraph (e), Restoring Forests in Minnesota State Parks;

(3) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 3, paragraph (d), Minnesota Trumpeter Swan Migration Ecology and Conservation;

(4) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (g), Agricultural Weed Control Using Autonomous Mowers;

(5) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 10, paragraph (d), Grants Management System; and

(6) Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 10, Emerging Issues Account; Wastewater Renewable Energy Demonstration Grants.

Subd. 19. **Repurpose**

The unencumbered amount, estimated to be $176,000, in Laws 2021, First Special Session chapter 6, article 6, section 2, subdivision 8, paragraph (f), Restoring Upland Forests for Birds, is for examining the impacts of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This amount is in addition to the appropriation under article 1, section 3, subdivision 6, for these purposes and is available until June 30, 2027.

Sec. 3. Minnesota Statutes 2022, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker.

(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus. ~~Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

(c) Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state; ~~and~~

(3) have demonstrated ability to work in a collaborative environment; and

(4) not be a registered lobbyist.

(d) Members shall develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(e) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

(f) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraphs (a) to (c).

(g) Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to $125 a day.

(h) The governor's appointments are subject to the advice and consent of the senate. One of the governor's appointments must be a member recommended by the Tribal government representatives of the Indian Affairs Council.

(i) A citizen member may serve no more than eight years, except as necessary to fill a vacancy. A citizen member may not serve more than ten years if serving additional time to fill a vacancy.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to appointments made on or after that date.

Sec. 4. Minnesota Statutes 2022, section 116P.05, subdivision 1a, is amended to read:

Subd. 1a. **Citizen selection committee.** (a) The governor ~~shall~~ must appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues to provide recommendations for appointments under subdivision 1, paragraph (c).

(b) The duties of the Trust Fund Citizen Selection Committee ~~shall be~~ are to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor~~, the senate, and the house of representatives~~.

(c) Members serve three-year terms and are entitled to ~~travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6~~ per diem and reimbursement for expenses incurred in the services of the committee, as provided in section 15.059, subdivision 3, except that a citizen selection committee member may be compensated at the rate of up to $125 a day.

(d) A member appointed under this subdivision may not be a registered lobbyist.

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

Sec. 5. Minnesota Statutes 2022, section 116P.05, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The commission ~~shall~~ must recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and ~~shall~~ must adopt a strategic plan as provided in section 116P.08. Except as provided under section 116P.09, subdivision 6, paragraph (b), approval of the recommended legislative bill requires an affirmative vote of at least ~~12~~ 11 members of the commission.

(b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting

requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work plan. Modifications to the approved work plan and budget expenditures ~~shall~~ must be made through the amendment process established by the commission. The commission ~~shall~~ must ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.

(c) The peer review procedures created under section 116P.08 must also be used to review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(d) The commission may adopt operating procedures to fulfill its duties under this chapter.

(e) As part of the operating procedures, the commission ~~shall~~ must:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 116P.09, subdivision 6, is amended to read:

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person ~~shall~~ must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a), if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), is reduced by the number of members ineligible to vote under this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 116P.11, is amended to read:

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount annually available from the trust fund for the legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

(b) Any appropriated funds not encumbered ~~in the biennium in which they are appropriated~~ by the date the appropriation expires cancel and must be credited to the principal of the trust fund.

Sec. 8. Minnesota Statutes 2022, section 116P.15, is amended to read:

116P.15 CAPITAL CONSTRUCTION AND LAND ACQUISITION; RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with ~~this section~~ subdivision 2. ~~For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property.~~ A recipient of an appropriation from the trust fund who uses any portion of the appropriation for a capital construction project with a total cost of $10,000 or more must comply with subdivision 3.

Subd. 2. **Land acquisition restrictions; modification procedure.** (a) An easement, fee title, or other interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location, and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 3. **Capital construction restrictions; modification procedure.** (a) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset may not alter the intended use of the capital asset or convey any interest in the capital asset for 25 years from the date the project is completed without the prior review and approval of the commission or its successor. The commission must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund at least 15 business days before approval under this paragraph. The commission must establish procedures to review requests from recipients to alter the use of or convey an interest in a capital asset under this paragraph. These procedures must require that:

(1) the sale price must be at least fair market value; and

(2) the trust fund must be repaid a portion of the sale price equal to the percentage of the total funding provided by the fund for constructing the capital asset.

(b) The commission or its successor may waive the requirements under paragraph (a), clauses (1) and (2), by recommendation to the legislature if the transfer allows for a continued use of the asset in a manner consistent with the original appropriation purpose or with the purposes of the trust fund.

(c) If both a capital asset and the real property on which the asset is located were wholly or partially purchased with an appropriation from the trust fund and the commission approves a request to alter the use of or convey an interest in the real property under subdivision 2, a separate approval under this subdivision to alter the use of the capital asset is not required.

(d) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset must separately record a notice of funding restrictions in the appropriate local government office. The notice of funding restrictions must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this subdivision; and

(4) the following statement:

"This interest in real property must be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the improvement of the property. The interest in real property, or any portion of the interest in real property, must not be altered from its intended use or be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor."

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 9. Minnesota Statutes 2022, section 116P.16, is amended to read:

116P.16 REAL PROPERTY INTERESTS; REPORT.

(a) By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, or for the construction of a building, trail, campground, or other capital asset with a total cost of $10,000 or more must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources or its successor in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and

(3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

(c) The annual reporting requirements on the status of a building, trail, campground, or other capital asset with a total cost of $10,000 or more and that was constructed with an appropriation from the trust fund expire 25 years after the date the final progress report under section 116P.05, subdivision 2, paragraph (b), is approved.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 10. Minnesota Statutes 2022, section 116P.18, is amended to read:

116P.18 LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least ~~12~~ 11 members of the commission.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 11. **[116P.21] ADDITIONAL CAPITAL CONSTRUCTION PROJECT REQUIREMENTS.**

Subdivision 1. **Full funding.** If an appropriation from the trust fund for a capital construction project or project phase is not alone sufficient to complete the project or project phase and a commitment from sources other than the trust fund is required:

(1) the commitment must be in an amount that, when added to the appropriation from the trust fund, is sufficient to complete the project or project phase; and

(2) the agency administering the appropriation from the trust fund must not distribute the money until the commitment is determined to be sufficient. In determining the sufficiency of a commitment under this clause, the agency must apply the standards and principles applied by the commissioner of management and budget under section 16A.502.

Subd. 2. **Match.** A recipient of money appropriated from the trust fund for a capital construction project must provide a cash or in-kind match from nontrust fund sources of at least 25 percent of the total costs to complete the project or project phase.

Subd. 3. **Sustainable building guidelines.** The sustainable building guidelines established under sections 16B.325 and 216B.241, subdivision 9, apply to new buildings and major renovations funded from the trust fund. A recipient of money appropriated from the trust fund for a new building or major renovation must ensure that the project complies with the guidelines.

Subd. 4. **Applicability.** (a) Subdivisions 1, 2, and 3 do not apply to:

(1) a capital construction project with a total cost of less than $10,000; or

(2) a land acquisition project.

(b) If land is acquired with trust fund money for the purpose of capital construction, the land acquisition is not exempted under paragraph (a), clause (2).

Subd. 5. **Other capital construction statutes.** The following statutes also apply to recipients of appropriations from the trust fund: sections 16B.32; 16B.326; 16B.335, subdivisions 3 and 4; 16C.054; 16C.16; 16C.28; 16C.285; 138.40; 138.665; 138.666; 177.41 to 177.44; and 471.345.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 12. Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 9, is amended to read:

Subd. 9. **Land Acquisition, Habitat, and Recreation**	-0-	29,901,000

(a) **DNR Scientific and Natural Areas**

$3,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural area (SNA) program to restore, improve, and enhance wildlife habitat on SNAs; increase public involvement and outreach; and strategically acquire high-quality lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers.

(b) **Private Native Prairie Conservation through Native Prairie Bank**

$2,000,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial

baseline property assessments. Up to $60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account, created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired.

(c) **Minnesota State Parks and State Trails Inholdings**

$3,500,000 the second year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and promote tourism.

(d) **Grants for Local Parks, Trails, and Natural Areas**

$2,400,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(e) **Mississippi River Aquatic Habitat Restoration and Mussel Reintroduction**

$1,800,000 the second year is from the trust fund. Of this amount, $1,549,000 is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board and $251,000 is to the commissioner of natural resources to restore lost habitat and reintroduce mussels in the Mississippi River above St. Anthony Falls. This work includes creating habitat and species restoration plans, implementing the restoration plans, and monitoring effectiveness of the restoration for multiple years after implementation. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(f) **Minnesota Hunter Walking Trails: Public Land Recreational Access**

$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to improve Minnesota's hunter walking trail system by restoring or upgrading trailheads and trails, developing new walking trails, and compiling enhanced maps for use by managers and the public.

(g) **Turning Back to Rivers: Environmental and Recreational Protection**

$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to help local communities acquire priority land along the Mississippi, St. Croix, and Minnesota Rivers and their tributaries to protect natural resources, provide buffers for flooding, and improve access for recreation.

(h) **Metropolitan Regional Parks System Land Acquisition - Phase VI**

$1,000,000 the second year is from the trust fund to the Metropolitan Council for grants to acquire land within the approved park boundaries of the metropolitan regional park system. This appropriation must be matched by at least 40 percent of nonstate money.

(i) **Minnesota State Trails Development**

$994,000 the second year is from the trust fund to the commissioner of natural resources to expand high-priority recreational opportunities on Minnesota's state trails by rehabilitating, improving, and enhancing existing state trails. The high-priority trail bridges to be rehabilitated or replaced under this appropriation include, but are not limited to, those on the Taconite, Great River Ridge, and C.J. Ramstad/Northshore State Trails.

(j) **Elm Creek Restoration - Phase IV**

$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Champlin to conduct habitat and stream restoration of approximately 0.7 miles of Elm Creek shoreline above Mill Pond Lake and through the Elm Creek Protection Area.

(k) **Superior Hiking Trail as Environmental Showcase**

$450,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rebuild damaged and dangerous segments and create a new trail segment of the Superior Hiking Trail to minimize environmental impacts, make the trail safer for users, and make the trail more resilient for future use and conditions.

(l) **Upper St. Anthony Falls Enhancements**

$2,800,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Lock and Dam in partnership with the city of

Minneapolis to design and install green infrastructure, public access, and habitat restorations on riverfront land at Upper St. Anthony Falls for water protection, recreation, and environmental education purposes. Of this amount, up to $600,000 is for planning, design, and engagement. No funds from this appropriation may be spent until Congress directs the U.S. Army Corps of Engineers to convey an interest in the Upper St. Anthony Falls property to the city of Minneapolis for use as a visitor center. After this congressional act is signed into law, up to $100,000 of the planning, design, and engagement funds may be spent. The remaining planning, design, and engagement funds may be spent after a binding agreement has been secured to acquire the land or access and use rights to the land for at least 25 years. Any remaining balance of the appropriation may be spent on installing enhancements after the Upper St. Anthony Falls land has been acquired by the city of Minneapolis.

(m) **Whiskey Creek and Mississippi River Water Quality, Habitat, and Recreation**

$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Mississippi Headwaters Board for the city of Baxter to acquire ~~and transfer approximately 13 acres of~~ land ~~to the city of Baxter~~ for future construction of water quality, habitat, and recreational improvements to protect the Mississippi River.

(n) **Perham to Pelican Rapids Regional Trail (West Segment)**

$2,600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct the west segment of the 32-mile Perham to Pelican Rapids Regional Trail that will connect the city of Pelican Rapids to Maplewood State Park.

(o) **Crow Wing County Community Natural Area Acquisition**

$400,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Crow Wing County to acquire approximately 65 acres of land adjacent to the historic fire tower property to allow for diverse recreational opportunities while protecting wildlife habitat and preventing forest fragmentation. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(p) **Rocori Trail - Phase III**

$1,200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Rocori Trail Construction Board to design and construct Phase III of the Rocori Trail along the old Burlington Northern Santa Fe rail corridor between the cities of Cold Spring and Rockville.

(q) **Mesabi Trail: New Trail and Additional Funding**

$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for constructing the Mesabi Trail beginning at the intersection of County Road 20 and Minnesota State Highway 135 and terminating at 1st Avenue North and 1st Street North in the city of Biwabik in St. Louis County. This appropriation may not be spent until all Mesabi Trail projects funded with trust fund appropriations before fiscal year 2020, with the exception of the project funded under Laws 2017, chapter 96, section 2, subdivision 9, paragraph (g), are completed.

(r) **Ranier Safe Harbor and Transient Dock on Rainy Lake**

$762,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Ranier to construct a dock that accommodates boats 26 feet or longer with the goal of increasing public access for boat recreation on Rainy Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(s) **Crane Lake Voyageurs National Park Campground and Visitor Center**

$3,100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake to design and construct a new campground and to plan and preliminarily prepare a site for constructing a new Voyageurs National Park visitor center on land acquired for these purposes in Crane Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(t) **Chippewa County Acquisition, Recreation, and Education**

$160,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Chippewa County to acquire wetland and floodplain forest and abandoned gravel pits along the Minnesota River to provide water filtration, education, and recreational opportunities.

(u) **Sportsmen's Training and Developmental Learning Center**

$85,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Forest Zone Trappers Association to complete a site evaluation and master plan for the Sportsmen's Training and Developmental Learning Center near Hibbing. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(v) **Birch Lake Recreation Area**

$350,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Babbitt to expand the Birch Lake Recreation Area by adding a new campground to include new campsites, restrooms, and other facilities. This appropriation is available until June 30, 2025.

Sec. 13. Laws 2022, chapter 94, section 2, subdivision 5, is amended to read:

Subd. 5. **Environmental Education**	-0-	4,269,000

(a) Teacher Field School: Stewardship through Nature-Based Education

$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Hamline University to create an immersive, research-backed field school for teachers to use nature-based education to benefit student well-being and academic outcomes while increasing stewardship habits.

(b) Increasing K-12 Student Learning to Develop Environmental Awareness, Appreciation, and Interest

$1,602,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Osprey Wilds Environmental Learning Center to partner with Minnesota's five other accredited residential environmental learning centers to provide needs-based scholarships to ~~at least 25,000~~ K-12 students statewide for immersive multiday environmental learning experiences.

(c) Expanding Access to Wildlife Learning Bird by Bird

$276,000 the second year is from the trust fund to the commissioner of natural resources to engage young people from diverse communities in wildlife conservation through bird-watching in schools, outdoor leadership training, and participating in neighborhood bird walks.

(d) Engaging a Diverse Public in Environmental Stewardship

$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to increase participation in natural resources restoration efforts through volunteer, internship, and youth engagement activities that target diverse audiences more accurately reflecting local demographic and socioeconomic conditions in Minnesota.

(e) Bugs Below Zero: Engaging Citizens in Winter Research

$198,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to raise awareness about the winter life of bugs, inspire learning about stream food webs, and engage citizen scientists in research and environmental stewardship.

(f) ESTEP: Earth Science Teacher Education Project

$495,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Science Teachers Association to provide professional development for Minnesota science teachers in environmental and earth science to strengthen environmental education in schools.

(g) YES! Students Take Action to Complete Eco Projects

$199,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Prairie Woods Environmental Learning Center, in partnership with Ney Nature Center and Laurentian Environmental Center, to empower Minnesota youth to connect with natural resource experts, identify ecological challenges, and take action to complete innovative projects in their communities.

(h) Increasing Diversity in Environmental Careers

$500,000 the second year is from the trust fund to the commissioner of natural resources, in cooperation with Conservation Corps Minnesota and Iowa, to encourage a diversity of students to pursue careers in the environment and natural resources through internships, mentorships, and fellowships with the Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency.

(i) Diversity and Access to Wildlife-Related Opportunities

$199,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to broaden the state's conservation constituency by researching diverse communities' values about nature and wildlife experiences and identifying barriers to engagement.

Sec. 14. Laws 2022, chapter 94, section 2, subdivision 8, is amended to read:

Subd. 8. **Methods to Protect, Restore, and Enhance Land, Water, and Habitat** -0- 11,294,000

(a) Minnesota's Volunteer Rare Plant Conservation Corps

$859,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to partner with the Department of Natural Resources and the Minnesota Native Plant Society to establish and train a volunteer corps to survey, monitor, and bank seed from Minnesota's rare plant populations and enhance the effectiveness and efficiencies of conservation efforts.

(b) Conservation Corps Veterans Service Corps Program

$1,339,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Conservation Corps Minnesota to create a Veterans Service Corps program to accelerate natural resource restorations in Minnesota while providing workforce development opportunities for the state's veterans.

(c) Creating Seed Sources of Early-Blooming Plants for Pollinators

$200,000 the second year is from the trust fund to the commissioner of natural resources to establish new populations of early-season flowers by hand-harvesting and propagating species that are currently lacking in prairie restorations and that are essential to pollinator health. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

(d) Hastings Lake Rebecca Park Area

$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Hastings to develop an ecological-based master plan for Lake Rebecca Park and to enhance habitat quality and construct passive recreational facilities consistent with the master plan. No funds for implementation may be spent until the master plan is complete.

(e) Pollinator Plantings and the Redistribution of Soil Toxins

$610,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to map urban and suburban soil toxins of concern, such as heavy metals and microplastics, and to test whether pollinator plantings can redistribute these toxins in the soil of yards, parks, and community gardens and reduce exposure to humans and wildlife.

(f) PFAS Fungal-Wood Chip Filtering System

$189,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to identify, develop, and field-test various types of waste wood chips and fungi to sequester and degrade PFAS leachate from contaminated waste sites. This appropriation is subject to Minnesota Statutes, section 116P.10.

(g) Phytoremediation for Extracting Deicing Salt

$451,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to protect lands and waters from contamination by collaborating with the Department of Transportation to develop methods for using native plants to remediate roadside deicing salt.

(h) Mustinka River Fish and Wildlife Habitat Corridor Rehabilitation

$2,692,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Bois de Sioux Watershed District to permanently rehabilitate a straightened reach of the Mustinka River to a naturally functioning stream channel and floodplain corridor for water, fish, and wildlife benefits.

(i) Bohemian Flats Savanna Restoration

$286,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minneapolis Park and Recreation Board to restore an area of compacted urban turf within Bohemian Flats Park and adjacent to the Mississippi River to an oak savanna ecosystem.

(j) Watershed and Forest Restoration: What a Match!

$3,318,000 the second year is from the trust fund to the Board of Water and Soil Resources, in cooperation with soil and water conservation districts, the Mille Lacs Band of Ojibwe, and the Department of Natural Resources, to acquire interests in land and to accelerate tree planting on ~~privately owned,~~ protected lands for water-quality protection and carbon sequestration.

Notwithstanding subdivision 14, paragraph (e), this appropriation may be spent to reforest lands protected through long-term contracts as provided in the approved work plan.

(k) River Habitat Restoration and Recreation in Melrose

$350,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Melrose to conduct habitat restoration and create fishing, canoeing, and camping opportunities along a segment of the Sauk River within the city of Melrose and to provide public education about stream restoration, fish habitat, and the importance of natural areas.

Sec. 15. Laws 2022, chapter 94, section 2, subdivision 9, is amended to read:

Subd. 9. **Habitat and Recreation** -0- 26,179,000

(a) Mesabi Trail: Wahlsten Road (CR 26) ~~to~~ toward Tower

$1,307,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority to acquire easements, engineer, and construct a segment of the Mesabi Trail beginning at the intersection of Wahlsten Road (CR 26) and Benson Road in Embarrass and extending ~~to~~ toward Tower.

(b) Environmental Learning Classroom with Trails

$82,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Mountain Iron-Buhl Public Schools to build an outdoor classroom pavilion, accessible trails, and a footbridge within the Mountain Iron-Buhl School Forest to conduct environmental education that cultivates a lasting conservation ethic.

(c) Local Parks, Trails, and Natural Areas Grant Programs

$3,560,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(d) St. Louis River Re-Connect

$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to expand recreational access along the St. Louis River and estuary by implementing the St. Louis River National Water Trail outreach plan, designing and constructing upgrades and extensions to the Waabizheshikana Trail, and installing interpretive features that describe the cultural and ecological significance of the area.

(e) Native Prairie Stewardship and Prairie Bank Easement Acquisition

$1,353,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to $60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account created under Minnesota Statutes, section 84.69, proportional to the number of easements acquired.

(f) Minnesota State Parks and State Trails Maintenance and Development

$1,600,000 the second year is from the trust fund to the commissioner of natural resources for maintenance and development at state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management.

(g) Minnesota State Trails Development

$7,387,000 the second year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges.

(h) SNA Habitat Restoration and Public Engagement

$5,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural areas (SNA) program to restore and enhance exceptional habitat on SNAs and increase public involvement and outreach.

(i) The Missing Link: Gull Lake Trail, Fairview Township

$1,394,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Fairview Township to complete the Gull Lake Trail by engineering and constructing the trail's final segment through Fairview Township in the Brainerd Lakes area.

(j) Silver Bay Multimodal Trailhead Project

$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Silver Bay to develop a multimodal trailhead center to provide safe access to the Superior, Gitchi-Gami, and C.J. Ramstad/North Shore trails; Black Beach Park; and other recreational destinations.

(k) Brookston Campground, Boat Launch, and Outdoor Recreational Facility

$453,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brookston to build a campground, boat launch, and outdoor recreation area on the banks of the St. Louis River in northeastern Minnesota. Before any trust fund dollars are spent, the city must demonstrate that all funds to complete the project are secured and a fiscal agent must be approved in the work plan.

(l) Silver Lake Trail Connection

$727,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Virginia to design, engineer, and construct a multiuse trail that will connect Silver Lake Trail to a new Miners Entertainment and Convention Center and provide lighting on Bailey Lake Trail.

(m) Floodwood Campground Improvement Project

$816,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Floodwood to upgrade the Floodwood Campground and connecting trails to provide high-quality nature and recreation experience for people of all ages.

(n) Ranier Safe Harbor/Transient Dock - Phase 2

$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Ranier to construct a safe harbor and transient dock to accommodate watercraft of many sizes to improve public access for boat recreation on Rainy Lake. Before trust fund dollars are spent, a fiscal agent must be approved in the work plan. Before

any trust fund dollars are spent, the city must demonstrate that all funds to complete the project are secured. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

Sec. 16. **EFFECTIVE DATE.**

Unless otherwise provided, this article is effective the day following final enactment.

ARTICLE 3
POLLUTION CONTROL

Section 1. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8a. **Microplastics.** "Microplastics" means particles of plastic less than 500 micrometers in size.

Sec. 2. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8b. **Nanoplastics.** "Nanoplastics" means plastic particles less than or equal to 100 nanometers in size.

Sec. 3. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 10a. **Plastic.** "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 4. Minnesota Statutes 2022, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The ~~agency~~ commissioner is ~~hereby~~ given and charged with the following powers and duties:

~~(a)~~ (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

~~(b)~~ (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

~~(c)~~ (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

~~(d)~~ (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

~~(e)~~ (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

~~(1)~~ (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

~~(2)~~ (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

~~(3)~~ (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

~~(4)~~ (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

~~(5)~~ (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based

upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(f)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(g)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(h)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(i)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(j)~~ (10) to train water pollution control personnel~~,~~ and charge ~~such~~ training fees ~~therefor~~ as are necessary to cover the agency's costs. All such fees received ~~shall~~ must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed $350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(k)~~ (12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

~~(l)~~ (13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

~~(m)~~ (14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

~~(n)~~ (15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause ~~(m)~~ (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 5. Minnesota Statutes 2022, section 115.061, is amended to read:

115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner such as in person, telephone call, radio, social media, web page, or another expedited form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

(d) The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Sec. 6. Minnesota Statutes 2022, section 115A.03, is amended by adding a subdivision to read:

Subd. 10b. **Environmental justice area.** "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent decennial census data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) located within Indian Country, as defined under United States Code, title 18, section 1151.

Sec. 7. Minnesota Statutes 2022, section 115A.03, is amended by adding a subdivision to read:

Subd. 37a. **Waste treated seed.** "Waste treated seed" means seed that is treated, as defined in section 21.81, subdivision 28, and that is withdrawn from sale or that the end user considers unusable or otherwise a waste.

Sec. 8. Minnesota Statutes 2022, section 115A.1415, is amended to read:

115A.1415 ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM; STEWARDSHIP PLAN.

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

(1) "annual operating expenses" means the total amount of a producer's or stewardship organization's expenses in a calendar year for developing a stewardship plan, operating and administering the program in accordance with the stewardship plan, and meeting the requirements of this section, determined at the time the annual report required under subdivision 12 is submitted;

~~(1)~~ (2) "architectural paint" means interior and exterior architectural coatings sold in containers of five gallons or less. Architectural paint does not include industrial coatings, original equipment coatings, or specialty coatings;

~~(2)~~ (3) "brand" means a name, symbol, word, or mark that identifies architectural paint, rather than its components, and attributes the paint to the owner or licensee of the brand as the producer;

~~(3)~~ (4) "discarded paint" means architectural paint that is no longer used for its manufactured purpose;

~~(4)~~ (5) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold in the state;

(ii) imports architectural paint branded by a producer that meets item (i) when the producer has no physical presence in the United States;

(iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is sold in the state; or

(iv) sells architectural paint at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the architectural paint by certifying that election in writing to the commissioner;

~~(5)~~ (6) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

~~(6)~~ (7) "retailer" means any person who offers architectural paint for sale at retail in the state;

~~(7)~~ (8) "reuse" means donating or selling collected architectural paint back into the market for its original intended use, when the architectural paint retains its original purpose and performance characteristics;

~~(8)~~ (9) "sale" or "sell" means transfer of title of architectural paint for consideration, including a remote sale conducted through a sales outlet, catalog, website, or similar electronic means. Sale or sell includes a lease through which architectural paint is provided to a consumer by a producer, wholesaler, or retailer;

~~(9)~~ (10) "stewardship assessment" means the amount added to the purchase price of architectural paint sold in the state ~~that is necessary to cover the cost of collecting, transporting, and processing postconsumer architectural paint by the producer or stewardship organization pursuant to a product stewardship program~~ to implement a product stewardship program according to an approved stewardship plan;

~~(10)~~ (11) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

~~(11)~~ (12) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. **Product stewardship program.** For architectural paint sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Subd. 3. **Participation required to sell.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the ~~agency~~ commissioner or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the ~~agency~~ commissioner.

Subd. 4. **Stewardship plan required.** (a) ~~On or before March 1, 2014, and~~ Before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the ~~agency~~ commissioner and receive approval of the plan or must submit documentation to the ~~agency~~ commissioner that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) ~~An~~ A proposed amendment to the plan, if determined necessary by the commissioner, must be submitted to the commissioner for review and approval or rejection every five years.

(c) ~~It is the responsibility of~~ The entities responsible for each stewardship plan ~~to~~ must notify the ~~agency~~ commissioner within 30 days of any significant proposed changes ~~or modifications~~ to the plan or its implementation. Within 30 days of the notification, a written proposed plan ~~revision~~ amendment must be submitted to the ~~agency~~ commissioner for review and approval or rejection.

Subd. 5. **Plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;

(2) contact information for the individual and the entity submitting the stewardship plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded paint;

(6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment~~. The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment~~ established according to subdivision 5a;

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

(i) the most recent collection data available for the state;

(ii) the estimated amount of architectural paint disposed of annually;

(iii) the weight of the architectural paint that is expected to be available for collection annually; and

(iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 5a. **Stewardship assessment.** (a) The producer or stewardship organization must propose a uniform stewardship assessment for any architectural paint sold in the state that covers but does not exceed the costs of developing the stewardship plan, operating and administering the program in accordance with the stewardship plan and the requirements of this section, and maintaining a financial reserve.

(b) The producer or stewardship organization must retain an independent auditor to review the proposed stewardship assessment to ensure that the assessment meets the requirements of this section. The independent auditor must recommend an amount for the stewardship assessment.

(c) A stewardship organization's or producer's product stewardship program must not maintain a financial reserve in excess of 75 percent of its annual operating expenses.

(d) If the financial reserve exceeds 75 percent of the producer's or stewardship organization's annual operating expenses, the producer or stewardship organization must submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision.

(e) A producer or stewardship organization may submit a written request to the commissioner for an extension of the time to comply with paragraphs (c) and (d). The commissioner must review and approve or reject the request. If the commissioner approves a request, the commissioner must determine the length of the extension, which must not exceed two consecutive years. The request must demonstrate that the financial reserve is projected to fall below 75 percent of the producer's or stewardship organization's annual operating expenses without a plan amendment within two years of the request.

(f) If the financial reserve falls below 60 percent of the producer's or stewardship organization's annual operating expenses, the producer or stewardship organization may submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision.

(g) The commissioner must review and approve or reject the stewardship assessment according to subdivision 7.

(h) A producer or stewardship organization may not use any money collected through a stewardship assessment to pay for litigation against the state related to this section or to pay penalties imposed according to section 115.071 or 116.072.

Subd. 6. **Consultation required.** Each stewardship organization or individual producer submitting a stewardship plan or plan amendment must consult with stakeholders including retailers, contractors, collectors, recyclers, local government, and customers during the development of the plan or plan amendment.

Subd. 7. ~~**Agency**~~ **Commissioner review and approval.** (a) Within 90 days after ~~receipt of~~ receiving a proposed stewardship plan, the ~~agency shall~~ commissioner must determine whether the plan complies with ~~subdivision 4~~ this section. If the ~~agency~~ commissioner approves a plan, the ~~agency shall~~ commissioner must notify the applicant of the plan approval in writing. If the ~~agency~~ commissioner rejects a plan, the ~~agency shall~~ commissioner must notify the applicant in writing of the reasons for rejecting the plan.

(b) An applicant whose plan is rejected by the ~~agency~~ commissioner must submit a revised stewardship plan to the ~~agency~~ commissioner within 60 days after receiving notice of rejection.

~~(b)~~ (c) Any proposed ~~changes~~ amendment to a stewardship plan must be reviewed and approved or rejected by the ~~agency~~ commissioner in writing according to this subdivision.

Subd. 8. **Plan availability.** All ~~draft~~ proposed stewardship plans and amendments and approved stewardship plans ~~shall~~ and amendments must be placed on the agency's website for at least 30 days and made available at the agency's headquarters for public review and comment.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of architectural paint under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Producer responsibilities.** (a) On and after the date of implementation of a product stewardship program according to this section, a producer of architectural paint must add the stewardship assessment, as established under subdivision ~~5, clause (9)~~ 5a, to the cost of architectural paint sold to retailers and distributors in the state by the producer.

(b) Producers of architectural paint or the stewardship organization ~~shall~~ must provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for architectural paint offered through the product stewardship program and information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of architectural paint sold in the state.

Subd. 11. **Retailer responsibilities.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No architectural paint may be sold in the state unless the paint's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program according to this section, each retailer or distributor, as applicable, must ensure that the full amount of the stewardship assessment added to the cost of architectural paint by producers under subdivision 10 is included in the purchase price of all architectural paint sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the architectural paint was ordered from the producer or its agent, the producer was listed as compliant on the agency's website according to subdivision 14.

Subd. 12. **Stewardship reports.** ~~Beginning October 1, 2015,~~ By April 1 each year, producers of architectural paint sold in the state must individually or through a stewardship organization submit an annual report to the ~~agency~~ commissioner describing the product stewardship program for the preceding calendar year. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;

(2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(5) an independent financial audit.

Subd. 13. **Data classification.** Trade secret and sales information, as defined under section 13.37, submitted to the ~~agency~~ commissioner under this section are private or nonpublic data under section 13.37.

Subd. 14. **~~Agency~~ Commissioner responsibilities.** The ~~agency shall~~ commissioner must provide, on ~~its~~ the agency's website, a list of all compliant producers and brands participating in stewardship plans that the ~~agency~~ commissioner has approved and a list of all producers and brands the ~~agency~~ commissioner has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program reuse and recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report for the first year of the program to the ~~agency~~ commissioner using the reporting form provided by the ~~agency~~ commissioner on the cost savings as a result of participation and must describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan ~~shall~~ must pay an annual administrative fee to the commissioner. The ~~agency~~ commissioner may establish a variable fee based on relevant factors, including~~,~~ but not limited to~~,~~ the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) ~~Prior to July 1, 2014, and~~ Before July 1 ~~annually thereafter~~ each year, the ~~agency shall~~ commissioner must identify the costs ~~it~~ the agency incurs under this section. The ~~agency shall~~ commissioner must set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the ~~agency's~~ commissioner's administrative fee under paragraph (a) on or before July 1~~, 2014, and annually thereafter~~ each year. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section ~~shall~~ must be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. ~~For fiscal years 2014, 2015, 2016, and 2017,~~ The amount collected under this section is annually appropriated to the ~~agency~~ commissioner to implement and enforce this section.

Subd. 17. **Duty to provide information.** Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Sec. 9. Minnesota Statutes 2022, section 115A.49, is amended to read:

115A.49 ~~SOLID~~ WASTE MANAGEMENT ~~PROJECTS~~ CAPITAL ASSISTANCE PROGRAM.

(a) There is established a program to encourage and assist cities, counties, solid waste management districts, and sanitary districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state.

(b) The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including:

(1) waste reduction;

(2) reuse;

(3) recycling;

(4) composting source-separated compostable materials or yard waste;

(5) resource recovery;

(6) waste separation by generators, collectors, and other persons; and

(7) waste processing.

(c) The commissioner shall administer the program ~~in accordance with the requirements of~~ according to sections 115A.49 to 115A.54 and rules ~~promulgated~~ adopted under chapter 14. In administering the program, the commissioner shall give priority to projects in the order of preference of the waste management practices listed in section 115A.02. The commissioner shall give special consideration to areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste; areas where the capacity of existing solid waste disposal facilities is determined by the commissioner to be less than five years; and projects serving more than one local government unit.

Sec. 10. Minnesota Statutes 2022, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program must demonstrate:

(1) that the project is conceptually and technically feasible;

(2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

(3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources or the availability of materials for waste reduction or reuse, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

(4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including using existing solid waste management facilities and facilities conducting waste reduction or reuse with reasonably available capacity sufficient to accomplish the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified:

(i) waste management objectives in applicable county and regional solid waste management plans consistent with section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(ii) other solid waste management facilities and facilities conducting waste reduction or reuse identified in the county and regional plans; ~~and~~

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste management facilities and facilities conducting waste reduction or reuse, including an analysis of potential displacement of those facilities, to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater~~.~~;

(7) that the applicant has evaluated the project's environmental impact on climate change, including greenhouse gas emissions; and

(8) that the applicant has reviewed the project's impact on environmental justice areas, conducted stakeholder engagement, and assessed community input.

(b) The commissioner ~~may~~ must require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility, including each facility used for waste reduction or reuse, mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

Sec. 11. Minnesota Statutes 2022, section 115A.54, subdivision 1, is amended to read:

Subdivision 1. **Purposes; public interest; declaration of policy.** The legislature finds that ~~the establishment of waste processing~~ acquiring, establishing, and improving facilities that conduct waste reduction, reuse, recycling, composting source-separated compostable materials or yard waste, resource recovery, and waste processing and transfer stations serving such facilities is needed to reduce and manage properly the solid waste generated in the state and to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens; that opportunities to acquire, establish, and improve the facilities and transfer stations are not being fully realized by individual political subdivisions or by agreements among subdivisions; and that therefore it is necessary to provide capital assistance to stimulate and encourage the acquisition, establishment, and ~~betterment~~ improvement of the facilities and transfer stations.

Sec. 12. Minnesota Statutes 2022, section 115A.54, subdivision 2, is amended to read:

Subd. 2. **Administration; assurance of funds.** The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve the facilities and transfer stations from revenues derived from ~~the issuance of~~ issuing bonds authorized by section 115A.58. Facilities for ~~the incineration of~~ incinerating solid waste without resource recovery are not eligible for assistance. Money appropriated for the purposes of the ~~demonstration~~ program may be distributed as grants or loans. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to ~~50~~ 75 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the commissioner has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for ~~the construction of~~ constructing the project.

Sec. 13. Minnesota Statutes 2022, section 115A.54, subdivision 2a, as amended by Laws 2023, chapter 25, section 34, is amended to read:

Subd. 2a. **Solid waste management projects.** (a) The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c) or (d), a project may receive grant assistance up to 25 percent of the capital cost of the project or ~~$2,000,000~~ $5,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 25 percent of the capital cost of the project; or

(2) ~~$2,000,000~~ $5,000,000 times the number of participating counties~~, whichever is less~~.

(c) A recycling project ~~or,~~ a project to compost ~~or cocompost~~ source-separated compostable material or yard waste, or a project to manage household hazardous waste may receive grant assistance up to 50 percent of the capital cost of the project or ~~$2,000,000~~ $5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 50 percent of the capital cost of the project; or

(2) ~~$2,000,000~~ $5,000,000 times the number of participating counties~~, whichever is less~~.

(d) The following projects may also receive grant assistance in the amounts specified in paragraph (c):

(1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and

(2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section 115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

(e) A waste reduction project or reuse project may receive grant assistance up to 75 percent of the capital cost of the project or $5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 75 percent of the capital cost of the project; or

(2) $5,000,000 times the number of participating counties.

~~(e)~~ (f) Notwithstanding paragraph ~~(f)~~ (g), the commissioner may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the commissioner, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within 16 years of the date of the grant award, the recipient shall repay the grant amount to the state.

~~(f)~~ (g) Projects without waste reduction, reuse, recycling, composting source-separated compostable material or yard waste, or resource recovery are not eligible for assistance. Solid waste disposal facilities and equipment are not eligible for assistance.

~~(g)~~ (h) In addition to any assistance received under paragraph (b), (c), ~~or~~ (d), or (e), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

~~(h)~~ (i) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

~~(i)~~ (j) For the purposes of this subdivision, ~~a~~ "project" means acquisition, establishment, or improvement of a ~~processing~~ facility~~,~~ that conducts waste reduction, reuse, recycling, composting source-separated compostable materials or yard waste, resource recovery, or waste processing, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the ~~processing~~ facility.

(k) The commissioner shall adopt rules for the program ~~by July 1, 1985~~.

~~(j)~~ (l) Notwithstanding anything in this subdivision to the contrary, a project to construct a new ~~mixed municipal~~ solid waste transfer station that has an enforceable commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph (d), clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 14. Minnesota Statutes 2022, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner must make competitive grants to political subdivisions or federally recognized Tribes ~~to establish curbside recycling or composting, increase~~ for waste reduction, reuse, recycling ~~or~~, and composting~~, reduce the amount of recyclable materials entering disposal facilities,~~

~~or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated~~ of source-separated compostable materials or yard waste. To be eligible for grants under this section, a political subdivision or federally recognized Tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 15. Minnesota Statutes 2022, section 115A.565, subdivision 3, is amended to read:

Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request $250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; ~~and~~

(5) include at least one of the following elements:

~~(i) transition to residential recycling through curbside or centrally located collection sites;~~

~~(ii) development of local recycling systems to support curbside recycling; or~~

~~(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.~~

(i) waste reduction;

(ii) reuse;

(iii) recycling; or

(iv) composting of source-separated compostable materials or yard waste; and

(6) demonstrate that the project will reduce waste generation through waste reduction or reuse or that the project will increase the amount of recyclable materials or source-separated compostable materials diverted from a disposal facility.

Sec. 16. **[115A.993] PROHIBITED DISPOSAL METHODS.**

A person must not dispose of waste treated seed in a manner inconsistent with the product label, where applicable, or by:

(1) burial near a drinking water source or any creek, stream, river, lake, or other surface water;

(2) composting; or

(3) incinerating within a home or other dwelling.

Sec. 17. Minnesota Statutes 2022, section 115B.17, subdivision 14, is amended to read:

Subd. 14. **Requests for review, investigation, and oversight.** (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) Except as otherwise provided in this paragraph, the person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. A state agency, political subdivision, or other public entity is not required to pay for the agency's cost to review agency records and files. ~~Money received by the agency for assistance under this section~~ The first $350,000 received annually by the agency for assistance under this subdivision from persons who are not otherwise responsible under sections 115B.01 to 115B.18 must be deposited in the remediation fund and is exempt from section 16A.1285. Money received after the first $350,000 must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is annually appropriated to the commissioner for the purposes of administering this subdivision.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, paragraph (a), clause (4).

Sec. 18. Minnesota Statutes 2022, section 115B.171, subdivision 3, is amended to read:

Subd. 3. **Test reporting.** (a) By ~~January~~ March 15 each year, the commissioner of the Pollution Control Agency must report to each community in the east metropolitan area a summary of the results of the testing for private wells in the community. The report must include information on the number of wells tested and trends of PFC contamination in private wells in the community. Reports to communities under this section must also be published on the Pollution Control Agency's website.

(b) By ~~January~~ March 15 each year, the commissioner of the Pollution Control Agency must report to the legislature, as provided in section 3.195, on the testing for private wells conducted in the east metropolitan area, including copies of the community reports required in paragraph (a), the number of requests for well testing in each community, and the total amount spent for testing private wells in each community.

Sec. 19. Minnesota Statutes 2022, section 115B.52, subdivision 4, is amended to read:

Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the commissioner of natural resources must jointly submit:

(1) by April 1, 2019, an implementation plan detailing how the commissioners will:

(i) determine how the priorities in the settlement will be met and how the spending will move from the first priority to the second priority and the second priority to the third priority outlined in the settlement; and

(ii) evaluate and determine what projects receive funding;

(2) by ~~February 1 and August 1~~ October 1 each year, a ~~biannual~~ report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous ~~six months~~ fiscal year; and

(3) by ~~August~~ October 1, ~~2019~~ 2023, and each year thereafter, a report to the legislature on expenditures from the water quality and sustainability account during the previous fiscal year and a spending plan for anticipated expenditures from the account during the current fiscal year.

Sec. 20. **[116.064] ODOR MANAGEMENT.**

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

(b) "Objectionable odor" means pollution of the ambient air beyond the property line of a facility consisting of an odor that, considering its characteristics, intensity, frequency, and duration:

(1) is, or can reasonably be expected to be, injurious to public health or welfare; or

(2) unreasonably interferes with the enjoyment of life or the use of property of persons exposed to the odor.

(c) "Odor complaint" means a notification received and recorded by the agency or by a political subdivision from an identifiable person that describes the nature, duration, and location of the odor.

Subd. 2. **Application.** This section applies to facilities that are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

Subd. 3. **Prohibition.** No person may cause or allow emission into the ambient air of any substance or combination of substances in quantities that produce an objectionable odor beyond the property line of the facility that is the source of the odor.

Subd. 4. **Odor complaints; investigation.** (a) The agency must conduct a site investigation of any facility against which ten or more verifiable odor complaints have been submitted to the agency or to local government officials within 48 hours. The investigation must include:

(1) an interview with the owner or operator of the facility against which the complaint was made;

(2) a physical examination of the facilities, equipment, operations, conditions, methods, storage areas for material inputs, chemicals and waste, and any other factors that may contribute to or are designed to mitigate the emission of odors; and

(3) testing at locations identified in the odor complaints and at other locations beyond the property line of the facility that is the source of the odor using a precision instrument capable of measuring odors in ambient air.

(b) The commissioner, based upon the agency's site investigation and the results of odor testing and considering the nature, intensity, frequency, and duration of the odor and other relevant factors, shall determine whether the odor emitted from the facility constitutes an objectionable odor. In making the determination, the commissioner may consider the opinions of a random sample of persons exposed to samples of the odor taken from ambient air beyond the property line of the facility that is the source of the odor.

(c) The agency must notify officials in local jurisdictions:

(1) of odor complaints filed with the agency regarding properties within the local jurisdiction;

(2) of any investigation of an odor complaint conducted by the agency at a facility within the local jurisdiction and the results of the investigation;

(3) that odor complaints filed with respect to properties located within those jurisdictions must be forwarded to the agency within three business days of being filed; and

(4) of any additional actions taken by the agency with respect to the complaints.

Subd. 5. **Objectionable odor; management plan.** (a) If the commissioner determines under subdivision 4 that the odor emitted from a facility is an objectionable odor, the commissioner shall require the owner of the facility to develop and submit to the agency for review within 90 days an odor management plan designed to mitigate odor emissions. The agency must provide technical assistance to the property owner in developing a management plan, including:

(1) identifying odor control technology and equipment that may reduce odor emissions; and

(2) identifying alternative methods of operation or alternative materials that may reduce odor emissions.

The commissioner may grant an extension for submission of the odor management plan for up to an additional 90 days for good cause.

(b) An odor management plan must contain, at a minimum, for each odor source contributing to odor emissions:

(1) a description of plant operations and materials that generate odors;

(2) proposed changes in equipment, operations, or materials that are designed to mitigate odor emissions;

(3) the estimated effectiveness of the plan in reducing odor emissions;

(4) the estimated cost of implementing the plan; and

(5) a schedule of plan implementation activities.

(c) The commissioner may accept, reject, or modify an odor management plan submitted under this subdivision.

(d) If the commissioner, based upon the same factors considered under subdivision 4, paragraph (b), determines that implementation of the odor management plan has failed to reduce the facility's odor emissions to a level where they are no longer objectionable odors, the commissioner shall order the facility owner to revise the odor management plan within 90 days of receipt of the commissioner's order. If the revised odor management plan is not acceptable to the commissioner or is implemented but fails to reduce the property's odor emissions to a level where they are no longer objectionable odors, the commissioner may impose penalties under section 115.071 or may modify or revoke the facility's permit under section 116.07, subdivision 4a, paragraph (d).

Subd. 6. **Exemptions.** This section does not apply to:

(1) on-farm animal and agricultural operations;

(2) motor vehicles and transportation facilities;

(3) municipal wastewater treatment plants;

(4) single-family dwellings not used for commercial purposes;

(5) materials odorized for safety purposes;

(6) painting and coating operations that are not required to be licensed;

(7) restaurants;

(8) temporary activities and operations;

(9) refineries; and

(10) Metropolitan Council wastewater systems.

Subd. 7. **Rulemaking required.** (a) The commissioner must adopt rules to implement this section, and section 14.125 does not apply.

(b) The commissioner must comply with chapter 14 and must complete the statement of need and reasonableness according to chapter 14 and section 116.07, subdivision 2, paragraph (f).

(c) The rules must include:

(1) an odor standard or standards for air pollution that may qualify as an objectionable odor under subdivision 1, paragraph (b), clause (2);

(2) a process for determining if an odor is objectionable;

(3) a process for investigating and addressing odor complaints;

(4) guidance for developing odor-management plans; and

(5) procedures and criteria for determining the success or failure of an odor-management plan.

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

Sec. 21. **[116.943] PRODUCTS CONTAINING PFAS.**

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; and

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; or an adult mattress.

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

Subd. 2. **Information required.** (a) On or before January 1, 2026, a manufacturer of a product sold, offered for sale, or distributed in the state that contains intentionally added PFAS must submit to the commissioner information that includes:

(1) a brief description of the product, including a universal product code (UPC), stock keeping unit (SKU), or other numeric code assigned to the product;

(2) the purpose for which PFAS are used in the product, including in any product components;

(3) the amount of each PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner;

(4) the name and address of the manufacturer and the name, address, and phone number of a contact person for the manufacturer; and

(5) any additional information requested by the commissioner as necessary to implement the requirements of this section.

(b) With the approval of the commissioner, a manufacturer may supply the information required in paragraph (a) for a category or type of product rather than for each individual product.

(c) A manufacturer must submit the information required under this subdivision whenever a new product that contains intentionally added PFAS is sold, offered for sale, or distributed in the state and update and revise the information whenever there is significant change in the information or when requested to do so by the commissioner.

(d) A person may not sell, offer for sale, or distribute for sale in the state a product containing intentionally added PFAS if the manufacturer has failed to provide the information required under this subdivision and the person has received notification under subdivision 4.

Subd. 3. **Information requirement waivers; extensions.** (a) The commissioner may waive all or part of the information requirement under subdivision 2 if the commissioner determines that substantially equivalent information is already publicly available. The commissioner may grant a waiver under this paragraph to a manufacturer or a group of manufacturers for multiple products or a product category.

(b) For a pesticide regulated under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment regulated under chapter 18C, a manufacturer may satisfy the requirements of subdivision 2 by submitting the information required by that subdivision as part of its annual registration or approval process under chapter 18B or 18C. For information that is regulated under chapters 18B and 18C, the commissioner and the commissioner of agriculture must jointly determine whether to make the information publicly available based on applicable statutes.

(c) The commissioner may enter into an agreement with one or more other states or political subdivisions of a state to collect information and may accept information to a shared system as meeting the information requirement under subdivision 2.

(d) The commissioner may extend the deadline for submission by a manufacturer of the information required under subdivision 2 if the commissioner determines that more time is needed by the manufacturer to comply with the submission requirement.

Subd. 4. **Testing required and certificate of compliance.** (a) If the commissioner has reason to believe that a product contains intentionally added PFAS and the product is being offered for sale in the state, the commissioner may direct the manufacturer of the product to, within 30 days, provide the commissioner with testing results that demonstrate the amount of each of the PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner.

(b) If testing demonstrates that the product does not contain intentionally added PFAS, the manufacturer must provide the commissioner a certificate attesting that the product does not contain intentionally added PFAS, including testing results and any other relevant information.

(c) If testing demonstrates that the product contains intentionally added PFAS, the manufacturer must provide the commissioner with the testing results and the information required under subdivision 2.

(d) A manufacturer must notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state and provide the commissioner with a list of the names and addresses of those notified.

(e) The commissioner may notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state.

Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

(6) fabric treatments;

(7) juvenile products;

(8) menstruation products;

(9) textile furnishings;

(10) ski wax; or

(11) upholstered furniture.

(b) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

(c) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

(d) The commissioner may not take action under paragraph (b) or (c) with respect to a pesticide, as defined under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment as defined under chapter 18C, unless the commissioner of agriculture approves the action.

Subd. 6. **Fees.** The commissioner may establish by rule a fee payable by a manufacturer to the commissioner upon submission of the information required under subdivision 2 to cover the agency's reasonable costs to implement this section. Fees collected under this subdivision must be deposited in an account in the environmental fund.

Subd. 7. **Enforcement.** (a) The commissioner may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of agriculture, commerce, and health in enforcing this section.

(b) When requested by the commissioner, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) a product for which federal law governs the presence of PFAS in the product in a manner that preempts state authority;

(2) a product regulated under section 325F.072 or 325F.075; or

(3) the sale or resale of a used product.

(b) Subdivisions 4 and 5 do not apply to a prosthetic or orthotic device or to any product that is a medical device or drug or that is otherwise used in a medical setting or in medical applications regulated by the United States Food and Drug Administration.

Subd. 9. **Rules.** The commissioner may adopt rules necessary to implement this section. Section 14.125 does not apply to the commissioner's rulemaking authority under this section.

Subd. 10. **Short title.** This section is "Amara's Law."

Sec. 22. Minnesota Statutes 2022, section 116C.03, subdivision 2a, is amended to read:

Subd. 2a. **Public members.** The membership terms, compensation, removal, and filling of vacancies of public members of the board shall be as provided in section 15.0575, except that a public member may be compensated at the rate of up to $125 a day.

Sec. 23. Minnesota Statutes 2022, section 325E.046, is amended to read:

325E.046 STANDARDS FOR LABELING ~~PLASTIC~~ BAGS, FOOD OR BEVERAGE PRODUCTS, AND PACKAGING.

Subdivision 1. **~~"~~Biodegradable~~"~~ label.** A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a ~~plastic bag~~ covered product labeled "biodegradable," "degradable," "decomposable," or any form of those terms, or in any way imply that the ~~bag~~ covered product will ~~chemically decompose into innocuous elements in a reasonably short period of time in a landfill, composting, or other terrestrial environment unless a scientifically based standard for biodegradability is developed and the bags are certified as meeting the standard.~~ break down, fragment, degrade, biodegrade, or decompose in a landfill or other environment, unless an ASTM standard specification is adopted for the term claimed and the product is certified as meeting the specification in compliance with the provisions of subdivision 2a.

Subd. 2. **~~"~~Compostable~~"~~ label.** (a) A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a ~~plastic bag~~ covered product labeled "compostable" unless, at the time of sale or offer for sale, the ~~bag~~ covered product:

(1) meets the ASTM Standard Specification for ~~Compostable~~ Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6400)~~. Each bag must be labeled to reflect that it meets the standard. For purposes of this subdivision, "ASTM" has the meaning given in section 296A.01, subdivision 6.~~ or its successor or the ASTM Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6868) or its successor, and the covered product is labeled to reflect that it meets the specification;

(2) is comprised of only wood without any coatings or additives; or

(3) is comprised of only paper without any coatings or additives.

(b) A covered product labeled "compostable" and meeting the criteria under paragraph (a) must be clearly and prominently labeled on the product, or on the product's smallest unit of sale, to reflect that it is intended for an industrial or commercial compost facility. The label required under this paragraph must be in a legible text size and font.

Subd. 2a. **Certification of products.** Beginning January 1, 2026, a manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a covered product labeled as "biodegradable" or "compostable" unless the covered product is certified as meeting the requirements of subdivision 1 or 2, as applicable, by an entity that:

(1) is a nonprofit corporation;

(2) as its primary focus of operation, promotes the production, use, and appropriate end of life for materials and products that are designed to fully biodegrade in specific biologically active environments such as industrial composting; and

(3) is technically capable of and willing to perform analysis necessary to determine a product's compliance with subdivision 1 or 2, as applicable.

Subd. 3. **Enforcement; civil penalty; injunctive relief.** (a) A ~~manufacturer, distributor, or wholesaler~~ person who violates ~~subdivision 1 or 2~~ this section is subject to a civil or administrative penalty of $100 for each prepackaged saleable unit sold or offered for sale up to a maximum of $5,000 and may be enjoined from those violations.

(b) The attorney general may bring an action in the name of the state in a court of competent jurisdiction for recovery of civil penalties or for injunctive relief as provided in this subdivision. The attorney general may accept an assurance of discontinuance of acts in violation of ~~subdivision 1 or 2~~ this section in the manner provided in section 8.31, subdivision 2b.

(c) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(d) When requested by the commissioner of the Pollution Control Agency, a person selling or offering for sale a covered product labeled as "compostable" must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "ASTM" has the meaning given in section 296A.01, subdivision 6;

(2) "covered product" means a bag, food or beverage product, or packaging;

(3) "food or beverage product" means a product that is used to wrap, package, contain, serve, store, prepare, or consume a food or beverage, such as plates, bowls, cups, lids, trays, straws, utensils, and hinged or lidded containers; and

(4) "packaging" has the meaning given in section 115A.03, subdivision 22b.

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

Sec. 24. **[325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS; PROHIBITION.**

Subdivision 1. **Definitions.** For purposes of this section, "covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, paints, and other art supplies;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) keys, key chains, and key rings; and

(15) clothing, footwear, headwear, and accessories.

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to covered products containing lead or cadmium, or both, when regulation is preempted by federal law.

Subd. 3. **Enforcement.** (a) The commissioners of the Pollution Control Agency, commerce, and health may coordinate to enforce this section. The commissioner of the Pollution Control Agency or commerce may, with the attorney general, enforce any federal restrictions on the sale of products containing lead or cadmium, or both, as allowed under federal law. The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner of commerce may enforce this section under sections 45.027, subdivisions 1 to 6; 325F.10 to 325F.12; and 325F.14 to 325F.16. The attorney general may enforce this section under section 8.31.

(b) When requested by the commissioner of the Pollution Control Agency, the commissioner of commerce, or the attorney general, a person must furnish to the commissioner or attorney general any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Sec. 25. Minnesota Statutes 2022, section 325F.072, subdivision 1, is amended to read:

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

(b) "Class B firefighting foam" means foam designed ~~for flammable liquid fires~~ to prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

(c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means~~, for the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom ~~and designed to be fully functional in class B firefighting foam formulations~~.

(d) "Political subdivision" means a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679.

(e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

(f) "Testing" means calibration testing, conformance testing, and fixed system testing.

Sec. 26. Minnesota Statutes 2022, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition ~~of testing and training~~.** (a) ~~Beginning July 1, 2020,~~ No person, political subdivision, or state agency shall ~~discharge class B firefighting foam that contains intentionally added~~ manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals~~:~~.

~~(1) for testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or~~

~~(2) for training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment. For training purposes, class B foam that contains intentionally added PFAS chemicals shall not be used.~~

~~(b) This section does not restrict:~~

~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains intentionally added PFAS chemicals; or~~

~~(2) the discharge or other use of class B firefighting foams that contain intentionally added PFAS chemicals in emergency firefighting or fire prevention operations.~~

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 27. Minnesota Statutes 2022, section 325F.072, is amended by adding a subdivision to read:

Subd. 3a. **Discharge for testing and training.** A person, political subdivision, or state agency exempted from the prohibitions under subdivision 3 may not discharge class B firefighting foam that contains intentionally added PFAS chemicals for:

(1) testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or

(2) training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 28. **TREATED SEED WASTE DISPOSAL RULEMAKING.**

The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture and the University of Minnesota, must adopt rules under Minnesota Statutes, chapter 14, providing for the safe and lawful disposal of waste treated seed. The rules must clearly identify the regulatory jurisdiction of state agencies and local governments with regard to such seed. Additional Department of Agriculture staff will not be hired until rulemaking is completed.

Sec. 29. **PETROLEUM TANK RELEASE CLEANUP; REPORT.**

The commissioner of the Pollution Control Agency must perform the duties under clauses (1) to (5) with respect to the petroleum tank release cleanup program governed by Minnesota Statutes, chapter 115C, and must, no later than January 15, 2025, report the results to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance. The report must include any recommendations for legislation. The commissioner must:

(1) explicitly define the conditions that must be present in order for the commissioner to classify a site as posing a low potential risk to public health and the environment and ensure that all agency staff use the definition in assessing potential risks. In determining the conditions that indicate that a site poses a low risk, the commissioner must consider relevant site conditions, including but not limited to the nature of groundwater flow, soil type, and proximity of features at or near the site that could potentially become contaminated;

(2) develop guidelines to incorporate consideration of potential future uses of a contaminated property into all agency staff decisions regarding site remediation;

(3) develop scientifically based and measurable technical standards that allow the quality of the agency's performance in remediating petroleum-contaminated properties to be evaluated and conduct such evaluations periodically;

(4) in collaboration with the Petroleum Tank Release Compensation Board and the commissioner of commerce, examine whether and how to establish technical qualifications for consultants hired to remediate petroleum-contaminated properties as a strategy to improve the quality of remediation work and how agencies can share information on consultant performance; and

(5) in collaboration with the commissioner of commerce, make consultants who remediate petroleum-contaminated sites more accountable for the quality of their work by:

(i) requiring a thorough evaluation of the past performance of a contractor being considered for hire;

(ii) developing a formal system of measures and procedures by which to evaluate the work; and

(iii) sharing evaluations with the commissioner of commerce and with responsible parties.

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

Sec. 30. **PFAS MANUFACTURERS FEE WORK GROUP.**

The commissioner of the Pollution Control Agency, in cooperation with the commissioners of revenue and management and budget, must establish a work group to review options for collecting a fee from manufacturers of PFAS in the state. By February 15, 2024, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources with recommendations.

Sec. 31. **TEMPORARY EXEMPTION FOR TERMINALS AND OIL REFINERIES.**

Subdivision 1. **Temporary exemption.** Minnesota Statutes, section 325F.072, subdivision 3, does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for the purposes of use at a terminal or oil refinery until January 1, 2026.

Subd. 2. **Extension; waiver.** (a) A person who operates a terminal or oil refinery may apply to the state fire marshal for a waiver to extend the exemption under subdivision 1 beyond January 1, 2026, as provided in this subdivision.

(b) The state fire marshal may grant a waiver to extend the exemption under subdivision 1 for a specific use if the applicant provides all of the following:

(1) clear and convincing evidence that there is no commercially available replacement that does not contain intentionally added PFAS chemicals and that is capable of suppressing fire for that specific use;

(2) information on the amount of firefighting foam containing intentionally added PFAS chemicals stored, used, or released on-site on an annual basis;

(3) a detailed plan, with timelines, for the operator of the terminal or oil refinery to transition to firefighting foam that does not contain intentionally added PFAS chemicals for that specific use; and

(4) a plan for meeting the requirements under subdivision 3.

(c) The state fire marshal must ensure there is an opportunity for public comment during the waiver process. The state fire marshal must consider both information provided by the applicant and information provided through public comment when making a decision on whether to grant a waiver. The term of a waiver must not exceed two

years. The state fire marshal must not grant a waiver for a specific use if any other terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use. All waivers must expire by January 1, 2028. A person that anticipates applying for a waiver for a terminal or oil refinery must submit a notice of intent to the state fire marshal by January 1, 2025, in order to be considered for a waiver beyond January 1, 2026. The state fire marshal must notify the waiver applicant of a decision within six months of the waiver submission date.

(d) The state fire marshal must provide an applicant for a waiver under this subdivision an opportunity to:

(1) correct deficiencies when applying for a waiver; and

(2) provide evidence to dispute a determination that another terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use, including evidence that the specific use is different.

Subd. 3. **Use requirements.** (a) A person that uses class B firefighting foam containing intentionally added PFAS chemicals under this section must:

(1) implement tactics that have been demonstrated to prevent release directly to the environment, such as to unsealed ground, soakage pits, waterways, or uncontrolled drains;

(2) attempt to fully contain all firefighting foams with PFAS on-site using demonstrated practices designed to contain all PFAS releases;

(3) implement containment measures such as bunds and ponds that are controlled, are impervious to PFAS chemicals, and do not allow fire water, wastewater, runoff, and other wastes to be released to the environment, such as to soils, groundwater, waterways, or stormwater; and

(4) dispose of all fire water, wastewater, runoff, impacted soils, and other wastes in a way that prevents releases to the environment.

(b) A terminal or oil refinery that has received a waiver under this section may provide and use class B firefighting foam containing intentionally added PFAS chemicals in the form of mutual aid to another terminal or oil refinery at the request of authorities only if the other terminal or oil refinery also has a waiver.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 32. **FIREFIGHTER TURNOUT GEAR; REPORT.**

(a) The commissioner of the Pollution Control Agency, in cooperation with the commissioner of health, must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources regarding perfluoroalkyl and polyfluoroalkyl substances (PFAS) in turnout gear by January 15, 2024. The report must include:

(1) current turnout gear requirements and options for eliminating or reducing PFAS in turnout gear;

(2) current turnout gear disposal methods and recommendations for future disposal to prevent PFAS contamination; and

(3) recommendations and protocols for PFAS biomonitoring in firefighters, including a process for allowing firefighters to voluntarily register for biomonitoring.

(b) For the purposes of this section, "turnout gear" is the personal protective equipment (PPE) used by firefighters.

Sec. 33. **PFAS WATER QUALITY STANDARDS.**

(a) The commissioner of the Pollution Control Agency must adopt rules establishing water quality standards for:

(1) perfluorooctanoic acid (PFOA);

(2) perfluorooctane sulfonic acid (PFOS);

(3) perfluorononanoic acid (PFNA);

(4) hexafluoropropylene oxide dimer acid (HFPO-DA, commonly known as GenX chemicals);

(5) perfluorohexane sulfonic acid (PFHxS); and

(6) perfluorobutane sulfonic acid (PFBS).

(b) The commissioner must adopt the rules establishing the water quality standards required under this section by July 1, 2026, and Minnesota Statutes, section 14.125, does not apply.

Sec. 34. **HEALTH RISK LIMIT; PERFLUOROOCTANE SULFONATE.**

By July 1, 2026, the commissioner of health must amend the health risk limit for perfluorooctane sulfonate (PFOS) in Minnesota Rules, part 4717.7860, subpart 15, so that the health risk limit does not exceed 0.015 parts per billion. In amending the health risk limit for PFOS, the commissioner must comply with Minnesota Statutes, section 144.0751, requiring a reasonable margin of safety to adequately protect the health of infants, children, and adults.

Sec. 35. **RESOURCE MANAGEMENT; REPORT.**

(a) By July 15, 2025, the commissioner of the Pollution Control Agency must conduct a study and prepare a report that includes a pathway to implement resource management policies, programs, and infrastructure. The commissioner must submit the report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environmental policy and finance and energy policy. The report must include:

(1) an overview of how municipal solid waste is currently managed, including how much material is generated in the state and is reused, recycled, composted, digested, or disposed of;

(2) a summary of infrastructure, programs, policies, and resources needed to reduce the amount of materials disposed of in landfills or incinerators statewide by more than 90 percent over a 2021 baseline by 2045 or sooner. The summary must include analysis and recommendations of scenarios above Waste-to-Energy on the state's Waste Hierarchy that maximizes the environmental benefits when meeting the 90 percent reduction target;

(3) an analysis of:

(i) waste prevention program impacts and opportunities;

(ii) how much additional capacity is needed after prevention for reuse, recycling, composting, and anaerobic digestion systems to achieve that goal; and

(iii) what steps can be taken to implement that additional capacity, including working collaboratively with local governments, industry, and community-based organizations to invest in such facilities and to work together to seek additional state and federal funding assistance;

(4) strategic programmatic, regulatory, and policy initiatives that will be required to produce source reduction, rethink and redesign products and packaging to more efficiently use resources, and maximize diversion from disposal of materials in a way that prevents pollution and does not discharge to land, water, or air or threaten the environment or human health;

(5) recommendations for reducing the environmental and human health impacts of waste management, especially across environmental justice areas as defined under Minnesota Statutes, section 115A.03, and ensuring that the benefits of these resource management investments, including the creation of well-paying green jobs, flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution and that land, water, air, and climate impacts are considered; and

(6) a review of feasibility, assumptions, costs, and milestones necessary to meet study goals.

(b) The commissioner must obtain input from counties and cities inside and outside the seven-county metropolitan area; reuse, recycling, and composting facilities; anaerobic digestion facilities; waste haulers; environmental organizations; community-based organizations; Tribal representatives; and diverse communities located in environmental justice areas that contain a waste facility. The commissioner must provide for an open public comment period of at least 60 days on the draft report. Written public comments and commissioner responses to all those comments must be included in the final report.

Sec. 36. **REPORT REQUIRED; RECYCLING AND REUSING SOLAR PHOTOVOLTAIC MODULES AND INSTALLATION COMPONENTS.**

(a) The commissioner of the Pollution Control Agency, in consultation with the commissioners of commerce and employment and economic development, must coordinate preparation of a report on developing a statewide system to reuse and recycle solar photovoltaic modules and installation components in the state.

(b) The report must include options for a system to collect, reuse, and recycle solar photovoltaic modules and installation components at end of life. Any system option included in the report must be convenient and accessible throughout the state, recover 100 percent of discarded components, and maximize value and materials recovery. Any system option developed must include analysis of:

(1) the reuse and recycling values of solar photovoltaic modules, installation components, and recovered materials;

(2) system infrastructure and technology needs;

(3) how to maximize in-state employment and economic development;

(4) net costs for the program; and

(5) potential benefits and negative impacts of the plan on environmental justice and Tribal communities.

(c) The report must include a survey of solar photovoltaic modules and installation components that are currently coming out of service and those projected to come out of service in the future in Minnesota. The report must include a description of how solar photovoltaic modules and installation components are currently being managed at end of life and how they would likely be managed in the future without the proposed reuse and recycling system.

(d) After completing the report, the commissioner must convene a working group to advise on developing policy recommendations for a statewide system to manage solar photovoltaic modules and installation components. The working group must include, but is not limited to:

(1) the commissioners of commerce and employment and economic development or their designees;

(2) representatives of the solar industry and electric utilities;

(3) representatives of state, local, and Tribal governments; and

(4) other relevant stakeholders.

(e) By January 15, 2025, the commissioner must submit the report and the policy recommendations developed under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and energy policy and finance.

Sec. 37. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "master plan" or similar term to "plan" wherever the term appears in Minnesota Statutes, sections 473.803 to 473.8441. The revisor may make grammatical changes related to the term change.

Sec. 38. **REPEALER.**

Minnesota Statutes 2022, sections 115.44, subdivision 9; 116.011; 325E.389; and 325E.3891, are repealed.

ARTICLE 4
NATURAL RESOURCES

Section 1. Minnesota Statutes 2022, section 84.02, is amended by adding a subdivision to read:

Subd. 6c. **Restored prairie.** "Restored prairie" means a restoration that uses at least 25 representative and biologically diverse native prairie plant species and that occurs on land that was previously cropped or used as pasture.

Sec. 2. Minnesota Statutes 2022, section 84.415, subdivision 3, is amended to read:

Subd. 3. **Application, form.** The application for license or permit ~~shall be in quadruplicate, and shall~~ must include ~~with each copy~~ a legal description of the lands or waters affected, a metes and bounds description of the required right-of-way, a map showing said features, and a detailed design of any structures necessary, or in lieu thereof shall be in such other form, and include such other descriptions, maps or designs, as the commissioner may require. The commissioner may at any time order such changes or modifications respecting construction or maintenance of structures or other conditions of the license or permit as the commissioner deems necessary to protect the public health and safety.

Sec. 3. Minnesota Statutes 2022, section 84.415, subdivision 6, is amended to read:

Subd. 6. **Supplemental application fee and monitoring fee.** (a) In addition to the application fee and utility crossing fees specified in Minnesota Rules, the commissioner of natural resources shall assess the applicant for a utility license the following fees:

(1) ~~a~~ to cover reasonable costs for reviewing an application and preparing a license, supplemental application ~~fee of~~ fees as follows:

(i) $1,750 for a public water crossing license and ~~a supplemental application fee of~~ $3,000 for a public lands crossing license~~, to cover reasonable costs for reviewing the application and preparing the license~~ for electric power lines, cables, or conduits of 100 kilovolts or more and for main pipelines for gas, liquids, or solids in suspension;

(ii) $1,000 for a public water crossing license and $1,000 for a public lands crossing license for applications to which item (i) does not apply; and

(iii) for all applications, an additional $500 for each water crossing or land crossing in excess of two crossings; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the utility line and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(b) The applicant shall pay fees under this subdivision to the commissioner of natural resources. The commissioner shall not issue the license until the applicant has paid all fees in full.

(c) Upon completion of construction of the improvement for which the license or permit was issued, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fees, even if the application is withdrawn or denied.

~~(d) If the fees collected under paragraph (a), clause (1), are not sufficient to cover the costs of reviewing the applications and preparing the licenses, the commissioner shall improve efficiencies and otherwise reduce department costs and activities to ensure the revenues raised under paragraph (a), clause (1), are sufficient, and that no other funds are necessary to carry out the requirements.~~

(d) For purposes of this subdivision:

(1) "water crossing" means each location where the proposed utility will cross a public water between banks or shores; and

(2) "land crossing" means each quarter-quarter section or government lot where the proposed utility will cross public land.

Sec. 4. Minnesota Statutes 2022, section 84.415, subdivision 7, is amended to read:

Subd. 7. **Application fee exemption.** (a) A utility license for crossing public lands or public waters is exempt from all application fees specified ~~in this section and~~ in rules adopted under this section.

(b) This subdivision does not apply to electric power lines, cables, or conduits 100 kilovolts or greater or to main pipelines for gas, liquids, or solids in suspension.

Sec. 5. Minnesota Statutes 2022, section 84.415, is amended by adding a subdivision to read:

Subd. 9. **Fees for renewing license.** At the end of the license period, if both parties wish to renew a license, the commissioner must assess the applicant for all fees in this section as if the renewal is an application for a new license.

Sec. 6. Minnesota Statutes 2022, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** (a) Application for transfer of ownership of an off-highway motorcycle registered under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 7. Minnesota Statutes 2022, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, issuing fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. The registration number must be printed on a registration decal issued by the commissioner or a deputy registrar. Once issued, the registration ~~number~~ decal must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes ~~as the commissioner of natural resources shall prescribe~~ according to subdivision 3b. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33 shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) In addition to other fees prescribed by law, an issuing fee of $4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal, and an issuing fee of $7 is charged for each snowmobile registration and registration transfer issued by:

(1) a registrar or a deputy registrar and must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) the commissioner and must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 8. Minnesota Statutes 2022, section 84.82, is amended by adding a subdivision to read:

Subd. 3b. **Display of registration decal.** (a) A person must not operate a snowmobile in the state or allow another to operate the person's snowmobile in the state unless the snowmobile has its unexpired registration decal affixed to each side of the snowmobile and the decals are legible.

(b) The registration decal must be affixed:

(1) for snowmobiles made after June 30, 1972, in the areas provided by the manufacturer under section 84.821, subdivision 2; and

(2) for all other snowmobiles, on each side of the cowling on the upper half of the snowmobile.

(c) When any previously affixed registration decal is destroyed or lost, a duplicate must be affixed in the same manner as provided in paragraph (b).

Sec. 9. Minnesota Statutes 2022, section 84.821, subdivision 2, is amended to read:

Subd. 2. **Area for registration number.** All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration ~~number~~ decal. ~~This area shall be at a location and of dimensions prescribed by rule of the commissioner.~~ A clear area must be provided on each side of the cowling with a minimum size of 3-1/2 square inches and at least 12 inches from the ground when the machine is resting on a hard surface.

Sec. 10. Minnesota Statutes 2022, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give notice of destruction or abandonment, be subject to the penalties imposed by section 84.88.

Sec. 11. Minnesota Statutes 2022, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules, fees, and reports.** (a) With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

(1) registration of snowmobiles ~~and display of registration numbers.~~;

(2) use of snowmobiles insofar as game and fish resources are affected~~.~~;

(3) use of snowmobiles on public lands and waters, or on grant-in-aid trails~~.~~;

(4) uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles~~.~~:

(5) specifications relating to snowmobile mufflers~~.~~; and

(6) a comprehensive snowmobile information and safety education and training program~~, including~~ that includes but is not limited to ~~the preparation and dissemination of~~ preparing and disseminating snowmobile information and safety advice to the public, ~~the~~ training ~~of~~ snowmobile operators, and ~~the issuance of~~ issuing snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course.

(b) For the purpose of administering ~~such~~ the program under paragraph (a), clause (6), and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a $1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for ~~the administration of such~~ administering the programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under ~~this~~ paragraph (a), clause (6). School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

~~(7)~~ (c) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of $500 or more, shall forward a written report of the accident to the commissioner on ~~such~~ a form ~~as~~ prescribed by the commissioner ~~shall prescribe~~. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 12. Minnesota Statutes 2022, section 84.87, subdivision 1, is amended to read:

Subdivision 1. **Operation on streets and highways.** (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary:

(1) under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail;

(2) under conditions prescribed by a local road authority as defined in section 160.02, subdivision 25, the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdiction, where the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail;

(3) the commissioner of transportation under clause (1) and the local road authority under clause (2) shall notify the commissioner of natural resources and the local law enforcement agencies responsible for the streets or highways of the locations of two-way snowmobile trails authorized under this paragraph; and

(4) two-way snowmobile trails authorized under this paragraph shall be posted for two-way operation at the authorized locations.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway or at a safe location approved by the road authority;

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(e) A snowmobile may be operated upon a public street or highway other than as provided by paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(f) All provisions of chapters 169 and 169A shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

(g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

Sec. 13. Minnesota Statutes 2022, section 84.90, subdivision 7, is amended to read:

Subd. 7. **Penalty.** (a) A person violating the provisions of this section is guilty of a misdemeanor.

(b) Notwithstanding section 609.101, subdivision 4, clause (2), the minimum fine for a person who operates an off-highway motorcycle, off-road vehicle, all-terrain vehicle, or snowmobile in violation of this section must not be less than the amount set forth in section 84.775.

Sec. 14. Minnesota Statutes 2022, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 15. **[84.9735] INSECTICIDES ON STATE LANDS.**

A person may not use a pesticide containing an insecticide in a wildlife management area, state park, state forest, aquatic management area, or scientific and natural area if the insecticide is from the neonicotinoid class of insecticides or contains chlorpyrifos.

Sec. 16. Minnesota Statutes 2022, section 84.992, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of natural resources shall develop and implement a program for the Minnesota Naturalist Corps that supports state parks and trails in providing interpretation of the natural and cultural features of state parks and trails in order to enhance visitors' awareness, understanding, and appreciation of those features and encourages the wise and sustainable use of the environment.

Sec. 17. Minnesota Statutes 2022, section 84.992, subdivision 5, is amended to read:

Subd. 5. **Eligibility.** A person is eligible to enroll in the Minnesota Naturalist Corps if the person~~:~~

~~(1) is a permanent resident of the state;~~

~~(2)~~ is a participant in an approved college internship program ~~in a field related to natural resources, cultural history, interpretation, or conservation; and~~

~~(3) has completed at least one year of postsecondary education~~.

Sec. 18. Minnesota Statutes 2022, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** By December 31, 2023, and every five years thereafter, the commissioner shall prepare ~~and maintain~~ a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;

(3) a coordinated public education and awareness campaign;

(4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;

(5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;

(6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;

(7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;

(8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; ~~and~~

(9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals; and

(10) the impacts of climate change on invasive species management.

Sec. 19. Minnesota Statutes 2022, section 84D.10, subdivision 3, is amended to read:

Subd. 3. **Removal and confinement.** (a) A conservation officer or other licensed peace officer may order:

(1) the removal of aquatic macrophytes or prohibited invasive species from water-related equipment, including decontamination using hot water or high pressure equipment ~~when available on site~~, before the water-related equipment is transported or before it is placed into waters of the state;

(2) confinement of the water-related equipment at a mooring, dock, or other location until the water-related equipment is removed from the water;

(3) removal of water-related equipment from waters of the state to remove prohibited invasive species if the water has not been listed by the commissioner as being infested with that species;

(4) a prohibition on placing water-related equipment into waters of the state when the water-related equipment has aquatic macrophytes or prohibited invasive species attached in violation of subdivision 1 or when water has not been drained or the drain plug has not been removed in violation of subdivision 4; and

(5) decontamination of water-related equipment ~~when available on site~~.

(b) An order for removal of prohibited invasive species under paragraph (a), clause (1), or decontamination of water-related equipment under paragraph (a), clause (5), may include tagging the water-related equipment and issuing a notice that specifies a time frame for completing the removal or decontamination and reinspection of the water-related equipment.

(c) An inspector who is not a licensed peace officer may issue orders under paragraph (a), clauses (1), (3), (4), and (5).

Sec. 20. Minnesota Statutes 2022, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall~~ follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following:

(1) fencing ~~of~~ portions of the trail where necessary to protect adjoining landowners; and

(2) ~~the maintenance of~~ maintaining the trail in a ~~litter free~~ litter-free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 21. Minnesota Statutes 2022, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for ~~campsites and other~~ using camping, lodging, and day-use facilities and for tours, educational programs, seminars, events, and rentals. The policies are exempt from the rulemaking provisions under chapter 14, and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, ~~shall~~ must be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 22. Minnesota Statutes 2022, section 86B.005, is amended by adding a subdivision to read:

Subd. 11a. **Other commercial operation.** "Other commercial operation" means use of a watercraft for work, rather than recreation, to transport equipment, goods, and materials on public waters.

Sec. 23. **[86B.30] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30 to 86B.341.

Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years of age or older who:

(1) is in a personal watercraft or other type of motorboat;

(2) is within immediate reach of the controls of the motor; and

(3) possesses a valid operator's permit or is an exempt operator.

Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who was:

(1) effective July 1, 2025, born on or after July 1, 2004;

(2) effective July 1, 2026, born on or after July 1, 2000;

(3) effective July 1, 2027, born on or after July 1, 1996; and

(4) effective July 1, 2028, born on or after July 1, 1987.

Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who:

(1) possesses a valid license to operate a motorboat issued for maritime personnel by the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a marine certificate issued by the Canadian government;

(2) is not a resident of the state, is temporarily using the waters of the state for a period not to exceed 60 days, and:

(i) meets any applicable requirements of the state or country of residency; or

(ii) possesses a Canadian pleasure craft operator's card;

(3) is operating a motorboat under a dealer's license according to section 86B.405; or

(4) is operating a motorboat during an emergency.

Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person engaged in the business of renting or leasing motorboats, including personal watercraft, for a period not exceeding 30 days. Motorboat rental business includes a person's agents and employees but does not include a resort business.

Subd. 6. **Resort business.** "Resort business" means a person that is engaged in the business of providing lodging and recreational services to transient guests and that is classified as a resort under section 273.13, subdivision 22 or 25. A resort business includes a person's agents and employees.

Subd. 7. **Young operator.** "Young operator" means a motorboat operator, including a personal watercraft operator, younger than 12 years of age.

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

Sec. 24. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit to a person 12 years of age or older who successfully completes a water safety course and written test according to section 86B.304, paragraph (a), or who provides proof of completing a program subject to a reciprocity agreement or certified by the commissioner as substantially similar.

Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a permit under this section to a person who is at least 11 years of age, but the permit is not valid until the person becomes an adult operator.

Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft operator's permit must have in personal possession:

(1) a valid watercraft operator's permit;

(2) a driver's license that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20; or

(3) an identification card that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20.

(b) A person who is required to have a watercraft operator's permit must display one of the documents described in paragraph (a) to a conservation officer or peace officer upon request.

Subd. 4. **Using electronic device to display proof of permit.** If a person uses an electronic device to display a document described in subdivision 3 to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) this does not constitute consent for the officer to access other contents on the device.

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

Sec. 25. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER MOTORBOATS.**

Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat, including a personal watercraft, unless:

(1) the adult operator possesses a valid watercraft operator's permit;

(2) the adult operator is an exempt operator; or

(3) an accompanying operator is in the motorboat.

Subd. 2. **Young operators.** (a) A young operator may not operate a personal watercraft or any motorboat powered by a motor with a factory rating of more than 75 horsepower.

(b) A young operator may operate a motorboat that is not a personal watercraft and that is powered by a motor with a factory rating of less than 75 horsepower if an accompanying operator is in the motorboat.

Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20, an accompanying operator, as well as the actual operator, is operating and is in physical control of a motorboat.

Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful control of a motorboat may not allow the motorboat to be operated contrary to this section.

Subd. 5. **Exception for low-powered motorboats.** Notwithstanding the other provisions of this section, a person of any age may operate a motorboat that is not a personal watercraft that is powered by a motor with a factory rating of 25 horsepower or less without possessing a valid watercraft operator's permit and without an accompanying operator in the motorboat.

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

Sec. 26. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

(a) The commissioner must establish a water safety course and testing program for personal watercraft and watercraft operators and must prescribe a written test as part of the course. The course must be approved by the National Association of State Boating Law Administrators and must be available online. The commissioner may allow designated water safety courses administered by third parties to meet the requirements of this paragraph and may enter into reciprocity agreements or otherwise certify boat safety education programs from other states that are substantially similar to in-state programs. The commissioner must establish a working group of interested parties to develop course content and implementation. The course must include content on best management practices for mitigating aquatic invasive species, reducing conflicts among user groups, and limiting the ecological impacts of watercraft.

(b) The commissioner must create or designate a short boater safety examination to be administered by motorboat rental businesses, as required by section 86B.306, subdivision 3. The examination developed under this paragraph must be one that can be administered electronically or on paper, at the option of the motorboat rental business administering the examination.

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

Sec. 27. **[86B.306] MOTORBOAT RENTAL BUSINESSES.**

Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a motorboat, including a personal watercraft, to any person for operation on waters of this state unless the renter or lessee:

(1) has a valid watercraft operator's permit or is an exempt operator; and

(2) is 18 years of age or older.

Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat rental or lease agreement the name and age of each operator who is authorized to operate the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that only listed authorized operators operate the motorboat or personal watercraft.

Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental business must provide each authorized operator a summary of the statutes and rules governing operation of motorboats and personal watercraft in the state and instructions for safe operation.

(b) Each authorized operator, other than those holding a valid watercraft operator's permit or an exempt operator, must review the summary provided under this subdivision and must take a short boater safety examination in a form approved by the commissioner before the motorboat or personal watercraft leaves the motorboat rental business premises, unless the authorized operator has taken the examination during the previous 180 days.

Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must provide to all persons who rent a personal watercraft, at no additional cost, a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment.

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

Sec. 28. Minnesota Statutes 2022, section 86B.313, subdivision 4, is amended to read:

Subd. 4. **Dealers ~~and rental operations~~.** (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) ~~A person who offers personal watercraft for rent:~~

~~(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;~~

~~(2) shall provide a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and~~

~~(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.~~

~~(c)~~ Each dealer of personal watercraft ~~or person offering personal watercraft for rent~~ shall have the person who purchases ~~or rents~~ a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser ~~or renter~~ has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer ~~or person offering personal watercraft for rent~~ for ~~a period of~~ six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.

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

Sec. 29. Minnesota Statutes 2022, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. **Watercraft 19 feet or less.** (a) Except as provided in paragraph (b) and subdivision 1a, the fee for a watercraft license for watercraft 19 feet or less in length is ~~$27~~ $59.

(b) The watercraft license fee is:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, ~~the fee is $9~~ $14;

(2) for a sailboat, 19 feet in length or less, ~~the fee is $10.50~~ $23;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, ~~the fee is~~ as provided in subdivision 4;

(4) for a watercraft owned by a dealer under a dealer's license, ~~the fee is~~ as provided in subdivision 5;

(5) for a personal watercraft, ~~the fee is $37.50~~ including one offered for rent or lease, $85; and

(6) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (1) to (5), ~~the fee is $18~~ $36.

Sec. 30. Minnesota Statutes 2022, section 86B.415, subdivision 1a, is amended to read:

Subd. 1a. **Canoes, kayaks, sailboards, paddleboards, paddleboats, or rowing shells.** The fee for a watercraft license for a canoe, kayak, sailboard, paddleboard, paddleboat, or rowing shell over ten feet in length is ~~$10.50~~ $23.

Sec. 31. Minnesota Statutes 2022, section 86B.415, subdivision 2, is amended to read:

Subd. 2. **Watercraft over 19 feet.** Except as provided in subdivisions 1a, 3, 4, and 5, the watercraft license fee:

(1) for a watercraft more than 19 feet but less than 26 feet in length is ~~$45~~ $113;

(2) for a watercraft 26 feet but less than 40 feet in length is ~~$67.50~~ $164; and

(3) for a watercraft 40 feet in length or longer is ~~$90~~ $209.

Sec. 32. Minnesota Statutes 2022, section 86B.415, subdivision 3, is amended to read:

Subd. 3. **Watercraft ~~over 19 feet~~ for ~~hire~~ commercial use.** The license fee for ~~a~~ watercraft ~~more than 19 feet in length for hire with an operator~~ used primarily for charter fishing, commercial fishing, commercial passenger carrying, or other commercial operation is ~~$75~~ $164 each.

Sec. 33. Minnesota Statutes 2022, section 86B.415, subdivision 4, is amended to read:

Subd. 4. **Watercraft used by nonprofit corporation for teaching.** The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is ~~$4.50~~ $8 each.

Sec. 34. Minnesota Statutes 2022, section 86B.415, subdivision 5, is amended to read:

Subd. 5. **Dealer's license.** There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~$67.50~~ $142.

Sec. 35. Minnesota Statutes 2022, section 89A.03, subdivision 5, is amended to read:

Subd. 5. **Membership regulation.** Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059, except that a council member may be compensated at the rate of up to $125 a day.

Sec. 36. Minnesota Statutes 2022, section 89A.11, is amended to read:

89A.11 SUNSET.

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.105; and 89A.11 expire June 30, ~~2028~~ 2033.

Sec. 37. Minnesota Statutes 2022, section 90.181, subdivision 2, is amended to read:

Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid or the payment is not postmarked within 30 days of the statement date ~~thereof, it shall bear~~, the amount bears interest at the rate determined pursuant to section 16A.124, except that the purchaser ~~shall not be~~ is not required to pay interest that totals $1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the commissioner of revenue according to chapter 16D, who shall proceed to collect the ~~same~~ amount due. When deemed in the best interests of the state, the commissioner shall take possession of the timber for which an amount is due wherever it may be found and sell the ~~same~~ timber informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale ~~shall~~ must be applied, first, to the payment of the expenses of seizure and sale~~;~~ and, second, to the payment of the amount due for the timber, with interest~~; and~~. The surplus, if any, ~~shall belong~~ belongs to the state~~; and,~~. In case a sufficient amount is not realized to pay these amounts in full, the balance ~~shall~~ must be collected by the attorney general. ~~Neither~~ Payment of the amount, ~~nor the~~ recovery of judgment ~~therefor~~ for the amount, ~~nor~~ satisfaction of the judgment, ~~nor the~~ or seizure and sale of timber~~, shall~~ does not:

(1) release the sureties on any security deposit given pursuant to this chapter~~, or~~;

(2) preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed~~,~~; or

(3) preclude the state from prosecuting the offender criminally.

Sec. 38. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 32b. **Native swan.** "Native swan" means a trumpeter swan or a tundra swan but does not include a mute swan.

Sec. 39. Minnesota Statutes 2022, section 97A.015, subdivision 51, is amended to read:

Subd. 51. **Unloaded.** "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, if the magazine is in the firearm. A muzzle-loading firearm ~~with~~ is unloaded if:

(1) for a flintlock ignition ~~is unloaded if,~~ it does not have priming powder in a pan~~. A muzzle-loading firearm with~~;

(2) for a percussion ignition ~~is unloaded if,~~ it does not have a percussion cap on a nipple~~.~~;

(3) for an electronic ignition system, the battery is removed and is disconnected from the firearm; and

(4) for an encapsulated powder charge ignition system, the primer and powder charge are removed from the firearm.

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

Sec. 40. Minnesota Statutes 2022, section 97A.031, is amended to read:

97A.031 WANTON WASTE.

(a) Unless expressly allowed, a person may not wantonly waste or destroy a usable part of a protected wild animal.

(b) This section does not apply to common carp.

Sec. 41. Minnesota Statutes 2022, section 97A.045, subdivision 5, is amended to read:

Subd. 5. **Power to prescribe form of permits and licenses.** (a) Except as provided in paragraph (b), the commissioner may prescribe the form of permits, licenses, and tags issued under the game and fish laws.

(b) The commissioner must offer an applicant for an angling, trapping, or hunting license, including a special permit issued under section 97A.401, the option of receiving the license in either a paper or paperless format and must provide an applicant with a paperless license unless the applicant requests a paper license. This paragraph applies to both annual and lifetime licenses. The commissioner must ensure that a person authorized to issue an annual license described in this paragraph has the ability to issue paperless licenses.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 42. Minnesota Statutes 2022, section 97A.126, is amended to read:

97A.126 WALK-IN ACCESS PROGRAM.

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land for hunting, bird-watching, nature photography, and similar compatible uses, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide private land hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access ~~hunter~~ validation in possession to hunt, photograph, and watch wildlife on private lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting, bird-watching, nature photography, and similar compatible uses on private lands that are posted as enrolled in the walk-in access program is allowed from one-half hour before sunrise to one-half hour after sunset.

(c) ~~Hunter~~ Access on private lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by ~~hunters~~ persons with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property, introduction of plants or animals, and animal trespass, apply to ~~hunters on~~ use of lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than ~~hunting according to~~ use authorized under this section is prohibited, including:

(1) harvesting bait, including minnows, leeches, and other live bait;

(2) training dogs or using dogs for activities other than hunting; and

(3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Subd. 3. **Walk-in-access ~~hunter~~ validation; fee.** The fee for a walk-in-access ~~hunter~~ validation is $3.

Sec. 43. Minnesota Statutes 2022, section 97A.137, subdivision 3, is amended to read:

Subd. 3. **Use of motorized vehicles by ~~disabled hunters~~ people with disabilities.** The commissioner may ~~issue~~ provide an accommodation by issuing a special permit, without a fee, authorizing a ~~hunter~~ person with a ~~permanent physical~~ disability to use ~~a snowmobile, highway licensed vehicle, all-terrain vehicle,~~ an other power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas. To qualify for a permit under this subdivision, the ~~disabled~~ person must ~~possess:~~ provide credible assurance to the commissioner that the device or motor boat is used because of a disability.

~~(1) the required hunting licenses; and~~

~~(2) a permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.~~

Sec. 44. Minnesota Statutes 2022, section 97A.137, subdivision 5, is amended to read:

Subd. 5. **Portable stands.** (a) Prior to the Saturday on or nearest September 16, a portable stand may be left overnight in a wildlife management area by a person with a valid bear license who is hunting within 100 yards of a bear bait site that is legally tagged and registered as prescribed under section 97B.425. Any person leaving a portable stand overnight under this subdivision must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand in a manner that it can be read from the ground.

(b) From November 1 through December 31, a portable stand may be left overnight by a person possessing a license to take deer in a wildlife management area located in whole or in part north and west of a line described as follows:

State Trunk Highway 1 from the west boundary of the state to State Trunk Highway 89; then north along State Trunk Highway 89 to Fourtown; then north on County State-Aid Highway 44, Beltrami County, to County Road 704, Beltrami County; then north on County Road 704 to Dick's Parkway State Forest Road; then north on Dick's Parkway to County State-Aid Highway 5, Roseau County; then north on County State-Aid Highway 5 to Warroad; then north on State Trunk Highway 11 to State Trunk Highway 313; then north on State Trunk Highway 313 to the north boundary of the state.

A person leaving a portable stand overnight under this paragraph must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand so that it can be read from the ground and must be made of a material sufficient to withstand weather conditions. A person leaving a portable stand overnight in a wildlife management

area under this paragraph may not leave more than two portable stands in any one wildlife management area. Unoccupied portable stands left overnight under this paragraph may be used by any member of the public. ~~This paragraph expires December 31, 2019.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2019, and Minnesota Statutes, section 97A.137, subdivision 5, paragraph (b), is revived and reenacted as of that date.

Sec. 45. Minnesota Statutes 2022, section 97A.315, subdivision 1, is amended to read:

Subdivision 1. **Criminal penalties.** (a) Except as provided in paragraph (b), a person that violates a provision of section 97B.001, relating to trespass is guilty of a misdemeanor ~~except as provided in paragraph (b)~~.

(b) A person is guilty of a gross misdemeanor if the person:

(1) knowingly disregards signs prohibiting trespass;

(2) trespasses after personally being notified by the landowner or lessee not to trespass; or

(3) is convicted of violating this section more than once in a three-year period.

(c) Notwithstanding section 609.101, subdivision 4, clause (2), for a misdemeanor violation, the minimum fine for a person who operates an off-highway motorcycle, off-road vehicle, all-terrain vehicle, or snowmobile in violation of this section must not be less than the amount set forth in section 84.775.

Sec. 46. Minnesota Statutes 2022, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to ~~8~~ 9.

Sec. 47. Minnesota Statutes 2022, section 97A.401, is amended by adding a subdivision to read:

Subd. 9. **Taking wild animals with federal incidental take permit.** The commissioner must prescribe conditions for and may issue a permit to a person for taking wild animals during activities covered under a federal incidental take permit issued under section 10(a)(1)(B) of the federal Endangered Species Act, including to a landowner for taking wild animals during activities covered by a certificate of inclusion issued by the commissioner under Code of Federal Regulations, title 50, section 13.25(e).

Sec. 48. Minnesota Statutes 2022, 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 ~~either~~:

(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; ~~or~~

(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~~, either~~: (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; ~~or~~ (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), ~~clause~~ 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.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 49. Minnesota Statutes 2022, section 97A.405, subdivision 5, is amended to read:

Subd. 5. **Resident licenses.** (a) To obtain a resident license, ~~a resident~~ an individual 21 years of age or older must be a resident and:

(1) possess a current Minnesota driver's license or a valid application receipt for a driver's license that is at least 60 days past the issuance date;

(2) possess a current identification card issued by the commissioner of public safety or a valid application receipt for an identification card that is at least 60 days past the issuance date; ~~or~~

(3) present evidence showing proof of residency in cases when clause (1) or (2) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141~~.~~; or

(4) possess a Tribal identification card as provided in paragraph (b).

(b) For purposes of this subdivision, "Tribal identification card" means an unexpired identification card as provided under section 171.072, paragraphs (b) and (c). The Tribal identification card:

(1) must contain the enrolled Tribal member's Minnesota residence address; and

(2) may be used to obtain a resident license under paragraph (a) only if the Tribal member does not have a current driver's license or state identification card in any state.

(c) A person must not have applied for, purchased, or accepted a resident hunting, fishing, or trapping license issued by another state or foreign country within 60 days before applying for a resident license under this section.

Sec. 50. Minnesota Statutes 2022, section 97A.420, subdivision 1, is amended to read:

Subdivision 1. **Seizure.** (a) An enforcement officer shall immediately seize 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 under this paragraph was for a big game animal, the license seizure applies to all licenses to take big game issued to the individual. If the license seized under this paragraph was for small game animals, the license seizure applies to all licenses to take small game issued to the individual.

(b) In addition to the license seizure 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. 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 under this subdivision until an action is taken under subdivision 6.

(d) The commissioner must make a means of seizing and releasing a paperless license under this section available to enforcement officers.

EFFECTIVE DATE. This section is effective March 1, 2026.

Sec. 51. Minnesota Statutes 2022, section 97A.421, subdivision 3, is amended to read:

Subd. 3. **Issuance after conviction; big game.** (a) A person may not use a big-game license purchased before conviction, obtain ~~any~~ a big-game license, or take big game under a lifetime license, issued under section 97A.473, for three years after the person is convicted of:

(1) a gross misdemeanor violation under the game and fish laws relating to big game;

(2) doing an act without a required big-game license; or

(3) the second violation within three years under the game and fish laws relating to big game.

(b) A person may not obtain any deer license or take deer under a lifetime license issued under section 97A.473 for one year after the person is convicted of hunting deer with the aid or use of bait under section 97B.328.

(c) The revocation period under paragraphs (a) and (b) doubles if the conviction is for a deer that is a trophy deer scoring higher than 170 using the scoring method established for wildlife restitution values adopted under section 97A.345.

Sec. 52. Minnesota Statutes 2022, section 97A.465, subdivision 3, is amended to read:

Subd. 3. **Nonresidents stationed in state; spouses.** (a) The commissioner may issue a resident license to take ~~fish or~~ game to a person in the armed forces of the United States that is stationed in the state. This ~~subdivision~~ paragraph does not apply to ~~the~~ taking ~~of~~ moose or elk.

(b) The commissioner may issue a resident angling license to a person in the armed forces of the United States that is stationed in the state and to the spouse of a person in the armed forces of the United States that is stationed in the state.

Sec. 53. Minnesota Statutes 2022, section 97A.465, subdivision 8, is amended to read:

Subd. 8. **Nonresident active members of National Guard; spouses.** (a) A nonresident that is ~~an active~~ a member of the ~~state's~~ National Guard may obtain a resident license to take ~~fish or~~ game. This ~~subdivision~~ paragraph does not apply to ~~the~~ taking ~~of~~ moose or elk.

(b) A nonresident that is a member of the National Guard or that is the spouse of a member of the National Guard may obtain a resident license to take fish.

(c) For purposes of this section, the term "member of the National Guard" means an active member of the state's National Guard or an active member of another state's National Guard who is temporarily stationed in this state.

Sec. 54. Minnesota Statutes 2022, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle ~~licenses~~ license.** ~~(a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is $250.~~

~~(b)~~ The fee for a recreational turtle license to take, transport, and possess turtles for personal use is $25.

~~(c) The fee for a turtle seller's apprentice license is $100.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 55. Minnesota Statutes 2022, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. **Permissible firearms and ammunition; big game and wolves.** A person may take big game and wolves with a firearm only if:

(1) ~~the~~ any rifle, shotgun, ~~and~~ or handgun used is a caliber of at least .22 inches and ~~with~~ has centerfire ignition;

(2) the firearm is loaded only with single projectile ammunition;

(3) a projectile used is a caliber of at least .22 inches and has a soft point or is an expanding bullet type;

(4) ~~the~~ any muzzleloader used ~~is incapable of being~~ has the projectile loaded only at the ~~breech~~ muzzle;

(5) ~~the~~ any smooth-bore muzzleloader used is a caliber of at least .45 inches; and

(6) ~~the~~ any rifled muzzleloader used is a caliber of at least .40 inches.

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

Sec. 56. Minnesota Statutes 2022, section 97B.037, is amended to read:

97B.037 CROSSBOW HUNTING~~; AGE 60 OR OVER~~.

(a) Notwithstanding section 97B.035, subdivisions 1 and 2, a person ~~age 60 or over~~ may take deer, bear, turkey, or 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, or rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person ~~age 60 or over~~ taking deer, bear, turkey, or 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. 57. Minnesota Statutes 2022, section 97B.071, is amended to read:

97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph ~~(c)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph ~~(c)~~ (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

~~(c)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph (b) ~~shall~~ does not result in a penalty, but is punishable only by a safety warning.

Sec. 58. Minnesota Statutes 2022, section 97B.301, subdivision 2, is amended to read:

Subd. 2. **Limit of one deer.** A person may obtain one regular firearms season deer license, one muzzleloader season deer license, and one archery season deer license in the same license year, but may not ~~tag~~ take more than one deer except as provided in subdivisions 3 and 4.

Sec. 59. Minnesota Statutes 2022, section 97B.301, subdivision 6, is amended to read:

Subd. 6. **Residents or nonresidents under age 18; taking either-sex deer.** A resident or nonresident under the age of 18 may take a deer of either sex except in those antlerless permit areas and seasons where no antlerless permits are offered. In antlerless permit areas where no antlerless permits are offered, the commissioner may

provide a limited number of youth either sex permits to residents or nonresidents under age 18, under the procedures provided in section 97B.305, and may give preference to residents or nonresidents under the age of 18 that have not previously been selected. This subdivision does not authorize the taking of ~~an antlerless~~ a deer by another member of a party under subdivision 3.

Sec. 60. Minnesota Statutes 2022, section 97B.668, is amended to read:

97B.668 ~~GAME BIRDS~~ ANIMALS CAUSING DAMAGE.

Subdivision 1. **Game birds causing damage.** Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass game birds that are causing property damage or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests when a permit is obtained under section 97A.401.

Subd. 2. **Deer and elk causing damage.** (a) Notwithstanding section 97B.091, a property owner, the property owner's immediate family member, or an agent of the property owner may nonlethally scare, haze, chase, or harass deer or elk that are causing damage to agricultural crops that are propagated under generally accepted agricultural practices.

(b) Paragraph (a) applies only:

(1) in the immediate area of the crop damage; and

(2) during the closed season for taking deer or elk.

(c) Paragraph (a) does not allow:

(1) using poisons;

(2) using dogs;

(3) conduct that drives a deer or elk to the point of exhaustion;

(4) activities that require a permit under section 97A.401; or

(5) conduct that causes the death of or that is likely to cause the death of a deer or elk.

(d) A property owner or the owner's agent must report the death of a deer or elk to staff in the Division of Fish and Wildlife within 24 hours of the death if the death resulted from actions taken under paragraph (a).

Sec. 61. **[97B.735] SWANS.**

A person who takes, harasses, destroys, buys, sells, possesses, transports, or ships a native swan in violation of the game and fish laws is guilty of a gross misdemeanor.

Sec. 62. Minnesota Statutes 2022, section 97C.041, is amended to read:

97C.041 COMMISSIONER MAY REMOVE ROUGH FISH ~~AND CATFISH~~.

The commissioner may take rough fish~~, lake whitefish,~~ and rainbow smelt with seines, nets, and other devices. ~~The commissioner may also take catfish with seines, nets, and other devices on the Minnesota-Wisconsin boundary waters.~~ 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. 63. Minnesota Statutes 2022, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line, except that:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior~~.~~; and

(3) two lines may be used in the Minnesota River downstream of the Granite Falls Dam and in the Mississippi River downstream of St. Anthony Falls.

Sec. 64. Minnesota Statutes 2022, section 97C.345, subdivision 1, is amended to read:

Subdivision 1. **When use prohibited.** Except as specifically authorized, a person may not take fish with a spear from the third Monday in February to the Friday before the last Saturday in April and may not take fish with a fish trap, net, dip net, seine, or other device capable of taking fish from the third Monday in February ~~to~~ through April 30.

Sec. 65. Minnesota Statutes 2022, section 97C.355, is amended by adding a subdivision to read:

Subd. 9. **Placing waste on ice prohibited.** A person using a fish house, dark house, or other shelter on the ice of state waters is subject to section 97C.363.

Sec. 66. **[97C.363] STORING GARBAGE AND OTHER WASTE ON ICE.**

Subdivision 1. **Prohibition.** A person using a shelter, a motor vehicle, or any other conveyance on the ice of state waters may not deposit garbage, rubbish, cigarette filters, debris from fireworks, offal, the body of a dead animal, litter, sewage, or any other waste outside the shelter, motor vehicle, or conveyance unless the material is:

(1) placed in a container that is secured to the shelter, motor vehicle, or conveyance; and

(2) not placed directly on the ice or in state waters.

Subd. 2. **Definition.** For purposes of this section, "sewage" means excrementitious or other discharge from the bodies of human beings or animals, together with such other water as may be present.

Subd. 3. **Penalty.** A violation of this section is a petty misdemeanor, and a person who violates this section is subject to a civil penalty of $100 for each violation.

Sec. 67. Minnesota Statutes 2022, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 68. Minnesota Statutes 2022, section 97C.371, subdivision 2, is amended to read:

Subd. 2. **Dark houses required for certain species.** Catfish, lake whitefish, cisco (tulibee), and northern pike may be speared only from dark houses.

Sec. 69. Minnesota Statutes 2022, section 97C.371, subdivision 4, is amended to read:

Subd. 4. **Open season.** The open season for spearing through the ice is November 15 ~~to~~ through the last Sunday in February.

Sec. 70. Minnesota Statutes 2022, section 97C.395, subdivision 1, is amended to read:

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend ~~to~~ through the last Sunday in February;

(2) for lake trout, from January 1 ~~to~~ through October 31;

(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 ~~to~~ through March 31;

(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 ~~to~~ through March 31;

(5) for brown trout, brook trout, rainbow trout, and splake, between January 1 ~~to~~ through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(6) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Sec. 71. Minnesota Statutes 2022, section 97C.601, subdivision 1, is amended to read:

Subdivision 1. **Season.** The open season for frogs is May 16 ~~to~~ through March 31. The commissioner may, by rule, establish closed seasons in specified areas.

Sec. 72. Minnesota Statutes 2022, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~**Resident angling license required**~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section,~~ (a) A person may not take, possess, or transport turtles without a resident angling license~~, except as provided in subdivision 2c~~ and a recreational turtle license.

(b) Turtles taken from the wild are for personal use only and may not be resold.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 73. Minnesota Statutes 2022, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** (a) A person does not need ~~a turtle seller's license or an angling license~~ the licenses specified under subdivision 1:

~~(1) when buying turtles for resale at a retail outlet;~~

(1) when buying turtles from a licensed aquatic farm or licensed private fish hatchery for resale at a retail outlet or restaurant;

(2) when buying a turtle at a retail outlet;

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller; or~~

~~(4)~~ (3) to take, possess, and rent ~~or sell~~ up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles~~.~~; or

(4) if under 16 years of age when possessing turtles. Notwithstanding any other law to the contrary, a person under the age of 16 may possess, without a license, up to three snapping or western painted turtles, provided the turtles are possessed for personal use and are within the applicable length and width requirements.

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs without the licenses specified under subdivision 1.

(c) Turtles possessed under this subdivision may not be released back into the wild.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 74. Minnesota Statutes 2022, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** ~~(a)~~ A person may not take turtles by using:

(1) explosives, drugs, poisons, lime, and other harmful substances;

(2) traps~~, except as provided in paragraph (b) and rules adopted under this section~~;

(3) nets other than anglers' fish landing nets;

(4) commercial equipment~~, except as provided in rules adopted under this section~~;

(5) firearms and ammunition;

(6) bow and arrow or crossbow; or

(7) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~

~~(2) has a mesh size of not less than one-half inch, bar measure.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 75. Minnesota Statutes 2022, section 97C.611, is amended to read:

97C.611 TURTLE SPECIES; LIMITS.

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, ~~clause (4)~~ paragraph (a).

~~Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.~~

Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~ except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 76. Minnesota Statutes 2022, section 97C.836, is amended to read:

97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 ~~to~~ through September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior.

Sec. 77. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 9c. **Ecosystem harm.** "Ecosystem harm" means to change the biological community and ecology in a manner that results in loss of ecological structure or function.

Sec. 78. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 13b. **Negative impact to surface waters.** "Negative impact to surface waters" means a change in hydrology sufficient to cause aquatic ecosystem harm or alter riparian uses long term.

Sec. 79. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 15i. **Sustainable diversion limit.** "Sustainable diversion limit" means a maximum amount of water that can be removed directly or indirectly from a surface water body in a defined geographic area on a monthly or annual basis without causing a negative impact to the surface water body.

Sec. 80. **[103G.134] ORDERS AND INVESTIGATIONS.**

The commissioner has the following powers and duties when acting pursuant to the enforcement provisions of this chapter:

(1) to adopt, issue, reissue, modify, deny, revoke, enter into, or enforce reasonable orders, schedules of compliance, and stipulation agreements;

(2) to issue notices of violation;

(3) to require a person holding a permit issued under this chapter or otherwise impacting the public waters of the state without a permit issued under this chapter to:

(i) make reports;

(ii) install, use, and maintain monitoring equipment or methods;

(iii) perform tests according to methods, at locations, at intervals, and in a manner as the commissioner prescribes; and

(iv) provide other information as the commissioner may reasonably require; and

(4) to conduct investigations; issue notices, public and otherwise; and order hearings as the commissioner deems necessary or advisable to discharge duties under this chapter, including but not limited to issuing permits and authorizing an employee or agent appointed by the commissioner to conduct the investigations and other authorities cited in this section.

Sec. 81. **[103G.146] DUTY OF CANDOR.**

(a) A person must not knowingly:

(1) make a false statement of fact or fail to correct a false statement of material fact regarding any matter pertaining to this chapter;

(2) fail to disclose information that the person knows is necessary for the commissioner to make an informed decision under this chapter; or

(3) offer information that the person knows to be false.

(b) If a person has offered material information to the commissioner and the person comes to know the information is false, the person must take reasonable remedial measures to provide the accurate information.

Sec. 82. **[103G.216] REPORTING FISH KILLS IN PUBLIC WATERS.**

Subdivision 1. **Definition.** For the purposes of this section and section 103G.2165, "fish kill" means an incident resulting in the death of 25 or more fish within one linear mile of a flowing water or 25 or more fish within a square mile of a nonflowing water, excluding fish lawfully taken under the game and fish laws.

Subd. 2. **Reporting requirement.** A state or county staff person or official who learns of a fish kill in public waters must report the location of the fish kill to the Minnesota state duty officer within one hour of being notified of a fish kill or within four hours of first observing the fish kill. The Minnesota state duty officer must alert the Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency of the location of the fish kill within one hour of being notified of the fish kill. When a fish kill is reported, it must be posted to the *EQB Monitor* in the next scheduled posting.

Sec. 83. **[103G.2165] DEVELOPMENT OF FISH KILL RESPONSE PROTOCOL.**

Subdivision 1. **Development of protocol.** By June 30, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must update the fish kill response guidance by developing a protocol. The protocol must consist of steps that state agencies responding to a report of a fish kill under section 103G.216 must take to ascertain cause of or contributing factors to the fish kill based on scientific data and information gathered through investigation, as well as a communication plan to inform the public of potential hazards. The protocol must address:

(1) how to approach sampling for aquatic life in most fish kill situations;

(2) the types of locations from which samples described in clause (1) should be taken;

(3) the types of locations where water samples should be taken from the body of water in which the fish kill occurred, as well as tributary streams and private wells with landowner consent that should also be sampled;

(4) the types of locations from which soil and groundwater samples should be taken to ascertain whether contaminants traveled overland or underground to reach the body of water in which the fish kill occurred;

(5) where other sampling should occur to determine the presence of contaminants that may have contributed to the fish kill;

(6) developing a comprehensive list of contaminants, including degradation products, for which the materials sampled in clauses (3) to (5) should be tested;

(7) the appropriate concentration limits to be used in testing samples for the presence of contaminants, allowing for the possibility that the fish kill may have resulted from the interaction of two or more contaminants present at concentrations below the level associated with toxic effects resulting from exposure to each individual chemical;

(8) proper handling, storage, and treatment necessary to preserve the integrity of the samples described in this subdivision to maximize the information the samples can yield regarding the cause of the fish kill;

(9) the organs and other parts of the fish and other aquatic creatures that should be analyzed to maximize the information the samples can yield regarding the cause of the fish kill;

(10) identifying a rapid response team of interagency staff or an independent contractor with the necessary data collection equipment that can travel to the site of the fish kill to collect samples within 24 to 48 hours of the incident;

(11) a communications plan with a health-risk assessment to notify potentially impacted downstream users of the surface water of the potential hazards and those in the vicinity whose public or private water supply, including surface water or groundwater, may be impacted; and

(12) the proposed content and timing for investigation reports filed following fish kills. Investigation reports should identify the probable causes and include recommendations to prevent similar incidents in the future.

Subd. 2. **Review of protocol.** The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must post the draft protocol to their websites for a 60-day period for public review and comment. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must hold one or more public informational meetings on the draft protocol. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must consider comments submitted during the public comment period before posting the final protocol to their websites.

Subd. 3. **Implementation.** Once the protocol has been published, the relevant state agencies must follow the protocol and must maintain data related to each fish kill response documenting the extent to which the protocol was followed and any reasons why it was not. Once the protocol is in effect, investigation reports for fish kills must be posted to the *EQB Monitor*.

Subd. 4. **Updating protocol.** The updated protocol must be reviewed by the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency at least every five years according to the procedures in this section.

Sec. 84. Minnesota Statutes 2022, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **Water-use permit; processing fee.** (a) Except as described in paragraphs (b) to (g), a water-use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water-use permit in force at any time during the year. Fees collected under this paragraph are credited to the water management account in the natural resources fund. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

(1) $140 for amounts not exceeding 50,000,000 gallons per year;

(2) $3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) $4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;

(4) $4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) $5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) $5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

(7) $6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) $6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;

(9) $7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;

(10) $7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and

(11) $8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

(b) For once-through cooling systems, a water-use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water-use permit in force at any time during the year:

(1) for nonprofit corporations and school districts, $200 per 1,000,000 gallons; and

(2) for all other users, $420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is $100.

(d) For water-use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed $250,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) $60,000 per year for an entity holding three or fewer permits;

(ii) $90,000 per year for an entity holding four or five permits; or

(iii) $300,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed $750 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed $10,000 for its permit for water use related to the cogeneration of electricity and steam;

(5) the fee for a facility that temporarily diverts a water of the state from its natural channel to produce hydroelectric or hydromechanical power may not exceed $5,000 per year. A permit for such a facility does not count toward the number of permits held by an entity as described in this paragraph; and

(6) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of ten percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water-use processing fee for a permit issued for irrigation of agricultural land is $20 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) The commissioner shall waive the water-use permit fee for installations and projects that use stormwater runoff or where public entities are diverting water to treat a water quality issue and returning the water to its source without using the water for any other purpose, unless the commissioner determines that the proposed use adversely affects surface water or groundwater.

(h) A surcharge of ~~$30~~ $50 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of May, June, July, ~~and~~ August, and September that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

Sec. 85. Minnesota Statutes 2022, section 103G.287, subdivision 2, is amended to read:

Subd. 2. **Relationship to surface water resources.** Groundwater appropriations ~~that will have negative impacts to surface waters are subject to applicable provisions in section 103G.285~~ may be authorized only if they avoid known negative impacts to surface waters. If the commissioner determines that groundwater appropriations are having a negative impact to surface waters, the commissioner may use a sustainable diversion limit or other relevant method, tools, or information to implement measures so that groundwater appropriations do not negatively impact the surface waters.

Sec. 86. Minnesota Statutes 2022, section 103G.287, subdivision 3, is amended to read:

Subd. 3. **Protecting groundwater supplies.** The commissioner may establish water appropriation limits to protect groundwater resources. When establishing water appropriation limits to protect groundwater resources, the commissioner must consider the sustainability of the groundwater resource, including the current and projected water levels, cumulative withdrawal rates from the resource on a monthly or annual basis, water quality, whether the use protects ecosystems, and the ability of future generations to meet their own needs. The commissioner may consult with the commissioners of health, agriculture, and the Pollution Control Agency and other state entities when determining the impacts on water quality and quantity.

Sec. 87. Minnesota Statutes 2022, section 103G.299, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue administrative penalty orders.** (a) As provided in paragraph (b), the commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of sections 103G.271 and 103G.275, and any rules adopted under those sections.

(b) An order under this section may be issued to a person for water appropriation activities without a required permit or for violating the terms of a required permit.

(c) The order must be issued as provided in this section and in accordance with the plan prepared under subdivision 12.

Sec. 88. Minnesota Statutes 2022, section 103G.299, subdivision 2, is amended to read:

Subd. 2. **Amount of penalty; considerations.** (a) The commissioner may issue orders assessing administrative penalties ~~based on potential for harm and deviation from compliance. For a violation that presents:~~ up to $40,000.

~~(1) a minor potential for harm and deviation from compliance, the penalty will be no more than $1,000;~~

~~(2) a moderate potential for harm and deviation from compliance, the penalty will be no more than $10,000; and~~

~~(3) a severe potential for harm and deviation from compliance, the penalty will be no more than $20,000.~~

(b) In determining the amount of a penalty the commissioner may consider:

(1) the gravity of the violation, including potential for, or real, damage to the public interest or natural resources of the state;

(2) the history of past violations;

(3) the number of violations;

(4) the economic benefit gained by the person by allowing or committing the violation based on data from local or state bureaus or educational institutions; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(c) For a violation after an initial violation, including a continuation of the initial violation, the commissioner must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

(1) similarity of the most recent previous violation and the violation to be penalized;

(2) time elapsed since the last violation;

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

Sec. 89. Minnesota Statutes 2022, section 103G.299, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under subdivision 4, paragraph (c), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that is not forgiven after the corrective action is taken. The penalty is due ~~by~~ 31 days after the order ~~was~~ is received, unless review of the order under subdivision 6 or 7 ~~has been~~ is sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty ~~was~~ is received.

Sec. 90. Minnesota Statutes 2022, section 103G.299, subdivision 10, is amended to read:

Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law~~, except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order~~. The payment of a penalty does not preclude the use of other enforcement provisions~~, under which penalties are not assessed,~~ in connection with the violation for which the penalty was assessed.

Sec. 91. **[103G.2991] PENALTIES; ENFORCEMENT.**

Subdivision 1. **Civil penalties.** (a) The commissioner, according to section 103G.134, may issue a notice to a person who violates:

(1) this chapter;

(2) a permit issued under this chapter or a term or condition of a permit issued under this chapter;

(3) a duty under this chapter to permit an inspection, entry, or monitoring activity or a duty under this chapter to carry out an inspection or monitoring activity;

(4) a rule adopted under this chapter;

(5) a stipulation agreement, variance, or schedule of compliance entered into under this chapter; or

(6) an order issued by the commissioner under this chapter.

(b) A person issued a notice forfeits and must pay to the state a penalty, in an amount to be determined by the district court, of not more than $10,000 per day of violation.

(c) In the discretion of the district court, a defendant under this section may be required to:

(1) forfeit and pay to the state a sum that adequately compensates the state for the reasonable value of restoration, monitoring, and other expenses directly resulting from the unauthorized use of or damage to natural resources of the state; and

(2) forfeit and pay to the state an additional sum to constitute just compensation for any damage, loss, or destruction of the state's natural resources and for other actual damages to the state caused by an unauthorized use of natural resources of the state.

(d) As a defense to damages assessed under paragraph (c), a defendant may prove that the violation was caused solely by:

(1) an act of God;

(2) an act of war;

(3) negligence on the part of the state;

(4) an act or failure to act that constitutes sabotage or vandalism; or

(5) any combination of clauses (1) to (4).

(e) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state in Ramsey County District Court. Civil penalties and damages provided for in this subdivision may be resolved by the commissioner through a negotiated stipulation agreement according to the authority granted to the commissioner in section 103G.134.

Subd. 2. **Enforcement.** This chapter and rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the commissioner under this chapter or any other law for preventing, controlling, or abating damage to natural resources may be enforced by one or more of the following:

(1) criminal prosecution;

(2) action to recover civil penalties;

(3) injunction;

(4) action to compel performance; or

(5) other appropriate action according to this chapter.

Subd. 3. **Injunctions.** A violation of this chapter or rules, standards, orders, stipulation agreements, variances, schedules of compliance, and permits adopted or issued under this chapter constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general.

Subd. 4. **Actions to compel performance.** (a) In an action to compel performance of an order issued by the commissioner for any purpose related to preventing, controlling, or abating damage to natural resources under this chapter, the court may require a defendant adjudged responsible to do and perform any and all acts set forth in the commissioner's order and all things within the defendant's power that are reasonably necessary to accomplish the purposes of the order.

(b) If a municipality or its governing or managing body or any of its officers is a defendant, the court may require the municipality to exercise its powers, without regard to any limitation of a requirement for an election or referendum imposed thereon by law and without restricting the powers of the commissioner, to do any or all of the following, without limiting the generality hereof:

(1) levy taxes or special assessments;

(2) prescribe service or use charges;

(3) borrow money;

(4) issue bonds;

(5) employ assistance;

(6) acquire real or personal property;

(7) let contracts;

(8) otherwise provide for doing work or constructing, installing, maintaining, or operating facilities; and

(9) do all acts and things reasonably necessary to accomplish the purposes of the commissioner's order.

(c) The court must grant a municipality under paragraph (b) the opportunity to determine the appropriate financial alternatives to be used to comply with the court-imposed requirements.

(d) An action brought under this subdivision must be venued in Ramsey County District Court.

Sec. 92. Minnesota Statutes 2022, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is $150. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least ~~$300~~ $1,200, but not more than ~~$3,000~~ $12,000. The fee for a notification to request authorization to conduct a project under a general permit is ~~$100~~ $400.

Sec. 93. Minnesota Statutes 2022, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** An application for a permit must be filed with the commissioner ~~and~~. If the proposed activity for which the permit is requested is within a municipality, ~~or~~ is within or affects a watershed district or a soil and water conservation district, or is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, ~~and~~ the secretary of the board of supervisors of the soil and water conservation district~~.~~, or the Tribal chair of the federally recognized Indian Tribe, as applicable. For purposes of this section, "federally recognized Indian Tribe" means the Minnesota Tribal governments listed in section 10.65, subdivision 2.

Sec. 94. Minnesota Statutes 2022, section 103G.301, subdivision 7, is amended to read:

Subd. 7. **Recommendation of local units of government and federally recognized Indian Tribes.** (a) If the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, the commissioner may obtain a written recommendation of the managers of the district and the board of supervisors of the soil and water conservation district or the mayor of the municipality before issuing or denying the permit.

(b) The managers, supervisors, or mayor must file a recommendation within 30 days after receiving of a copy of the application for permit.

(c) If the proposed activity for which the permit is requested is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, the federally recognized Indian Tribe may:

(1) submit recommendations to the commissioner within 30 days of receiving the application; or

(2) request Tribal consultation according to section 10.65 within 30 days of receiving the application.

(d) If Tribal consultation is requested under paragraph (c), clause (2), a permit application is not complete until after the consultation occurs or 90 days after the request for consultation is made, whichever is sooner.

Sec. 95. Minnesota Statutes 2022, section 171.07, is amended by adding a subdivision to read:

Subd. 20. **Watercraft operator's permit.** (a) The department must maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a watercraft operator's permit. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a watercraft operator's permit, the department must include on all drivers' licenses or Minnesota identification cards subsequently issued to the person a graphic or written indication that the person has received the permit.

(c) If a person who has received a watercraft operator's permit applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and must then follow the procedures in paragraph (b).

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

Sec. 96. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is $12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) ~~72.43~~ 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

~~(i)~~ (k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

~~(j)~~ (l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

~~(k)~~ (m) The revenues deposited under paragraphs (a) to ~~(j)~~ (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 97. **UPPER SIOUX AGENCY STATE PARK; LAND TRANSFER.**

(a) The commissioner of natural resources must convey for no consideration all state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community.

(b) Upon approval by the Minnesota Historical Society's Executive Council, the Minnesota Historical Society may convey for no consideration state-owned land and real property in the Upper Sioux Agency Historic Site, as defined in Minnesota Statutes, section 138.662, subdivision 33, to the Upper Sioux Community. In cooperation with the commissioner of natural resources, the Minnesota Historical Society must identify any funding restrictions or other legal barriers to conveying the land.

(c) By January 15, 2024, the commissioner, in cooperation with the Minnesota Historical Society, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources that identifies all barriers to conveying land within Upper Sioux Agency State Park and recommendations for addressing those barriers, including any legislation needed to eliminate those barriers.

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

Sec. 98. **REQUIRED RULEMAKING.**

Subdivision 1. **Snowmobile registration.** (a) The commissioner of natural resources must amend Minnesota Rules as follows:

(1) part 6100.5000, subpart 1, by striking the last sentence and inserting "The registration number remains the same if renewed by July 1 following the expiration date."; and

(2) part 6100.5700, subpart 1, item C, by striking the reference to registration numbers.

(b) The commissioner may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Subd. 2. **Walk-in access program.** The commissioner of natural resources must amend Minnesota Rules, part 6230.0250, subpart 10, item A, subitem (2), to replace the word "hunter" with "person." The commissioner may use the good cause exempt rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

Sec. 99. **REGISTRATION DECAL FORMAT TRANSITION.**

Separately displaying registration numbers is not required when a larger-format registration decal as provided under Minnesota Statutes, section 84.82, subdivision 2, is displayed according to Minnesota Statutes, section 84.82, subdivision 3b. Snowmobiles displaying valid but older, smaller-format registration decals must display the separate registration numbers. Persons may obtain duplicate registration decals in the new, larger format, when available, without being required to display the separate registration numbers.

Sec. 100. **REPORT ON FERAL PIGS AND MINK.**

By February 15, 2024, the commissioner of natural resources, in cooperation with the Board of Animal Health and the commissioners of agriculture and health, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment and natural resources that:

(1) identifies the responsibilities of the Board of Animal Health and the commissioners of natural resources, health, and agriculture for managing feral pigs and mink;

(2) identifies any need to clarify or modify responsibilities for feral pig and mink management; and

(3) includes policy recommendations for managing feral pigs and mink to further prevent negative impacts on the environment and human health.

Sec. 101. **STATUTORY AND RULE REVISIONS TO PREVENT FISH KILLS IN DRIFTLESS AREA.**

By January 15, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must make recommendations to the legislature for statutes and rules that should be amended to prevent fish kills within the boundaries of the Department of Natural Resources Paleozoic Plateau ecological section.

Sec. 102. **TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 103. **SWAN RESTITUTION VALUES; RULE AMENDMENTS.**

(a) The commissioner of natural resources must amend Minnesota Rules, part 6133.0030, to increase the restitution value of a tundra swan from $200 to $1,000 and the restitution value of a trumpeter swan from $1,000 to $2,500.

(b) The commissioner of natural resources must amend Minnesota Rules, chapter 6133, to double the restitution values for wild game when a person takes, harasses, or destroys the wild game with malicious intent.

(c) The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 104. **NATIVE FISH CONSERVATION; REPORTS.**

(a) By August 1, 2023, the commissioner of natural resources must submit a written update on the progress of identifying necessary protection and conservation measures for native fish currently defined as rough fish under Minnesota Statutes, section 97A.015, subdivision 43, including buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

(b) By December 15, 2023, the commissioner of natural resources must submit a written report with recommendations for statutory and rule changes to provide necessary protection and conservation measures and research needs for native fish currently designated as rough fish to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The report must include recommendations for amending Minnesota Statutes to separately classify fish that are native to Minnesota and that are currently designated as rough fish and invasive fish that are currently designated as rough fish. For the purposes of this paragraph, native fish include but are not limited to bowfin (*Amia calva*), bigmouth buffalo (*Ictiobus cyprinellus*), smallmouth buffalo (*Ictiobus bubalus*), burbot (*Lota lota*), longnose gar (*Lepisosteus osseus*), shortnose gar (*Lepisosteus platostomus*), goldeye (*Hiodon alosoides*), mooneye (*Hiodon tergisus*), and white sucker (*Catostomus commersonii*), and invasive fish include but are not limited to bighead carp (*Hypophthalmichthys nobilis*), grass carp (*Ctenopharyngodon idella*), and silver carp (*Hypophthalmichthys molitrix*).

Sec. 105. **WATER-USE PERMITS; CITY OF LAKE ELMO.**

(a) Notwithstanding any other provision of law, the commissioner of natural resources may:

(1) issue permits necessary for the city of Lake Elmo to construct and operate a new municipal water supply well; and

(2) amend existing water-use permits issued to the city of Lake Elmo to increase the authorized volume of water that may be appropriated under the permits to a level consistent with the amount anticipated to be needed each year according to a water supply plan approved by the commissioner under Minnesota Statutes, section 103G.291.

(b) Notwithstanding paragraph (a), all new and amended water-use permits issued by the commissioner to the city of Lake Elmo must contain the same water-use conservation and planning measures required by law for municipal wells located wholly or partially within the five-mile radius of White Bear Lake.

(c) This section expires June 30, 2027.

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

Sec. 106. **WHITE BEAR LAKE AREA WATER-USE PERMIT MODIFICATION MORATORIUM.**

(a) Except as provided under paragraph (b), the commissioner of natural resources may not reduce the total maximum amount of groundwater use permitted under a White Bear Lake area water-use permit issued or amended before January 1, 2023.

(b) Notwithstanding paragraph (a), the commissioner of natural resources may reduce the authorized amount of groundwater use permitted or impose additional restrictions or conditions if necessary to address emergency preparedness or other public health and safety issues as determined by the commissioner.

(c) Except as provided under paragraph (b), this section does not authorize the commissioner to reduce or eliminate water-use conservation or planning conditions imposed on municipal water appropriation permits for wells located wholly or partially within a five-mile radius of White Bear Lake.

(d) For the purposes of this section, "White Bear Lake area water-use permit" means a water-use permit authorizing the use of groundwater from one or more municipal wells located wholly or partially within a five-mile radius of White Bear Lake.

(e) This section expires June 30, 2027.

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

Sec. 107. **ANALYSIS OF CROSSBOW HUNTING'S EFFECT ON DEER POPULATION.**

By October 1, 2025, the commissioner of natural resources must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources an analysis of the effect that allowing persons who are under age 60 to hunt with a crossbow during regular archery seasons has had on the deer population in this state.

Sec. 108. **DEPARTMENT OF NATURAL RESOURCES OUTREACH TO SOUTHEAST ASIAN MINNESOTANS.**

The commissioner of natural resources must recruit and hire at least 3.5 full-time equivalent positions to engage in outreach to members of Southeast Asian communities in Minnesota about hunting and fishing opportunities and regulations in this state. No more than two of these full-time equivalent positions may be conservation officers and all persons hired pursuant to this section must be fluent in the Hmong or Karen language.

Sec. 109. **ENSURING ADEQUATE BAIT SUPPLY.**

(a) Notwithstanding Minnesota Statutes, sections 97C.211, 97C.341, and 97C.515, or any other provision of law, the commissioner of natural resources may adopt emergency rules in accordance with Minnesota Statutes, section 84.027, subdivision 13, including by the expedited emergency process described in Minnesota Statutes, section 84.027, subdivision 13, paragraph (b), to alleviate a shortage of bait in this state, including by allowing importation of live minnows into the state. Only minnows harvested from waters in states that are adjacent to Minnesota may be imported under this section.

(b) By January 15, 2024, the commissioner, in consultation with bait producers, bait harvesters, retailers, and other fishing interest groups, must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources to ensure a viable Minnesota-grown bait supply and sustainable bait industry for anglers of Minnesota that minimizes the risk of spreading aquatic invasive species or fish disease in Minnesota.

(c) This section expires June 30, 2025.

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

Sec. 110. **RECOMMENDATIONS FOR REDUCING AQUATIC INVASIVE SPECIES CONTAMINATION IN TROUT STREAMS.**

By January 15, 2024, the commissioner of natural resources, in consultation with Minnesota Trout Unlimited and other trout stream angling organizations, must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy recommendations for statutory and program changes to reduce the risk of aquatic invasive species contamination in Minnesota trout streams.

Sec. 111. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions of Minnesota Statutes, section 103G.005, listed in column A to the references listed in column B. The revisor must make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering:

Column A	Column B
subdivision 9b	subdivision 9d
subdivision 13a	subdivision 13c
subdivision 15h	subdivision 15j

Sec. 112. **REPEALER.**

(a) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; 6100.5700, subpart 4; and 6115.1220, subpart 8, are repealed.

(b) Minnesota Statutes 2022, sections 86B.101; 86B.305; and 86B.313, subdivisions 2 and 3, are repealed.

(c) Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

(d) Minnesota Statutes 2022, section 97C.605, subdivisions 2, 2a, 2b, and 5, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2025, and paragraphs (c) and (d) are effective January 1, 2024.

ARTICLE 5
WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 2, is amended to read:

Subd. 2. **Voting members.** (a) The members are:

(1) three county commissioners;

(2) three soil and water conservation district supervisors;

(3) three watershed district or watershed management organization representatives;

(4) three citizens who are not employed by, or the appointed or elected officials of, a state governmental office, board, or agency;

(5) one township officer;

(6) two elected city officials, one of whom must be from a city located in the metropolitan area, as defined under section 473.121, subdivision 2;

(7) the commissioner of agriculture;

(8) the commissioner of health;

(9) the commissioner of natural resources;

(10) the commissioner of the Pollution Control Agency; and

(11) the director of the University of Minnesota Extension Service.

(b) Members in paragraph (a), clauses (1) to (6), must be distributed across the state with at least four members but not more than six members from the metropolitan area, as defined by section 473.121, subdivision 2.

(c) Members in paragraph (a), clauses (1) to (6), are appointed by the governor. In making the appointments, the governor may consider persons recommended by the Association of Minnesota Counties, the Minnesota Association of Townships, the League of Minnesota Cities, the Minnesota Association of Soil and Water Conservation Districts, and the Minnesota Association of Watershed Districts. The list submitted by an association must contain at least three nominees for each position to be filled.

(d) The membership terms, compensation, removal of members and filling of vacancies on the board for members in paragraph (a), clauses (1) to (6), are as provided in section 15.0575, except that a member may be compensated at the rate of up to $125 a day.

Sec. 2. Minnesota Statutes 2022, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** (a) In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning and implementation activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, contracts and easements, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

(b) The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized or delegated purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may conduct or participate in local, state, or federal programs or projects that have as one purpose or effect the preservation or enhancement of water and soil resources and may enter into and administer agreements with local governments or landowners or their designated agents as part of those programs or projects. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with ~~the~~ Camp Ripley's Army Compatible Use Buffer Project, Sentinel Landscape program, or related conservation programs. The board may enter into agreements, including grant agreements, with Tribal nations, federal agencies, higher education institutions, local governments, and private sector organizations to carry out programs and other responsibilities prescribed or allowed by statute.

(c) Any money received is hereby deposited in an account in a fund other than the general fund and appropriated and dedicated for the purpose for which it is granted.

Sec. 3. Minnesota Statutes 2022, section 103B.101, subdivision 16, is amended to read:

Subd. 16. **~~Water quality~~ Conservation practices; standardized specifications.** (a) The board ~~of Water and Soil Resources shall~~ must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and provide recommendations for standardized specifications for ~~water quality and soil~~ conservation ~~protection and improvement~~ practices ~~and~~, projects~~.~~, and systems for:

(1) erosion or sedimentation control;

(2) improvements to water quality or water quantity;

(3) habitat restoration and enhancement;

(4) energy conservation; and

(5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 4. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision to read:

Subd. 18. **Guidelines for establishing and enhancing native vegetation.** (a) The board must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and to provide recommendations for standardized specifications to establish and enhance native vegetation to provide benefits for:

(1) water quality;

(2) soil conservation;

(3) habitat enhancement;

(4) energy conservation; and

(5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 5. Minnesota Statutes 2022, section 103B.103, is amended to read:

103B.103 EASEMENT STEWARDSHIP ACCOUNTS.

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, ~~wetland banking~~ mitigation fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing easements held by the board, including costs associated with:

(1) repairing or replacing structures;

(2) monitoring~~,~~;

(3) landowner contacts~~,~~;

(4) records storage and management~~,~~;

(5) processing landowner notices~~,~~;

(6) requests for approval or amendments~~,~~;

(7) enforcement~~,~~; and

(8) legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland ~~banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

(1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;

(2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;

(3) the estimated annual travel expenses to manage the easement;

(4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation;

(6) the estimated annualized costs for repairing or replacing water control structures; and

~~(6)~~ (7) the expected rate of return on investments in the account.

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

Sec. 6. **[103B.104] LAWNS TO LEGUMES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to plant residential landscapes and community spaces with native vegetation and pollinator-friendly forbs and legumes to:

(1) protect a diversity of pollinators with declining populations; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may give priority consideration for proposals in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees and other priority species to be present.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 7. **[103B.105] HABITAT-FRIENDLY UTILITIES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to promote the successful establishment of native vegetation as part of utility projects, including solar and wind projects, pipelines, and electrical transmission corridors, to:

(1) ensure the integrity and resiliency of Minnesota landscapes; and

(2) protect habitat and water resources.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners for protecting high-priority natural resources and wildlife species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors to implement and promote the program.

Sec. 8. **[103B.106] HABITAT ENHANCEMENT LANDSCAPE PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to establish or enhance areas of diverse native vegetation to:

(1) support declining populations of bees, butterflies, dragonflies, birds, and other wildlife species that are essential for ecosystems and food production across conservation lands, open spaces, and natural areas; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners as high priority for protecting endangered or threatened pollinator and other species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 9. Minnesota Statutes 2022, section 103C.501, subdivision 1, is amended to read:

Subdivision 1. **~~Cost-share~~ Program authorization.** The state board may allocate available funds to districts ~~to share the cost of systems or~~ for practices, projects, and systems for:

(1) erosion or sedimentation control ~~or~~;

(2) improvements to water quality ~~improvement that are designed to protect and improve soil and water resources.~~ or water quantity;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

Sec. 10. Minnesota Statutes 2022, section 103C.501, subdivision 4, is amended to read:

Subd. 4. **~~Cost-sharing~~ Use of funds.** ~~(a) The state board shall allocate cost-sharing funds to areas with high-priority erosion, sedimentation, or water quality problems or water quantity problems due to altered hydrology. The areas must be selected based on priorities established by the state board.~~

~~(b)~~ The allocated funds must be used ~~for~~:

(1) for conservation ~~practices for high-priority problems~~ activities, including technical and financial assistance, identified in ~~the comprehensive and annual work plans of the districts, for the technical assistance portion of the grant funds~~ state-approved plans that are related to water and natural resources and established under chapters 103B, 103C, 103D, 103F, 103G, and 114D;

(2) to leverage federal or other nonstate funds~~,~~; or

(3) to address high-priority needs identified ~~in local water management plans or comprehensive watershed management plans~~ by the district based on public input.

Sec. 11. Minnesota Statutes 2022, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district ~~board~~ may ~~contract on a cost-share basis to furnish financial aid to~~ provide technical and financial assistance to a land occupier or to a state or federal agency for ~~permanent systems~~ practices and projects for:

(1) erosion or sedimentation control ~~or~~;

(2) improvements to water quality or water quantity ~~improvements that are consistent with the district's comprehensive and annual work plans.~~;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

(b) A district ~~board, with approval from the state board and~~, consistent with state board rules and policies, may contract ~~on a cost-share basis to furnish financial aid to a land occupier for~~ to provide technical and financial assistance for structural and nonstructural ~~land management~~ practices ~~that are part of a planned erosion control or water quality improvement plan~~ and projects.

~~(c) The duration of the contract must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages and penalties in an amount up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.~~

~~(d) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost-sharing portion of the contract through services in kind.~~

~~(e)~~ (c) The state board or the district ~~board~~ may not furnish any financial ~~aid~~ assistance for practices designed only to increase land productivity.

~~(f)~~ (d) When a district ~~board~~ determines that long-term maintenance of a system or practice is desirable, the district or the state board may require that maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.

Sec. 12. Minnesota Statutes 2022, section 103C.501, subdivision 6, is amended to read:

Subd. 6. **Policies and rules.** ~~(a)~~ The state board may adopt rules and shall adopt policies prescribing:

(1) procedures and criteria for allocating funds ~~for cost-sharing contracts~~; and

(2) standards and guidelines for ~~cost-sharing~~ implementing the conservation contracts~~;~~ program.

~~(3) the scope and content of district comprehensive plans, plan amendments, and annual work plans;~~

~~(4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high priority erosion, sedimentation, and water quality problems and water quantity problems due to altered hydrology;~~

~~(5) the share of the cost of conservation practices to be paid from cost-sharing funds; and~~

~~(6) requirements for districts to document their efforts to identify and contact land occupiers with high priority problems.~~

~~(b) The rules may provide that cost sharing may be used for windbreaks and shelterbelts for the purposes of energy conservation and snow protection.~~

Sec. 13. Minnesota Statutes 2022, section 103C.501, is amended by adding a subdivision to read:

Subd. 7. **Inspections.** The district or the district's delegate must conduct site inspections of conservation practices installed to determine if the land occupier is in compliance with design, operation, and maintenance specifications.

Sec. 14. Minnesota Statutes 2022, section 103D.605, subdivision 5, is amended to read:

Subd. 5. **Establishment order.** After the project hearing, if the managers find that the project will be conducive to public health, will promote the general welfare, and ~~is in compliance~~ complies with the watershed management plan and the provisions of this chapter, the ~~board~~ managers must, by order, establish the project. The establishment order must include the findings of the managers.

Sec. 15. **[103F.06] SOIL HEALTH PRACTICES PROGRAM.**

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

(1) "board" means the Board of Water and Soil Resources;

(2) "local units of government" has the meaning given under section 103B.305, subdivision 5; and

(3) "soil health" has the meaning given under section 103C.101, subdivision 10a.

Subd. 2. **Establishment.** (a) The board must administer a financial and technical support program to produce soil health practices that achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits or reduce pesticide and fertilizer use.

(b) The program must include but is not limited to no till, field borders, prairie strips, cover crops, and other practices sanctioned by the board or the United States Department of Agriculture's Natural Resources Conservation Service.

Subd. 3. **Financial and technical assistance.** (a) The board may provide financial and technical support to local units of government, private sector organizations, and farmers to establish soil health practices and related practices with climate and water-quality benefits.

(b) The board must establish practices and costs that are eligible for financial and technical support under this section.

Subd. 4. **Program implementation.** (a) The board may employ staff or enter into external agreements to implement this section.

(b) The board must assist local units of government in achieving the objectives of the program, including assessing practice standards and program effectiveness.

Subd. 5. **Federal aid availability.** The board must regularly review and optimize the availability of federal funds and programs to supplement or complement state and other efforts consistent with the purposes of this section.

Subd. 6. **Soil health practices.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to establish soil health goals for the state that will achieve water quality, soil productivity, climate change resiliency, and carbon sequestration benefits and reduce pesticide and fertilizer use.

Sec. 16. Minnesota Statutes 2022, section 103F.505, is amended to read:

103F.505 PURPOSE AND POLICY.

(a) It is the purpose of sections 103F.505 to 103F.531 to restore certain marginal agricultural land and protect environmentally sensitive areas to:

(1) enhance soil and water quality~~,~~;

(2) minimize damage to flood-prone areas~~,~~;

(3) sequester carbon~~, and~~;

(4) support native plant, fish, and wildlife habitats~~.~~; and

(5) establish perennial vegetation.

(b) It is state policy to encourage ~~the~~:

(1) restoration of wetlands and riparian lands ~~and promote the retirement~~;

(2) restoration and protection of marginal, highly erodible land, particularly land adjacent to public waters, drainage systems, wetlands, and locally designated priority waters~~.~~; and

(3) protection of environmentally sensitive areas, including wellhead protection areas, grasslands, peatlands, shorelands, karst geology, and forest lands in priority areas.

Sec. 17. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5a. **Grasslands.** "Grasslands" means landscapes that are or were formerly dominated by grasses, that have a low percentage of trees and shrubs, and that provide economic and ecosystem services such as managed grazing, wildlife habitat, carbon sequestration, and water filtration and retention.

Sec. 18. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 8d. **Restored prairie.** "Restored prairie" means a restoration that uses at least 25 representative and biologically diverse native prairie plant species and that occurs on land that was previously cropped or used as pasture.

Sec. 19. **[103F.519] REINVEST IN MINNESOTA WORKING LANDS PROGRAM.**

Subdivision 1. **Establishment.** The board may establish and administer a reinvest in Minnesota working lands program that is in addition to the program established under section 103F.515. Selecting land for the program must be based on the land's potential for:

(1) protecting or improving water quality;

(2) reducing erosion;

(3) improving soil health;

(4) reducing chemical inputs;

(5) improving carbon storage; and

(6) increasing biodiversity and habitat for fish, wildlife, and native plants.

Subd. 2. **Applicability.** Section 103F.515 applies to this section except as otherwise provided in subdivisions 1, 3, and 4.

Subd. 3. **Nature of property rights acquired.** Notwithstanding section 103F.515, subdivision 4, paragraph (a), the board may authorize managed haying and managed livestock grazing, perennial or winter annual cover crop production, forest management, or other activities that the board determines are consistent with section 103F.505 or appropriation conditions or criteria.

Subd. 4. **Payments for easements.** The board must establish payment rates for acquiring easements and for related practices. The board must consider market factors as well as easement terms, including length and allowable uses, when establishing rates.

Sec. 20. Minnesota Statutes 2022, 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; 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. 21. **DRAINAGE WORK GROUP REPORT.**

(a) The Board of Water and Soil Resources and the Drainage Work Group established under Minnesota Statutes, section 103B.101, subdivision 13, must evaluate and develop recommendations on the following subjects:

(1) the definition and application of outlet adequacy as provided in Minnesota Statutes, section 103E.261; and

(2) public notice requirements for proposed public drainage activities, including a drainage registry portal.

(b) The board must submit the report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by February 1, 2024.

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2022, section 103C.501, subdivisions 2 and 3, are repealed.

(b) Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4 and 5; 8400.0900, subparts 1, 2, 4, and 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; and 8400.1900, are repealed.

ARTICLE 6
STATE LANDS

Section 1. Minnesota Statutes 2022, section 84.66, subdivision 7, is amended to read:

Subd. 7. **Landowner responsibilities.** The commissioner may enroll eligible land in the program by signing an easement in recordable form with a landowner in which the landowner agrees to:

(1) convey to the state a permanent easement that is not subject to any prior title, lien, or encumbrance, except for preexisting easements that are acceptable to the commissioner; and

(2) manage the land in a manner consistent with the purposes for which the land was selected for the program and not convert the land to other uses.

Sec. 2. Laws 2023, chapter 9, section 19, is amended to read:

Sec. 19. **LAND EXCHANGE; ST. LOUIS COUNTY.**

Subdivision 1. **Authority.** (a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, St. Louis County may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in the form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The lands that may be conveyed are located in St. Louis County and are described as:

(1) Sections 1 and 2, Township 53 North, Range 18 West;

(2) Sections 19, 20, 29, 30, 31, and 32, Township 54 North, Range 17 West;

(3) Sections 24, 25, 26, and 35, Township 54 North, Range 18 West;

(4) Sections 22, 23, 26, and 27, Township 54 North, Range 19 West; and

(5) Sections 8, 9, 17, and 18, Township 55 North, Range 18 West.

Subd. 2. **Exchange for greater than substantially equal value.** Notwithstanding Minnesota Statutes, section 94.344, subdivisions 3 and 5, or any other law to the contrary, the county may require the exchange partner to exchange lands or a combination of lands and money valued in the amount of at least 125 percent of the state land referenced in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of the state.

Sec. 3. **ADDITIONS TO STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 21.] Frontenac State Park, Goodhue County.** The following area is added to Frontenac State Park, Goodhue County:

That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of the Southeast Quarter of said Section 10; thence southerly on an assumed azimuth from North of 189 degrees 34 minutes 33 seconds, along the east line of the Southeast Quarter of said Section 10, a distance of 1,100.31 feet; thence westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds azimuth, a distance of 286.97 feet to the centerline of County Road Number 2, as now located and established; thence southerly and southwesterly, along said centerline, to the intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth from the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 51.66 feet to the point of beginning.

EXCEPT the following described premises:

Part of the Northeast Quarter of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 6 on the plat designated as Goodhue County Right-of-Way Plat No. 23 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

ALSO EXCEPT the following:

Part of the Northwest Quarter of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 1 on the plat designated as Goodhue County Highway Right-Of-Way Plat No. 24 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

Subd. 2. **[85.012] [Subd. 60.] William O'Brien State Park, Washington County.** The following area is added to William O'Brien State Park, Washington County:

The South Half of the Northwest Quarter, except the East 2 rods thereof, Section 25, Township 32, Range 20.

Sec. 4. **ADDITION TO STATE FOREST.**

[89.021] [Subd. 42a.] Riverlands State Forest. Those parts of St. Louis County described as follows are added to Riverlands State Forest:

That part of Government Lot 8, Section 30, Township 51 North, Range 19, St. Louis County, Minnesota, lying northwesterly of the railroad right-of-way.

Sec. 5. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; AITKIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Aitkin County and is described as:

The West 16.25 feet of that part of the 32.50-foot-wide road, as delineated on the Plat of Sugar Lake Addition, according to the plat of record and on file in the Office of the County Recorder in and for Aitkin County, Minnesota lying northerly of the following described line: Commencing at the iron monument at the southwest corner of Section 2, Township 45, Range 25, said Aitkin County, Minnesota; thence North 0 degrees 00 minutes 23 seconds West, assumed bearing, 2,020.36 feet along the west line of said Section 2 to the point of beginning of the line to be described; thence North 89 degrees 59 minutes 37 seconds East 32.50 feet to the west line of Lot 1 said Sugar Lake Addition and said line there terminating.

(d) The land borders Sugar Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 6. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

All that part of Government Lot 2, Section 12, Township 139 North, Range 40 West of the 5th P.M., bounded by the water's edge of Cotton Lake and the following described lines: Commencing at the North quarter corner of said Section 12, from which the northwest corner of said section bears North 90 degrees 00 minutes West; thence South 00 degrees 00 minutes East, 325.0 feet; thence North 90 degrees 00 minutes East, 72.0 feet to the point of beginning and the centerline of County State-Aid Highway No. 29; thence South 25 degrees 52 minutes East, 222.27 feet along the centerline of said highway; thence North 90 degrees 00 minutes West, 284.0 feet, more or less, to the water's edge of Cotton Lake and there terminating; and from the point of beginning, North 90 degrees 00 minutes West, 249.1 feet, more or less, to the water's edge of Cotton Lake and there terminating.

(d) The land borders Cotton Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 7. **PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

Lot 1, Pearl Hill, according to the certified plat on file and of record in the Office of the Register of Deeds in and for Becker County, Minnesota, and being a part of Government Lots 2 and 3, Section 13, Township 138 North, Range 42 West.

(d) The land borders Pearl Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 8. **PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Beltrami County and is described as:

That part of the Southwest Quarter of the Southwest Quarter, Section 20, Township 150 North, Range 35 West, Beltrami County, Minnesota: Commencing at the southwest corner of the said Southwest Quarter of the Southwest Quarter, said corner is documented by a Certificate of Location of Government Corner filed in the Office of the Beltrami County Recorder on February 14, 2013, by Document No. A000529106; thence South 89 degrees 31 minutes 48 seconds East, bearing based on the Beltrami County Coordinate System, South Zone, along the south line of said Southwest Quarter of the Southwest Quarter, a distance of 1,318.01 feet; thence North 00 degrees 00 minutes 57 seconds West, along the east line of said Southwest Quarter of the Southwest Quarter, a distance of 929.92 feet to the point of beginning of land to be described and said point is designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence continue North 00 degrees 00 minutes 57 seconds West, along said east line, a distance of 151.79 feet to a point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence North 81 degrees 33 minutes 00 seconds West a distance of 62.18 feet to a point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence South 08 degrees 27 minutes 00 seconds West a distance of 150.14 feet to the intersection with a line bearing North 81 degrees 33 minutes 00 seconds West from the point of beginning and said intersection is designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence South 81 degrees 33 minutes 00 seconds East a distance of 84.53 feet to the point of beginning (0.25 acres) (part of parcel identification number 01.00227.00).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve an encroachment.

Sec. 9. **PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Beltrami County and is described as: the East 11.00 feet of the North 80.00 feet of the South 714.97 feet of the Northwest Quarter of the Southeast Quarter, Section 1, Township 146 North, Range 34 West, Beltrami County, Minnesota (0.02 acres) (part of parcel identification number 15.00030.00).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve an encroachment.

Sec. 10. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; CROW WING COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Crow Wing County and is described as:

That part of Government Lot 2, Section 11, Township 44, Range 28, Crow Wing County, Minnesota, described as follows: Commencing at the southeast corner of said Government Lot 2; thence South 89 degrees 08 minutes 05 seconds West, assumed bearing along the south line of said Government Lot 2 a distance of 203.73 feet to the westerly right-of-way of State Highway No. 18; thence North 24 degrees 13 minutes 27 seconds West, along said westerly right-of-way 692.40 feet, to the point of beginning; thence continuing North 24 degrees 13 minutes 27 seconds West along said westerly right-of-way 70.31 feet; thence North 89 degrees 25 minutes 27 seconds West 90.00 feet; thence South 11 degrees 16 minutes 29 seconds East 87.00 feet; thence North 78 degrees 43 minutes 31 seconds East 103.84 feet to the point of beginning. Said parcel contains 0.17 acres of land, more or less, and is subject to existing easements of record.

(d) The tax parcel from which the land will be split borders Borden Lake, but the land to be sold does not border Borden Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 11. **PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Itasca County and is described as: the Northwest Quarter of the Southeast Quarter, Section 25, Township 56, Range 25 (parcel identification number 02-025-4200).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 12. **PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; KANDIYOHI COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public or private sale the surplus land that is described in paragraph (c), subject to the state's reservation of a perpetual flowage easement.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Kandiyohi County and is described as:

Lots 18 and 19 of First Addition to Walleye Beach, according to the plat thereof on file and of record in the Office of the Register of Deeds in and for Kandiyohi County, Minnesota.

(d) The land borders Florida Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 13. **PRIVATE SALE OF TAX-FORFEITED LANDS; KOOCHICHING COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or any other law to the contrary, Koochiching County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Koochiching County and is described as:

That part of Lot 53, Plat of Riverview Acres, according to the recorded plat thereof on file in the Office of the County Recorder, Koochiching County, Minnesota, lying northwesterly of the following described line: Commencing at the northwest corner of said Lot 53; thence South 89 degrees 59 minutes 47 seconds East 31.00 feet along the north line of said Lot 53 to the point of beginning of the line to be described; thence South 67 degrees 10 minutes 42 seconds West 33.51 feet to the west line of said Lot 53 and there terminating. Said parcel contains 200 square feet, more or less.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 14. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 6, Block 12, Chambers First Division of Duluth (parcel number 010-0460-00660).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 15. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The West 3 feet of the North 20 feet of Lot 87, Block 75, Duluth Proper Third Division (parcel number 010-1310-01945).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 16. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 90, except the North 100 feet and except the East Half of the South 50 feet of Lot 90 and except the West 6 feet of the South 50 feet of the West Half of Lot 90, Block 75, Duluth Proper Third Division (parcel number 010-1310-02125).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 17. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Block 11, Endion Park Division of Duluth (parcel number 010-1490-00860).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 18. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lots 52, 54, and 56, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01260);

(2) Lots 58 and 60, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01290);

(3) Lots 21 thru 39, odd numbers, and Lot 41 except the North 52 feet, and except the North 52 feet of Lots 43, 45, and 47, and Lots 49 and 51 except that part lying North of a line drawn from a point on the westerly line of Lot 49 and 52 feet South of the northwest corner to a point on the easterly line of Lot 51 38.1 feet South of the northeast corner, and all of Lots 53, 55, 57, and 59, and except that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39, and except the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and except that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and except Lot 59, and except that part of Lots 25, 27, 29, 31, 33, 35, 37, and 39 lying southerly of a line run parallel with and distant 20 feet southerly of the following described line: beginning at a point on the west line of Lot 21, distant 13.56 feet South of the northwest corner thereof; thence southeasterly to a point on the east line of said Lot 39, distant 54.83 feet South of the northeast corner thereof and there terminating, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00290); and

(4) that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39 and the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and Lot 59, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00291).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 19. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 28, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01140);

(2) Lot 30, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01150);

(3) Lot 32, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01160);

(4) Lot 34, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01170);

(5) Lot 36, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01180);

(6) Lot 38, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01190);

(7) Lots 40 thru 48, even numbered lots, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01200); and

(8) Lot 50, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01250).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 20. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The South Half of Section 31, Township 50, Range 20, Town of Fine Lakes (part of parcel number 355-0010-04960).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 21. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Sherburne County and is described as:

That part of Government Lot 6, Section 31, Township 34 North, Range 27 West, Sherburne County, Minnesota, described as follows: Commencing at the most northerly corner of Outlot A, Eagle Lake Estates, according to the plat thereof on file and of record in the Office of the County Recorder in and for Sherburne County, Minnesota, being an existing iron monument with an aluminum cap stamped "Judicial Landmark 16095" (JLM); thence southwesterly 146.20 feet along the easterly line of said Outlot A on a curve concave to the southeast, having a central angle of 14 degrees 41 minutes 15 seconds, radius of 570.32 feet, and a chord bearing of South 29 degrees 12 minutes 20 seconds West, to a JLM; thence South 21 degrees 51 minutes 43 seconds West, along said easterly line, 196.53 feet to the point of beginning; thence continuing South 21 degrees 51 minutes 43 seconds West, along said easterly line, 35.00 feet to a JLM; thence South 89 degrees 38 minutes 17 seconds East, along the northerly line of said Outlot A, 87 feet, more or less, to the water's edge of Eagle Lake; thence northerly along said water's edge, 45 feet, more or less, to a line bearing North 80 degrees 55 minutes 20 seconds East from the point of beginning; thence South 80 degrees 55 minutes 20 seconds West 70 feet, more or less, to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 22. **LEASE; TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, St. Louis County may lease the tax-forfeited lands described in paragraph (b) for consideration of more than $50,000 per year or for a period exceeding 25 years to support new capital investment to support business expansion in the port.

(b) The lands to be leased are located in St. Louis County, city of Duluth, Rearrangement of Auditor's Plat of West Duluth Outlots, and are described as:

(1) that part of Out Lot Q described as follows: Commencing at the intersection of the extended center line of 50th Avenue West the United States government dock line as now established running thence North along said extended center line of 50th Avenue West a distance of 1,261 feet; thence southerly parallel with the southwesterly line of Lesure Street to intersection with the said dock line; thence westerly along said dock line to place of beginning (parcel number: 010-0130-00310) except public waters; and

(2) that part of Out Lots Q and R as follows: Commencing at the intersection of extended center line of 50th Avenue West and the United States government dock line running thence North along said extended center line of 50th Avenue West 1,261 feet to the place of beginning; thence southerly parallel with the southwest line of Lesure Street to intersection with said dock line; thence easterly along said dock line to a point 550 feet southwesterly from said southwesterly line of Lesure Street measured at right angles thereto; thence northwesterly parallel with said southwestern line of Lesure Street to said extended center line of said 50th Avenue West thence southerly along center line to place of beginning, excluding the railroad right-of-way (parcel number: 010-0130-00320) except public waters.

Sec. 23. **EXCHANGE OF STATE LAND; ST. LOUIS COUNTY.**

Subdivision 1. **Authority.** (a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, the commissioner of natural resources may, with the approval of the Land Exchange Board, as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in a form approved by the commissioner. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The state lands that may be conveyed are located in St. Louis County and are described as:

(1) Section 6, Township 53 North, Range 17 West;

(2) the Northeast Quarter of Section 29, Township 54 North, Range 17 West;

(3) the South Half of Section 30, Township 54 North, Range 17 West;

(4) the Northwest Quarter of Section 31, Township 54 North, Range 17 West; and

(5) Section 36, Township 54 North, Range 18 West.

(d) The state land administered by the commissioner of natural resources borders Jenkins Creek in portions of Sections 30 and 31 of Township 54 North, Range 17 West and includes approximately 210 feet of water frontage on Nichols Lake on Lot 7 of Section 6, Township 53 North, Range 17 West. The private land to be exchanged is forest land. While the exchange proposal does not provide at least equal opportunity for access to waters by the public, the land to be acquired by the commissioner in the exchange will increase the total riparian frontage of future state-administered lands and improve access to adjacent state forest lands.

Subd. 2. **Exchange for greater than substantially equal value.** (a) Notwithstanding Minnesota Statutes, section 94.343, subdivisions 3 and 5, or any other law to the contrary, the commissioner shall require the exchange partner to exchange lands or a combination of lands and money valued in the amount of at least 125 percent of the state land referenced in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of the school trust.

(b) Any money received under this subdivision shall be deposited in the permanent school fund pursuant to Minnesota Statutes, section 127A.32.

Sec. 24. **PRIVATE SALE OF LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale and competitive bidding provisions of Minnesota Statutes, chapter 373, or other law to the contrary, St. Louis County may sell by private sale the fee-owned lands described in paragraph (b).

(b) The lands to be sold are located in St. Louis County and are described as:

(1) the Southeast Quarter of the Northeast Quarter of Section 26, Township 54 North, Range 18 West of the 4th Principal Meridian; and

(2) the Northeast Quarter of the Southeast Quarter of Section 25, Township 54 North, Range 18 West of the 4th Principal Meridian.

(c) St. Louis County has determined that county interests are best served by sale of these parcels.

Sec. 25. **LAND TRANSFER; CITY OF DULUTH.**

Subdivision 1. **Acquisition.** (a) Notwithstanding the requirements or limitations in Minnesota Statutes, section 161.20, or any other law to the contrary, the commissioner of transportation may acquire, by deed or other means, the land described in paragraph (c) from the city of Duluth for the fair market value as determined by an appraisal of the property.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be acquired is described as:

(1) the North 52 feet of Lots 41, 43, 45, and 47 on Glass Street (formerly Fourth Street) in Fond du Lac (part of parcel number 010-1620-00285); and

(2) those portions of Lots 49 and 51 on said Glass Street lying North of a straight line extending from a point on the west line of said Lot 49, distant 52 feet South measured along said west line from the northwest corner thereof, to a point on the east line of said Lot 51, distant 38.1 feet South measured along the east line of said Lot 51 from the northeast corner thereof, all in Fond du Lac (part of parcel number 010-1620-00285).

(d) The interests of the state and the city of Duluth would best be served if the land was purchased for fair market value by the commissioner of transportation in satisfaction of a State of Minnesota General Obligation Bond Financed Declaration under Minnesota Statutes, section 16A.695, and returned to the Fond du Lac Band of the Lake Superior Chippewa, also known as the Fond du Lac Band of the Minnesota Chippewa Tribe, for the Mission Creek Cemetery.

Subd. 2. **Reconveyance.** (a) Upon acquiring the land described in subdivision 1, the commissioner of transportation must convey the land according to this subdivision. Notwithstanding Minnesota Statutes, section 161.44, or any other law to the contrary, the commissioner of transportation must convey the land described in subdivision 1 for no consideration to the Fond du Lac Band of the Lake Superior Chippewa, also known as Fond du Lac Band of the Minnesota Chippewa Tribe, for the public purpose of the Mission Creek Cemetery.

(b) The conveyance must be in accordance with the state standard conveyance form and may incorporate the use restrictions contained in Term 1, paragraphs (a) and (b), of the current vesting deed.

Sec. 26. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 7
FARMED CERVIDAE

Section 1. Minnesota Statutes 2022, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal. If the animal has been outside of its enclosure less than 72 hours following notification of the commissioner of natural resources of its escape, the farmed Cervidae owner retains ownership of the animal. A licensed hunter who harvests escaped farmed Cervidae under this paragraph must notify the commissioner of natural resources within 24 hours.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease. The hunter must provide the animal to the commissioner of natural resources for testing and the commissioner must ensure the animal is tested.

(f) The possessor of the animal is responsible for proper disposal, as determined by the board, of farmed Cervidae that are killed or destroyed under this subdivision and test positive for chronic wasting disease.

(g) An owner is liable for any additional costs associated with escaped farmed Cervidae that are infected with chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

EFFECTIVE DATE. This section is effective September 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae ~~or,~~ entry into the premises by free-roaming Cervidae, and physical contact between farmed Cervidae and free-roaming Cervidae. The Board of Animal Health or commissioner of natural resources may determine whether the construction and maintenance of fencing is adequate to prevent physical contact or escape under this subdivision and may compel corrective action when fencing is determined to be inadequate. ~~After July 1, 2019,~~ All new fencing installed and all fencing used to repair deficiencies must be high tensile. ~~By December 1, 2019,~~ All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must immediately repair the deficiency. All other deficiencies must be repaired within a reasonable time, as determined by the Board of Animal Health, not to exceed ~~45~~ 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

EFFECTIVE DATE. This section is effective September 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not allow new registrations under this section for possessing white-tailed deer. This paragraph does not prohibit a person holding a valid registration under this subdivision from selling or transferring the person's registration to an immediate family member. A valid registration may be sold or transferred only once under this paragraph. Before the board approves a sale or transfer under this paragraph, the board must verify that the registration is in good standing and the eligible family member must pay a onetime transfer fee of $500 to the board.

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

Sec. 4. Minnesota Statutes 2022, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from a herd that tests positive for chronic wasting disease from any premises to another location.

(c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;

~~(1)~~ (2) depopulate the premises of Cervidae after the federal indemnification process has been completed or, if an indemnification application is not submitted, within ~~a reasonable time determined by the board in consultation with the commissioner of natural resources~~ 30 days;

~~(2)~~ (3) maintain the fencing required under subdivision 4 on the premises for ~~five~~ ten years after the date of detection; ~~and~~

~~(3)~~ (4) post the fencing on the premises with biohazard signs as directed by the board~~.~~;

(5) not raise farmed Cervidae on the premises for at least ten years;

(6) before signing an agreement to sell or transfer the property, disclose in writing to the buyer or transferee the date of depopulation and the requirements incumbent upon the premises and the buyer or transferee under this paragraph; and

(7) record with the county recorder or registrar of titles, as appropriate, in the county where the premises is located a notice, in the form required by the board, that meets the recording requirements of sections 507.093 and 507.24 and includes the nearest address and the legal description of the premises, the date of detection, the date of depopulation, the landowner requirements under this paragraph, and any other information required by the board. The legal description must be the legal description of record with the county recorder or registrar of titles and must not otherwise be the real estate tax statement legal description of the premises. The notice expires and has no effect ten years after the date of detection stated in the notice. The registrar of titles must omit an expired notice from future certificates of title.

(e) An owner of farmed Cervidae that test positive for chronic wasting disease is responsible for proper disposal of the animals, as determined by the board.

Sec. 5. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 11a. **Liability.** (a) A herd owner is liable in a civil action to a person injured by the owner's sale or unlawful disposal of farmed Cervidae if the herd owner knew or reasonably should have known that the farmed Cervidae were infected with or exposed to chronic wasting disease. Action may be brought in a county where the farmed Cervidae are sold, delivered, or unlawfully disposed.

(b) A herd owner is liable to the state for costs associated with the owner's unlawful disposal of farmed Cervidae infected with or exposed to chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

Sec. 6. Minnesota Statutes 2022, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a ~~herd that is infected or exposed to chronic wasting disease or from a known chronic wasting disease endemic area, as determined by the board. A person may import Cervidae into the state only from a herd that is not in a known chronic wasting disease endemic area, as determined by the board, and the herd has been subject to a state or provincial approved chronic wasting disease monitoring program for at least three years~~ state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

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

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

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

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

Sec. 7. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 15. **Cooperation with Board of Animal Health.** (a) The commissioner of natural resources may contract with the Board of Animal Health to administer some or all of sections 35.153 to 35.156 for farmed white-tailed deer.

(b) The commissioner of natural resources must enter into an interagency agreement which establishes roles and responsibilities necessary to protect the health of Cervidae in Minnesota consistent with state regulations.

Sec. 8. Minnesota Statutes 2022, section 35.156, subdivision 2, is amended to read:

Subd. 2. **Federal fund account.** (a) Money granted to the state by the federal government for purposes of chronic wasting disease must be credited to a separate account in the federal fund and is annually appropriated to the commissioner of agriculture for the purposes for which the federal grant was made according to section 17.03.

(b) By February 15 each year, the commissioner of agriculture, in consultation with the commissioner of natural resources and Board of Animal Health, must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture and the environment and natural resources on the receipt and expenditure of any federal money received for purposes of chronic wasting disease.

Sec. 9. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 3. **Consultation required.** The Board of Animal Health and the commissioner of natural resources must consult the Minnesota Center for Prion Research and Outreach at the University of Minnesota and incorporate peer-reviewed scientific information when administering and enforcing section 35.155 and associated rules pertaining to chronic wasting disease and farmed Cervidae.

Sec. 10. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 4. **Notice required.** The Board of Animal Health must promptly notify affected local units of government and Tribal governments when an animal in a farmed Cervidae herd tests positive for chronic wasting disease.

Sec. 11. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 5. **Live-animal testing required.** (a) Once the United States Department of Agriculture has determined that a noninvasive live-animal test capable of accurately detecting chronic wasting disease in white-tailed deer is available, the Board of Animal Health must have each farmed white-tailed deer possessed by a person registered under section 35.155 tested for chronic wasting disease using a noninvasive live-animal test offered by a public or private diagnostic laboratory. A validated live-animal test is required when moving farmed white-tailed deer six months old and over from any premises within the state within 12 weeks of movement. The Board of Animal Health may institute additional live-animal chronic wasting disease testing protocols. Live-animal testing results must be submitted to both the commissioner of natural resources and the Board of Animal Health in the form required by both agencies.

(b) If a farmed white-tailed deer tests positive using a noninvasive live-animal test, the owner must have the animal destroyed and tested for chronic wasting disease using a postmortem test approved by the Board of Animal Health.

(c) If a farmed white-tailed deer tests positive for chronic wasting disease under paragraph (b), the owner must depopulate the premises of farmed Cervidae as required under section 35.155, subdivision 11.

Sec. 12. **TRANSFER OF DUTIES; FARMED WHITE-TAILED DEER.**

(a) Responsibility for administering and enforcing the statutes and rules listed in clauses (1) and (2) for farmed white-tailed deer are, except as provided in paragraph (c), transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 to 35.156; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) The Board of Animal Health retains responsibility for administering and enforcing the statutes and rules listed in paragraph (a), clauses (1) and (2), for all other farmed Cervidae.

(c) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place.

Sec. 13. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 12. The revisor must also change the responsible agency, remove obsolete language, and make necessary cross-reference changes consistent with section 12 and the renumbering.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 35.155, subdivision 14, is repealed.

ARTICLE 8
ENVIRONMENTAL JUSTICE

Section 1. Minnesota Statutes 2022, section 16A.151, subdivision 2, as amended by Laws 2023, chapter 25, section 3, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section

256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (e).

(h) If the Minnesota Pollution Control Agency, through litigation or settlement of a matter that could have resulted in litigation, recovers $250,000 or more in a civil penalty from violations of a permit issued by the agency, then 40 percent of the money recovered must be distributed to the community health board, as defined in section 145A.02, where the permitted facility is located. Within 30 days of a final court order in the litigation or the effective date of the settlement agreement, the commissioner of the Minnesota Pollution Control Agency must notify the applicable community health board that the litigation has concluded or a settlement has been reached. The commissioner must collect the money and transfer it to the applicable community health board. The community health board must meet directly with the residents potentially affected by the pollution that was the subject of the litigation or settlement to identify the residents' concerns and incorporate those concerns into a project that benefits the residents. The project must be implemented by the community health board and funded as directed in this paragraph. The community health board may recover the reasonable costs it incurs to administer this paragraph from the funds transferred to the board under this paragraph. This paragraph directs the transfer and use of money only and does not create a right of intervention in the litigation or settlement of the enforcement action for any person or entity. A supplemental environmental project funded as part of a settlement agreement is not part of a civil penalty and must not be included in calculating the amount of funds required to be distributed to a community health board under this paragraph. For the purposes of this paragraph, "supplemental environmental project" means a project that benefits the environment or public health that a regulated facility agrees to undertake, though not legally required to do so, as part of a settlement with respect to an enforcement action taken by the Minnesota Pollution Control Agency to resolve noncompliance.

(i) A community health board receiving a transfer of funds under paragraph (h) must, no later than one year after receiving the funds, submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and natural resources that describes:

(1) the process of community engagement employed to solicit community input regarding the use of the funds;

(2) the purposes and activities for which the funds were used; and

(3) an account of expenditures.

(j) The commissioner of the Minnesota Pollution Control Agency must submit a report in September each even-numbered year, beginning in 2024, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy and natural resources that includes:

(1) the amount transferred under paragraph (h) to each community health board during the previous two years; and

(2) any agency services provided to the community health board or community residents during the duration of the project funded by the transfer, and the cost of those agency services, for consideration by the legislature for future appropriations that address reimbursement of the amount of the transfers and the cost of services provided by the agency.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all litigation actions or settlements from which the Minnesota Pollution Control Agency recovers $250,000 or more on or after that date.

Sec. 2. **[116.062] AIR TOXICS EMISSIONS REPORTING.**

(a) This section applies to facilities that are subject to paragraph (b) and are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(b) The commissioner must require owners and operators of a facility issued an air quality permit by the agency, except a facility issued an Option B registration permit under Minnesota Rules, part 7007.1120, to annually report the facility's air toxics emissions to the agency, including a facility not required as a condition of its air quality permit to keep records of air toxics emissions. The commissioner must determine the method to be used by a facility to directly measure or estimate air toxics emissions. The commissioner must amend permits and complete rulemaking, and may enter into enforceable agreements with facility owners and operators, in order to make the reporting requirements under this section enforceable.

(c) For the purposes of this section, "air toxics" means chemical compounds or compound classes that are emitted into the air by a permitted facility and that are:

(1) hazardous air pollutants listed under the federal Clean Air Act, United States Code, title 42, section 7412, as amended;

(2) chemicals reported as released into the atmosphere by a facility located in the state for the Toxic Release Inventory under the federal Emergency Planning and Community Right-to-Know Act, United States Code, title 42, section 11023, as amended;

(3) chemicals for which the Department of Health has developed health-based values or risk assessment advice;

(4) chemicals for which the risk to human health has been assessed by either the federal Environmental Protection Agency's Integrated Risk Information System; or

(5) chemicals reported by facilities in the agency's most recent triennial emissions inventory.

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

Sec. 3. **[116.065] CUMULATIVE IMPACTS ANALYSIS; PERMIT DECISIONS IN ENVIRONMENTAL JUSTICE AREAS.**

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

(b) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(c) "Cumulative impacts" means the impacts of aggregated levels of past and current air, water, and land pollution in a defined geographic area to which current residents are exposed.

(d) "Environmental justice" means:

(1) the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that could increase harm to those residents from additional exposure to pollutants.

(e) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent decennial census data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency; or

(2) located within Indian Country.

(f) "Environmental stressors" means factors that may make residents of an environmental justice area susceptible to harm from exposure to pollutants. Environmental stressors include:

(1) environmental effects on health from exposure to past and current pollutants in the environmental justice area, including any biomonitoring data from residents reported through the Centers for Disease Control, the Department of Health, or peer-reviewed scientific or medical articles; and

(2) social and environmental factors, including but not limited to poverty, substandard housing, food insecurity, elevated rates of disease, and poor access to health insurance and medical care.

(g) "Indian Country" has the meaning given in United States Code, title 18, section 1151.

(h) "Permit" means a major source air permit, as defined in Minnesota Rules, part 7007.0200, or a state air permit required under Minnesota Rules, part 7007.0250, subpart 5 or 6. Permit includes a permit required for new construction or facility expansion or the reissuance of an existing permit.

Subd. 2. **Applicability.** (a) This section applies to an application for a permit by a facility that:

(1) is located in or within one mile of a census tract that is part of an environmental justice area; and

(2) is located:

(i) in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington; or

(ii) in a city of the first class.

(b) The commissioner must enter into consultation, consistent with section 10.65, regarding the application of this section to permit applications located in Indian Country. After consultation, the Tribal government with jurisdiction over the applicable environmental justice area may elect that the facility seeking the permit action be subject to this section and must so notify the commissioner in writing.

Subd. 3. **Cumulative impacts analysis; determination of need.** (a) The commissioner is responsible for determining:

(1) whether a proposed permit action may substantially impact the environment or health of the residents of an environmental justice area; and

(2) whether a cumulative impacts analysis is required.

(b) A permit application must include:

(1) the applicant's determination of whether the permit action sought is likely to impact the environment or the health of residents of an environmental justice area;

(2) the data used by the applicant to make the determination; and

(3) information and data necessary for the commissioner to determine whether the potential impact of issuing the permit exceeds any benchmarks adopted in rules required under subdivision 6 for requiring a cumulative analysis.

(c) In making a determination whether a cumulative impacts analysis is required, the commissioner must:

(1) review the permit application and the applicant's assessment of the need to conduct a cumulative analysis;

(2) assess whether the proposed permit exceeds any of the benchmarks for conducting a cumulative impacts analysis established in rules adopted under subdivision 6; and

(3) review any other information the commissioner deems relevant, including material evidence accompanying a petition submitted under paragraph (e).

(d) The commissioner must require an applicant to conduct a cumulative impacts analysis if:

(1) the potential impacts of the permit issuance exceed any of the benchmarks for conducting a cumulative impacts analysis established in rules adopted under subdivision 6; or

(2) the commissioner determines that issuance of the permit may substantially impact the environment or health of the residents of an environmental justice area.

(e) The commissioner may require the permit applicant or permit holder to conduct a cumulative impacts analysis if:

(1) the facility is below all the benchmarks established for conducting a cumulative impacts analysis and the commissioner determines that a cumulative impacts analysis is necessary and supported by material evidence; or

(2) a petition requesting that a cumulative analysis be conducted is signed by at least 100 individuals who reside or own property in the environmental justice area impacted by the facility and is supported by material evidence that demonstrates a potential adverse cumulative impact to the impacted environmental justice area if the permit is issued.

(f) The commissioner must prepare a written document containing the reasons for the commissioner's decision regarding the need for a cumulative impacts analysis. The document must describe the information that was considered in making the decision and how the information was weighed. The commissioner must post the document on the agency website within 30 days of the determination.

Subd. 4. **Public meeting requirements.** (a) A permit applicant or permit holder required to conduct a cumulative impacts analysis under this section must hold at least two public meetings in the environmental justice area impacted by the facility before the commissioner issues or denies a permit. The first public meeting must be held before conducting a cumulative impacts analysis, and the second must be held after conducting the analysis.

(b) Before any public meeting held under this subdivision, the permit applicant or permit holder must:

(1) publish notice containing the date, time, and location of the public meeting and a brief description of the permit or project in a newspaper of general circulation in the environmental justice area at least 30 days before the meetings;

(2) post physical signage in the environmental justice area impacted, as directed by the commissioner; and

(3) provide the commissioner with notice of the public meeting and a copy of the cumulative impacts analysis at least 45 days before the second public meeting.

(c) The commissioner must post the notice and cumulative impacts analysis on the agency website at least 30 days before the second public meeting.

(d) At any public meeting held under this subdivision, the permit applicant or permit holder must:

(1) provide an opportunity for robust public and Tribal engagement; and

(2) accept written and oral comments, as directed by the commissioner, from any interested party.

(e) After a public meeting held under this subdivision, the permit applicant or permit holder must provide an electronic copy of all written comments and a transcript of all oral comments to the agency within 30 days of the meeting.

(f) If the permit applicant or permit holder is applying for more than one permit that may affect the same environmental justice area, the permit applicant or permit holder may request that the commissioner consolidate the public meeting requirements under this subdivision, requiring the facility to hold two public meetings that address all of the permits sought. The commissioner may approve or deny the request.

(g) The commissioner may incorporate conditions in a permit for a facility located in or affecting an environmental justice area to hold multiple in-person meetings with residents of the environmental justice area affected by the facility to share information and discuss community concerns.

Subd. 5. **Environmental justice area; permit decisions.** (a) In determining whether to issue or deny a permit under this section, the commissioner must consider the cumulative impacts analysis conducted, the testimony presented, and comments submitted in public meetings held under subdivision 4. The permit may be issued no earlier than 30 days following the last public meeting held under subdivision 4.

(b) Unless the commissioner enters into a community benefit agreement with the facility owner or operator, the commissioner must deny a permit subject to this section for a facility in an environmental justice area if the cumulative impacts analysis determines that issuing the permit, in combination with the environmental stressors present in the environmental justice area and considering the socioeconomic impact of the facility to the residents of the environmental justice area, would have a substantial adverse impact on the environment or health of the environmental justice area and its residents.

(c) If the facility owner or operator enters into a community benefit agreement with the commissioner, the agency may grant a permit that imposes conditions on the construction and operation of the facility to protect public health and the environment.

(d) A community benefit agreement must be signed on or before the date a new or reissued permit is issued in an environmental justice area.

(e) The commissioner must publish and maintain on the agency website a list of environmental justice areas in the state.

(f) The agency must maintain an updated database of identified environmental stressors in specific census tracts and make this database accessible to the public.

Subd. 6. **Rulemaking.** (a) The commissioner must adopt rules under chapter 14 to implement and govern the cumulative impacts analysis and issuance or denial of permits for facilities that impact environmental justice areas as provided in this section. Notwithstanding section 14.125, the agency must publish the notice of intent to adopt rules within 36 months of the effective date of this act, or the authority for the rules expires.

(b) During the rulemaking process, the Pollution Control Agency must engage in robust public engagement, including public meetings, and Tribal consultation.

(c) Rules adopted under this section must:

(1) establish benchmarks to assist the commissioner's determination regarding the need for a cumulative impacts analysis;

(2) establish the required content of a cumulative impacts analysis and must provide sources of public information that an applicant can access regarding environmental stressors that are present in an environmental justice area;

(3) define conditions, criteria, or circumstances that establish an environmental or health impact as a substantial adverse impact;

(4) establish the content of a community benefit agreement and procedures for entering into community benefit agreements, which must include:

(i) active outreach to residents of the impacted environmental justice area designed to achieve significant community participation;

(ii) considerations other than or in addition to economic considerations, but with priority given to considerations that directly impact the residents of the environmental justice area; and

(iii) at least one public meeting held within the impacted environmental justice area;

(5) establish a petition process and form to be submitted to the agency by environmental justice area residents to support the need for a cumulative impact analysis;

(6) establish a process by which a Tribal government can elect to apply this section to a permit application, as provided under subdivision 2; and

(7) establish methods for holding public meetings and handling public comments as required under subdivision 4.

(d) The agency must provide translation services and translated materials upon request during rulemaking meetings.

(e) The agency must provide public notice on the agency website at least 30 days before public meetings held on the rulemaking. The notice must include the date, time, and location of the meeting. The agency must use multiple communication methods to inform residents of environmental justice areas in the public meetings held for the rulemaking.

Subd. 7. **Compliance costs.** A permit applicant is responsible for the cost of complying with this section. The reasonable costs of the agency to comply with this section are to be borne by permit applicants subject to this section, as required under section 116.07, subdivision 4d, paragraph (b).

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

Sec. 4. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 4m. **Public informational meetings.** (a) The commissioner may require, as part of a state individual air quality permit issued in response to an enforcement action that required the payment of a civil penalty, that the owner or operator hold in-person meetings with residents of the community where the facility is located to share information about the facility's operations and environmental releases and to discuss community concerns.

(b) For the purposes of this subdivision, "state individual air quality permit" means an air quality permit that:

(1) is issued to an individual facility that is required to obtain a permit under Minnesota Rules, part 7007.0250, subparts 2 to 6; and

(2) is not a general permit issued under Minnesota Rules, part 7007.1100.

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

Sec. 5. **AIR TOXICS EMISSIONS; RULEMAKING.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "agency" means the Minnesota Pollution Control Agency;

(2) "air toxics" has the meaning given in Minnesota Statutes, section 116.062;

(3) "commissioner" means the commissioner of the Minnesota Pollution Control Agency;

(4) "continuous emission monitoring system" has the meaning given in Minnesota Rules, part 7017.1002, subpart 4;

(5) "environmental justice area" means one or more census tracts in Minnesota:

(i) in which, based on the most recent data published by the United States Census Bureau:

(A) 40 percent or more of the population is nonwhite;

(B) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(C) 40 percent or more of the population over the age of five has limited English proficiency; or

(ii) located within Indian Country, as defined in United States Code, title 18, section 1151;

(6) "performance test" has the meaning given in Minnesota Rules, part 7017.2005, subpart 4; and

(7) "volatile organic compound" has the meaning given in Minnesota Rules, part 7005.0100, subpart 45.

Subd. 2. **Application.** This section applies to facilities that emit air toxics and are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

Subd. 3. **Rulemaking required.** The commissioner shall adopt rules under Minnesota Statutes, chapter 14, to implement and govern regulation of facilities that emit air toxics. Notwithstanding Minnesota Statutes, section 14.125, the agency must publish notice of intent to adopt rules within 36 months of the effective date of this act, or the authority for the rules expires.

Subd. 4. **Content of rules.** (a) The rules required under subdivision 3 must address, at a minimum:

(1) specific air toxics to be regulated, including, at a minimum, those defined in subdivision 1;

(2) types of facilities to be regulated, including, at a minimum, facilities that have been issued an air quality permit by the commissioner, other than an Option B registration permit under Minnesota Rules, part 7007.1120, and that:

(i) emit air toxics, whether the emissions are limited in a permit or not; or

(ii) purchase or use material containing volatile organic compounds;

(3) performance tests conducted by facilities to measure the volume of air toxics emissions and testing methods, procedures, protocols, and frequency;

(4) required monitoring of air emissions, including using continuous emission monitoring systems for certain facilities, and monitoring of production inputs or other production parameters;

(5) requirements for reporting information to the agency to assist the agency in determining the amount of the facility's air toxics emissions and the facility's compliance with emission limits in the facility's permit;

(6) record keeping related to air toxics emissions; and

(7) frequency of facility inspections and inspection activities that provide information about air toxics emissions.

(b) In developing the rules, the commissioner must establish testing, monitoring, reporting, record-keeping, and inspection requirements for facilities that reflect:

(1) the different risks to human health and the environment posed by the specific air toxics and amounts emitted by a facility, such that facilities posing greater risks are required to provide more frequent evidence of permit compliance, including but not limited to performance tests, agency inspections, and reporting;

(2) the facility's record of compliance with air toxics emission limits and other permit conditions; and

(3) any exposure of residents of an environmental justice area to the facility's air toxics emissions.

Subd. 5. **Modifying permits.** Within three years after adopting the rules required in subdivision 3, the commissioner must amend existing air quality permits, including but not limited to federal permits, individual state total facility permits, and capped emission permits, as necessary to conform with the rules.

Subd. 6. **Rulemaking cost.** The commissioner must collect the agency's costs to develop the rulemaking required under this section and to conduct regulatory activities, including but not limited to monitoring, inspection, and data collection and maintenance, required as a result of the rulemaking through the annual fee paid by owners or operators of facilities required to obtain air quality permits from the agency, as required under Minnesota Statutes, section 116.07, subdivision 4d, paragraph (b).

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

Sec. 6. **COMMUNITY AIR-MONITORING SYSTEMS; PILOT GRANT PROGRAM.**

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

(b) "Agency" means the Minnesota Pollution Control Agency.

(c) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(d) "Community air-monitoring system" means a system of devices monitoring ambient air quality at many locations within a small geographic area that is subject to air pollution from a variety of stationary and mobile sources in order to obtain frequent measurements of pollution levels, to detect differences in exposure to pollution over distances no larger than a city block, and to identify areas where pollution levels are inordinately elevated.

(e) "Nonprofit organization" means an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

Subd. 2. **Establishing program.** A pilot grant program for community air-monitoring systems is established in the agency to measure air pollution levels at many locations within a community.

Subd. 3. **Eligible applicants.** Grants under this section may be awarded to applicants:

(1) consisting of a partnership between a nonprofit organization located in or working with residents located in the area in which the community air-monitoring system is to be deployed and an entity that has experience deploying, operating, and interpreting data from air-monitoring systems; and

(2) located in the seven-county metropolitan area.

Subd. 4. **Eligible projects.** Grants may be awarded under this section to applicants whose proposals:

(1) use a variety of air-monitoring technologies approved for use by the commissioner, including but not limited to stationary monitors, sensor-based handheld devices, and mobile devices that can be attached to vehicles or drones to measure air pollution levels;

(2) obtain data at fixed locations and from handheld monitoring devices that are carried by residents of the community on designated walking routes in the targeted community and that can provide high-frequency measurements;

(3) use the monitoring data to generate maps of pollution levels throughout the monitored area; and

(4) provide monitoring data to the agency to help inform:

(i) agency decisions, including placement of the agency's stationary air monitors and the development of programs to reduce air emissions; and

(ii) decisions by other governmental bodies regarding transportation or land use planning.

Subd. 5. **Eligible expenditures.** Grants may be used only for:

(1) planning the configuration and deployment of the community air-monitoring system;

(2) purchasing and installing air-monitoring devices as part of the community air-monitoring system;

(3) training and paying persons to operate stationary, handheld, and mobile devices to measure air pollution;

(4) developing data and mapping systems to analyze, organize, and present the air-monitoring data collected; and

(5) writing a final report on the project, as required under subdivision 9.

Subd. 6. **Application and grant award process.** An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner must develop administrative procedures governing the application and grant award process. The commissioner must act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this section.

Subd. 7. **Grant awards; priorities.** In awarding grants under this section, the commissioner must give priority to proposed projects that:

(1) take place:

(i) in areas with high rates of illness associated with exposure to air pollution, including asthma, chronic obstructive pulmonary disease, heart disease, chronic bronchitis, and cancer;

(ii) in or within one mile of a census tract where a facility with a state individual air permit has undergone an enforcement action that required the payment of a civil penalty in the previous two years; or

(iii) in an environmental justice area as defined in Minnesota Statutes, section 116.065;

(2) promote public access to and transparency of air-monitoring data developed through the project; and

(3) conduct outreach activities to promote community awareness of and engagement with the project.

Subd. 8. **Report to agency.** No later than 90 days after a project ends, a grantee must submit a written report to the commissioner describing the project's findings and results and any recommendations for agency actions, programs, or activities to reduce levels of air pollution measured by the community air-monitoring system. The grantee must also submit to the commissioner all air-monitoring data developed by the project.

Subd. 9. **Report to legislature.** No later than March 15, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and finance on the results of the grant program, including:

(1) any changes in the agency's air-monitoring network that will occur as a result of data developed under the program;

(2) any actions the agency has taken or proposes to take to reduce levels of pollution that impact the areas that received grants under the program; and

(3) any recommendations for legislation, including whether the program should be extended or expanded.

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

ARTICLE 9
ENVIRONMENT AND NATURAL RESOURCES
MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2022, section 18B.01, subdivision 31, is amended to read:

Subd. 31. **Unreasonable adverse effects on the environment.** "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide or seed treated with pesticide.

Sec. 2. **[18B.075] PESTICIDE-TREATED SEED.**

A person may not use, store, handle, distribute, or dispose of seed treated with pesticide in a manner that:

(1) endangers humans, food, livestock, fish, or wildlife; or

(2) will cause unreasonable adverse effects on the environment.

Sec. 3. Minnesota Statutes 2022, section 18B.09, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Statutory and home rule charter cities may enact an ordinance, which may include penalty and enforcement provisions, containing the pesticide application warning information contained in subdivision 3~~, including their own licensing, penalty, and enforcement provisions~~. ~~Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision 3.~~ An ordinance may not be adopted that is more restrictive than the ordinance authorized by subdivision 3.

(b) Cities of the first class may enact an ordinance, which may include penalty and enforcement provisions, containing the pesticide prohibition contained in subdivision 4. An ordinance may not be adopted that is more restrictive than the ordinance authorized by subdivision 4.

Sec. 4. Minnesota Statutes 2022, section 18B.09, is amended by adding a subdivision to read:

Subd. 4. **Application of certain pesticides prohibited.** (a) A person may not apply or use a pollinator-lethal pesticide within the geographic boundaries of a city that has enacted an ordinance under subdivision 2 prohibiting such use.

(b) For purposes of this subdivision, "pollinator-lethal pesticide" means a pesticide that has a pollinator protection box on the label or labeling or a pollinator, bee, or honey bee precautionary statement in the environmental hazards section of the label or labeling.

(c) This subdivision does not apply to:

(1) pet care products used to mitigate fleas, mites, ticks, heartworms, or other animals that are harmful to the health of a domesticated animal;

(2) personal care products used to mitigate lice and bedbugs;

(3) indoor pest control products used to mitigate insects indoors, including ant bait;

(4) pesticides as used or applied by the Metropolitan Mosquito Control District for public health protection if the pesticide includes vector species on the label;

(5) wood preservative pesticides used either within a sealed steel cylinder or inside an enclosed building at a secure facility by trained technicians and pesticide-treated wood products;

(6) pesticides used or applied to control or eradicate a noxious weed designated by the commissioner under section 18.79, subdivision 13; and

(7) pesticides used or applied on land used for agricultural production and located in an area zoned for agricultural use.

(d) The commissioner must maintain a list of pollinator-lethal pesticides on the department's website.

(e) The commissioner must consult with federal regulatory authorities to ensure this section and ordinances adopted under subdivision 2, paragraph (b), comply with federal law. A city of the first class must consult with the commissioner before adopting an ordinance under subdivision 2, paragraph (b), to ensure that the proposed ordinance complies with state law.

Sec. 5. Minnesota Statutes 2022, section 21.86, subdivision 2, is amended to read:

Subd. 2. **Miscellaneous violations.** No person may:

(a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;

(b) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;

(c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(e) use the word "trace" as a substitute for any statement which is required;

(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; ~~or~~

(g) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed; or

(h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid pesticide.

Sec. 6. **[21.915] PESTICIDE-TREATED SEED USE AND DISPOSAL; CONSUMER GUIDANCE REQUIRED.**

(a) The commissioner, in consultation with the commissioner of the Pollution Control Agency, must develop and maintain consumer guidance regarding the proper use and disposal of seed treated with pesticide.

(b) A person selling seed treated with pesticide at retail must post in a conspicuous location the guidance developed by the commissioner under paragraph (a).

Sec. 7. Minnesota Statutes 2022, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. **Creation.** (a) The Minnesota Zoological Garden is established under the supervision and control of the Minnesota Zoological Board. The board consists of 30 public and private sector members having a background or interest in zoological societies or zoo management or an ability to generate community interest in the Minnesota Zoological Garden. Fifteen members shall be appointed by the board after consideration of a list supplied by board members serving on a nominating committee, and 15 members shall be appointed by the governor. One member of the board must be a resident of Dakota County and shall be appointed by the governor after consideration of the recommendation of the Dakota County Board. Board appointees shall not be subject to the advice and consent of the senate.

(b) To the extent possible, the board and governor shall appoint members who are residents of the various geographic regions of the state. Terms, compensation, and removal of members are as provided in section 15.0575, except that a member may be compensated at the rate of up to $125 a day. In making appointments, the governor and board shall utilize the appointment process as provided under section 15.0597 and consider, among other factors, the ability of members to garner support for the Minnesota Zoological Garden.

(c) A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 8. Minnesota Statutes 2022, section 216B.2424, subdivision 5c, is amended to read:

Subd. 5c. **New power purchase agreement.** (a) No later than August 1, 2021, a public utility subject to subdivision 5 and the cogeneration facility may file a proposal with the commission to enter into a power purchase agreement that governs the public utility's purchase of electricity generated by the cogeneration facility. The power purchase agreement may extend no later than December 31, 2024, and must not be extended beyond that date except as provided in paragraph (f).

(b) The commission is prohibited from approving a new power purchase agreement filed under this subdivision that does not meet all of the following conditions:

(1) the cogeneration facility agrees that any waste wood from ash trees removed from Minnesota counties that have been designated as quarantined areas in Section IV of the Minnesota State Formal Quarantine for Emerald Ash Borer, issued by the commissioner of agriculture under section 18G.06, effective November 14, 2019, as amended, for utilization as biomass fuel by the cogeneration facility must be accompanied by evidence:

(i) demonstrating that the transport of biomass fuel from processed waste wood from ash trees to the cogeneration facility complies with the department's regulatory requirements under the Minnesota State Formal Quarantine for Emerald Ash Borer, which may consist of:

(A) a certificate authorized or prepared by the commissioner of agriculture or an employee of the Animal and Plant Health Inspection Service of the United States Department of Agriculture verifying compliance; or

(B) shipping documents demonstrating compliance; or

(ii) certifying that the waste wood from ash trees has been chipped to one inch or less in two dimensions, and was chipped within the county from which the ash trees were originally removed;

(2) the price per megawatt hour of electricity paid by the public utility demonstrates significant savings compared to the existing power purchase agreement, with a price that does not exceed $98 per megawatt hour;

(3) the proposal includes a proposal to the commission for one or more electrification projects that result in the St. Paul district heating and cooling system being powered by electricity generated from renewable energy technologies. The plan must evaluate electrification at three or more levels from ten to 100 percent, including 100 percent of the energy used by the St. Paul district heating and cooling system to be implemented by December 31, 2027. The proposal may also evaluate alternative dates for implementation. For each level of electrification analyzed, the proposal must contain:

(i) a description of the alternative electrification technologies evaluated and whose implementation is proposed as part of the electrification project;

(ii) an estimate of the cost of the electrification project to the public utility, the impact on the monthly energy bills of the public utility's Minnesota customers, and the impact on the monthly energy bills of St. Paul district heating and cooling system customers;

(iii) an estimate of the reduction in greenhouse gas emissions resulting from the electrification project, including greenhouse gas emissions associated with the transportation of waste wood;

(iv) estimated impacts on the operations of the St. Paul district heating and cooling system; and

(v) a timeline for the electrification project; and

(4) the power purchase agreement provides a net benefit to the utility customers or the state.

(c) The commission may approve, or approve as modified, a proposed electrification project that meets the requirements of this subdivision if it finds the electrification project is in the public interest, or the commission may reject the project if it finds that the project is not in the public interest. When determining whether an electrification project is in the public interest, the commission may consider the effects of the electrification project on air emissions from the St. Paul district heating and cooling system and how the emissions impact the environment and residents of affected neighborhoods.

(d) During the agreement period, the cogeneration facility must attempt to obtain funding to reduce the cost of generating electricity and enable the facility to continue to operate beyond the agreement period to address the removal of ash trees, as described in paragraph (b), clause (1)~~, without any subsidy or contribution from any power purchase agreement after December 31, 2024~~. The cogeneration facility must submit periodic reports to the commission regarding the efforts made under this paragraph.

(e) Upon approval of the new power purchase agreement, the commission must require periodic reporting regarding progress toward development of a proposal for an electrification project.

(f) Except as provided in paragraph (a), the commission is ~~prohibited from approving~~ allowed to approve a power purchase agreement after the agreement period ~~unless it approves~~ without approving an electrification project. Nothing in this section shall require any utility to enter into a power purchase agreement with the cogeneration facility after December 31, 2024.

(g) Upon approval of an electrification project, the commission must require periodic reporting regarding the progress toward implementation of the electrification project.

(h) If the commission approves the proposal submitted under paragraph (b), clause (3), the commission may allow the public utility to recover prudently incurred costs net of revenues resulting from the electrification project through an automatic cost recovery mechanism that allows for cost recovery outside of a general rate case. The cost recovery mechanism approved by the commission must:

(1) allow a reasonable return on the capital invested in the electrification project by the public utility, as determined by the commission; and

(2) recover costs only from the public utility's Minnesota electric service customers.

Sec. 9. Minnesota Statutes 2022, section 373.475, is amended to read:

373.475 COUNTY ENVIRONMENTAL TRUST FUND.

(a) Notwithstanding the provisions of chapter 282 and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under Laws 1998, chapter 389, article 16, section 31, subdivision 3, into an environmental trust fund established by the county under this section. The principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

(b) Notwithstanding paragraph (a), St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under this section in calendar years 2023, 2024, and 2025 and up to ten percent annually thereafter for renewable and climate change related economic development and environmental projects in the county that protect the environment or create clean-economy jobs and manufacturing. The county must leave a minimum of $10,000,000 as principal in the account. For purposes of this paragraph, economic development projects mean solar incentives and projects to protect Lake Superior and other waters in the Great Lakes watershed from PFAS contamination from landfills. Notwithstanding section 10.49, the environmental trust fund established under this section must be named the Mary C. Murphy Trust Fund.

Sec. 10. **[473.5491] METROPOLITAN CITIES INFLOW AND INFILTRATION GRANTS.**

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

(b) "Affordability criteria" means an inflow and infiltration project service area that is located, in whole or in part, in a census tract where at least three of the following apply as determined using the most recently published data from the United States Census Bureau or United States Centers for Disease Control and Prevention:

(1) 20 percent or more of the residents have income below the federal poverty thresholds;

(2) the tract has a United States Centers for Disease Control and Prevention Social Vulnerability Index greater than 0.80;

(3) the upper limit of the lowest quintile of household income is less than the state upper limit of the lowest quintile;

(4) the housing vacancy rate is greater than the state average; or

(5) the percent of the population receiving Supplemental Nutrition Assistance Program (SNAP) benefits is greater than the state average.

(c) "City" means a statutory or home rule charter city located within the metropolitan area.

Subd. 2. **Grants.** (a) The council shall make grants to cities for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system.

(b) A grant under this section may be made in an amount up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system. The council may award a grant up to 100 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system if the project meets affordability criteria.

Subd. 3. **Eligibility.** To be eligible for a grant under this section, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits.

Subd. 4. **Application.** The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council. The council must prioritize applications that meet affordability criteria.

Subd. 5. **Cancellation.** If a grant is awarded to a city and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 11. **[473.5492] COMMUNITY WASTEWATER COSTS; ANNUAL REPORT.**

By February 15 each year, the council must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over capital investment and environment and natural resources that provides a summary of the average monthly wastewater costs for communities in the metropolitan area for the previous calendar year.

Sec. 12. **50-YEAR CLEAN WATER PLAN SCOPE OF WORK.**

(a) The Board of Regents of the University of Minnesota, through the University of Minnesota Water Council, is requested to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must:

(1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface;

(2) identify gaps in the data or understanding and provide recommended action steps to address gaps;

(3) identify existing and potential future threats to Minnesota's waters; and

(4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years.

(b) The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to:

(1) the data sets that are required and how the University of Minnesota will obtain access;

(2) the suite of proposed analysis methods;

(3) the roles and responsibilities of project leaders, key personnel, and stakeholders;

(4) the project timeline with milestones; and

(5) a budget with expected costs for tasks and milestones.

(c) By December 1, 2023, the Board of Regents of the University of Minnesota is requested to submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

ARTICLE 10
CLIMATE AND ENERGY FINANCE

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. If an appropriation in this article is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$97,159,000**	**$28,714,000**

Appropriations by Fund

	2024	2025
General	96,083,000	27,617,000
Petroleum Tank	1,076,000	1,097,000

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

Subd. 2. **Energy Resources**	96,083,000	27,617,000

(a) $5,861,000 the first year and $6,038,000 the second year are to the division of energy resources for operating expenses.

(b) $150,000 the first year and $150,000 the second year are to remediate vermiculite insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(c) $1,138,000 in the first year is transferred from the general fund to the solar for schools program account under Minnesota Statutes, section 216C.375, to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. Money under this paragraph is available until June 30, 2034. Any money remaining on June 30, 2034, cancels to the general fund.

(d) $189,000 each year is for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(e) $15,000,000 in the first year is transferred from the general fund to the solar for schools program account in the special revenue fund for grants under the solar for schools program established under Minnesota Statutes, section 216C.375. The money under this paragraph must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.

(f) $500,000 each year is for the strengthen Minnesota homes program under Minnesota Statutes, section 65A.299, subdivision 4. Money under this paragraph is transferred from the general fund to strengthen Minnesota homes account in the special revenue fund. This is a onetime appropriation.

(g) $20,000,000 the first year and $18,737,000 the second year are for weatherization and preweatherization work to serve additional households and allow for services that would otherwise be denied due to current federal limitations related to the federal weatherization assistance program. Money under this paragraph is transferred from the general fund to the preweatherization account in the special revenue fund under Minnesota Statutes, section 216C.264, subdivision 1c. The base in fiscal years 2026 and later is $3,199,000.

(h) $15,000,000 the first year is for a grant to an investor-owned electric utility that has at least 50,000 retail electric customers, but no more than 200,000 retail electric customers, to increase the capacity and improve the reliability of an existing high-voltage direct current transmission line that runs between North Dakota

and Minnesota. This is a onetime appropriation and must be used to support the cost-share component of a federal grant application to a program enacted in the federal Infrastructure Investment and Jobs Act, Public Law 117-58, and may otherwise be used to reduce the cost of the high-voltage direct current transmission project upgrade and to reimburse the reasonable costs incurred by the department to administer the grant. This appropriation is available until June 30, 2034.

(i) $300,000 the first year is for technical assistance and administrative support for the Tribal Advocacy Council on Energy under article 12, section 71. As part of the technical assistance and administrative support for the program, the commissioner must hire a Tribal liaison to support the Tribal Advocacy Council on Energy and advise the department on the development of a culturally responsive clean energy grants program based on the priorities identified by the Tribal Advocacy Council on Energy.

(j) $3,000,000 the first year is for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative to secure the state's energy and economic development future. The appropriation may be used to establish and support the initiative, provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grant. This is a onetime appropriation and is available until June 30, 2027.

(k) $5,000,000 the first year is transferred to the electric vehicle rebate program account to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible recipients located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(l) $1,000,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification to sell electric vehicles and to reimburse the reasonable costs incurred by the department to administer the grants. Grants must only be awarded under this paragraph to eligible dealers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(m) $3,000,000 the first year is transferred to the residential electric panel upgrade grant program account established under Minnesota Statutes, section 216C.45, to award electric panel upgrade grants and to reimburse the reasonable costs incurred by the department to administer the program. Grants must be awarded under this paragraph only to owners of single-family homes or multifamily buildings located outside the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(n) $500,000 the first year and $500,000 the second year are for a grant to the clean energy resource teams partnerships under Minnesota Statutes, section 216C.385, subdivision 2, to provide additional capacity to perform the duties specified under Minnesota Statutes, section 216C.385, subdivision 3. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grant.

(o) $1,807,000 the first year and $301,000 the second year are to implement energy benchmarking under Minnesota Statutes, section 216C.331.

Of the amount appropriated under this paragraph, $750,000 the first year is to award grants to qualifying utilities that are not investor-owned utilities to support the development of technology for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This is a onetime appropriation.

Of the amount appropriated in the first year under this paragraph, $756,000 the first year is for a grant to Building Owners and Managers Association Greater Minneapolis to establish partnerships with three technical colleges and high school career counselors with a goal of increasing the number of building engineers across Minnesota. This is a onetime appropriation and is available until June 30, 2028. The grant recipient must provide a detailed report describing how the grant funds were used to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education by January 15 of each year until 2028. The report must describe the progress made toward the goal of increasing the number of building engineers and strategies used.

(p) $500,000 the first year is for a feasibility study to identify and process Minnesota iron resources that could be suitable for upgrading to long-term battery storage specifications. The results of the feasibility study must be submitted to the commissioner of commerce and to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy no later than February 1, 2025. This appropriation may be used to reimburse the reasonable costs incurred to administer the study. This is a onetime appropriation.

(q) $6,000,000 the first year is for electric school bus grants under Minnesota Statutes, section 216C.374. Money under this paragraph is transferred from the general fund to the electric school bus program account. This is a onetime appropriation.

(r) $5,300,000 the first year is for electric grid resiliency grants under article 12, section 72. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grants. This is a onetime appropriation and is available until June 30, 2028.

(s) $6,000,000 the first year is transferred to the heat pump rebate program account established under Minnesota Statutes, section 216C.46, to implement the heat pump rebate program and to reimburse the reasonable costs incurred by the department to administer the program. Of this amount:

(1) up to $1,400,000 the first year is to contract with an energy coordinator under Minnesota Statutes, section 216C.46, subdivision 5; and

(2) up to $1,400,000 the first year is to conduct contractor training and support under Minnesota Statutes, section 216C.46, subdivision 6.

(t) $1,000,000 the first year is to award air ventilation pilot program grants under Minnesota Statutes, section 123B.663, for assessments, testing, and equipment upgrades in schools, and for the department's costs to administer the program. This is a onetime appropriation.

(u) $500,000 the first year is for a grant to the city of Anoka for feasibility studies as described in this paragraph and design, engineering, and environmental analysis related to the repair and reconstruction of the Rum River Dam. Findings from the feasibility studies must be incorporated into the design and engineering funded by this appropriation. This appropriation is onetime and is available until June 30, 2027. This appropriation includes money for the following studies: (1) a study to assess the feasibility of adding a lock or other means for boats to traverse the dam to navigate between the lower Rum River and upper Rum River; (2) a study to assess the feasibility of constructing the dam in a manner that would facilitate recreational river surfing at the dam site; and (3) a study to assess the feasibility of constructing the dam in a manner to generate hydroelectric power.

(v) $3,000,000 the first year is for grants to install on-site energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, paragraph (f), with a capacity of 50 kilowatt hours or less and that are located outside the electric service area of the electric utility subject to Minnesota Statutes,

section 116C.779. To receive a grant under this paragraph, an owner of the energy storage system must be operating a solar energy generating system at the same site as the energy storage system or have filed an application with a utility to interconnect a solar energy generating system at the same site as the energy storage system. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grants. This is a onetime appropriation and is available until June 30, 2027.

(w) $164,000 the second year is for activities associated with a public utility's filing a transportation electrification plan under Minnesota Statutes, section 216B.1615. The base in fiscal year 2026 and later is $164,000.

(x) $77,000 each year is for activities associated with appeals of consumer complaints to the commission under Minnesota Statutes, section 216B.172.

(y) $961,000 each year is for activities required under Minnesota Statutes, section 216B.1641 for community solar gardens. This appropriation must be assessed directly to the public utility subject to Minnesota Statutes, section 116C.779.

(z) $300,000 the first year is for the community solar garden program study required under article 12, section 73.

Subd. 3. **Petroleum Tank Release Compensation Board** 1,076,000 1,097,000

This appropriation is from the petroleum tank fund.

Sec. 3. **PUBLIC UTILITIES COMMISSION** **$10,748,000** **$11,106,000**

The general fund base budget is $11,150,000 in fiscal year 2026 and $11,106,000 in fiscal year 2027.

Sec. 4. **AGRICULTURE** **$7,000,000** **$-0-**

$7,000,000 the first year is for grants to cooperatives to invest in green fertilizer production facilities, as provided under article 12, section 77. This is a onetime appropriation and is available until June 30, 2032.

Sec. 5. **POLLUTION CONTROL AGENCY** **$2,000,000** **$-0-**

$2,000,000 the first year is transferred to the local climate action grant program account established in the special revenue fund to:

(1) award grants to eligible applicants;

(2) provide technical assistance to applicants;

(3) pay a contractor to provide greenhouse gas emissions data to grantees; and

(4) reimburse the reasonable costs of the agency to administer the program.

Of this amount, 65 percent is available the first year, of which half is reserved for applicants located outside the counties of Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington. In the second year, any unencumbered first year money and the balance of the appropriation are available to all eligible applicants, and remain available until June 30, 2025. The base in fiscal year 2026 is $0.

Sec. 6. **CLIMATE INNOVATION FINANCE AUTHORITY** **$20,000,000** **$-0-**

$20,000,000 the first year is transferred to the climate innovation finance authority account for purposes of Minnesota Statutes, section 216C.441. This is a onetime appropriation.

Of this amount, the commissioner of management and budget may make up to $500,000 available to the commissioner of commerce, at the request of the commissioner of commerce, to conduct necessary start-up activities before the authority has sufficient staff resources to do so.

Sec. 7. **UNIVERSITY OF MINNESOTA** **$1,000,000** **$1,000,000**

$1,000,000 the first year and $1,000,000 the second year are for a program in the University of Minnesota Extension Service that enhances the capacity of the state's agricultural sector, land and resource managers, and communities to plan for and adapt to weather extremes, including but not limited to droughts and floods. This is a onetime appropriation and is available until June 30, 2030. The base in fiscal year 2026 and later is $1,000,000.

The appropriation under this section must be used to support existing extension service staff members and to hire additional staff members for a program with broad geographic reach throughout the state. The program must:

(1) identify, develop, implement, and evaluate educational programs that increase the capacity of Minnesota's agricultural sector, land and resource managers, and communities to be prepared for and adapt to projected physical changes in temperature, precipitation, and other weather parameters that affect crops, lands, horticulture, pests, and wildlife in ways that present challenges to the state's agricultural sector and the communities that depend on the agricultural sector; and

(2) communicate and interpret the latest research on critical weather trends and the scientific basis for critical weather trends to further prepare extension service staff throughout the state to educate and provide technical assistance to the agricultural sector, land and resource managers, and community members at the local level regarding technical information on water resource management, agriculture and forestry, engineering and infrastructure design, and emergency management that is necessary to develop strategies to mitigate the effects of extreme weather change.

Sec. 8. **ADMINISTRATION** **$945,000** **$-0-**

(a) $690,000 the first year is for a contract with the Board of Regents of the University of Minnesota for the Institute on the Environment to research and provide recommendations for establishing new energy guidelines for state buildings under Minnesota Statutes, section 16B.325, subdivision 2. The grant agreement must require the director of the Institute on the Environment to submit a written report that summarizes the findings and recommendations, including recommendations for policy and legislative changes, to the chairs and ranking minority members of the legislative committees in the house of representatives and the senate with primary jurisdiction over energy policy and capital investment.

(b) $255,000 the first year is for grants and the environmental analysis of construction materials under Minnesota Statutes, section 16B.312.

Sec. 9. **DEPARTMENT OF TRANSPORTATION** **$310,000** **$-0-**

$310,000 the first year is for awarding grants to assist manufacturers to obtain environmental product declarations for certain construction materials used to build roads and other transportation infrastructure under Minnesota Statutes, section 16B.312. Of this amount, up to $10,000 is for the reasonable costs of the department to administer that section. This appropriation is available until June 30, 2027.

ARTICLE 11
RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) If an appropriation in this article is enacted more than once in the 2023 regular or special legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30 2024	2025
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$61,077,000**	**$11,649,000**

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

Subd. 2. **"Made in Minnesota" Administration**

$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unobligated amount remaining on June 30, 2025, cancels to the renewable development account.

Subd. 3. **Microgrid Research and Application**

(a) $3,000,000 the first year and $400,000 the second year are for a grant to the University of St. Thomas Center for Microgrid Research for the purposes of paragraph (b). The base in fiscal year 2026 is $400,000 and $0 in fiscal year 2027.

(b) The appropriations in this subdivision must be used by the University of St. Thomas Center for Microgrid Research to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges.

(c) $4,100,000 the first year is for a grant to the University of St. Thomas Center for Microgrid Research for capacity building and matching requirements as a condition of receiving federal funds. This appropriation is available until June 30, 2027.

Subd. 4. **Granite Falls Hydroelectric Generating Facility**

$2,000,000 the first year is for a grant to the city of Granite Falls for repair and overage costs related to the city's existing hydroelectric generating facility. This is a onetime appropriation and any amount unobligated by June 30, 2025, cancels to the renewable development account.

Subd. 5. **Electric Vehicle Rebates**

(a) $5,567,000 the first year and $5,149,000 the second year are for transfer to the electric vehicle rebate program account established under Minnesota Statutes, section 216C.401, to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(b) $1,000,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification from an electric vehicle manufacturer to sell electric vehicles and to reimburse the reasonable costs incurred by the department to administer the grants. Rebates must only be awarded under this paragraph to eligible dealers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

Subd. 6. **Electric School Bus Grants**

$7,000,000 the first year is transferred to the electric school bus program account established under Minnesota Statutes, section 216C.374, to provide grants to (1) accelerate the deployment of electric school buses and related electric vehicle infrastructure, and (2) to pay the commissioner's costs to administer Minnesota Statutes, section 216C.374. This is a onetime appropriation and is available until June 30, 2027.

Subd. 7. **Solar on Public Buildings**

$5,000,000 the first year is transferred from the renewable development account to the solar on public buildings grant program account for the grant program described in Minnesota Statutes, section 216C.377. The appropriation in this subdivision must be used only to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779.

Subd. 8. **Electric Panel Upgrade Grants**

$3,500,000 the first year is transferred to the residential electric panel upgrade grant program account for the purpose of awarding electric panel upgrade grants under Minnesota Statutes, section 216C.45, and to reimburse the reasonable cost of the department to administer the program. Grants awarded with funds appropriated under this subdivision must be awarded only to owners of single-family homes or multifamily buildings that are located within the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2027. Any unobligated money that remains unexpended on June 30, 2027, cancels to the renewable development account.

Subd. 9. **Energy Storage Incentive Grants**

$4,000,000 the first year is to award grants to install energy storage systems under Minnesota Statutes, section 216C.379, and to pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.379. This is a onetime appropriation and is available until June 30, 2027.

Subd. 10. **Distributed Energy Resources System Upgrades**

$4,250,000 the first year and $6,000,000 the second year are for eligible expenditures under the distributed energy resources system upgrade program established in Minnesota Statutes, section 216C.378. Of this amount, $250,000 the first year is to implement the small interconnection cost-sharing program ordered by the Public Utilities Commission on December 19, 2022, in Docket E002/M-18-714, to cover the costs of certain distribution upgrades for customers of the utility subject to Minnesota Statutes, section 116C.779, seeking to interconnect distributed generation of up to a certain size. The appropriation under this subdivision may be used for the reasonable costs of distribution upgrades as defined in Minnesota Statutes, section 216C.378, subdivision 1. Money under this subdivision is transferred from the renewable development account to the distributed energy resource system upgrade program account for the purposes of this subdivision. This is a onetime appropriation.

Subd. 11. **Heat Pump Grants**

$7,000,000 the first year is transferred to the heat pump rebate program account to implement the heat pump rebate program under Minnesota Statutes, section 216C.46, and to reimburse the reasonable costs incurred by the department to administer the program.

Subd. 12. **Solar For Schools**

$14,310,000 the first year is transferred to the solar for schools program account established under Minnesota Statutes, section 216C.375, to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. The appropriations under this paragraph must be expended on schools located within the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

Subd. 13. **Energy Storage System Capacity**

$250,000 the first year is for a commerce department study of the energy storage system capacity required to achieve the state renewable energy standard and carbon-free goals under Minnesota Statutes, section 216B.1691, and to host a meeting to obtain recommendations from stakeholders and the public on policies and programs to accelerate energy storage system deployment to achieve the storage capacity the study determines to be required. The study is to be completed by January 15, 2024.

Sec. 3. **MINNESOTA AMATEUR SPORTS COMMISSION** **$-0-** **$4,200,000**

$4,200,000 the second year is to install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Sec. 4. **DEPARTMENT OF ADMINISTRATION** **$780,000** **$92,000**

(a) $690,000 the first year is to contract with the Board of Regents of the University of Minnesota for a grant to the Institute on the Environment to conduct research examining how projections of future weather trends may exacerbate conditions, including but not limited to drought, elevated temperatures, and flooding, that:

(1) can be integrated into the design and evaluation of buildings constructed by the state of Minnesota and local units of government, in order to:

(i) reduce energy costs by deploying cost-effective energy efficiency measures, innovative construction materials and techniques, and renewable energy sources; and

(ii) prevent and minimize damage to buildings caused by extreme weather conditions, including but not limited to increased frequency of intense precipitation events and tornadoes, flooding, and elevated temperatures; and

(2) may weaken the ability of natural systems to mitigate the conditions to the point where human intervention in the form of building or redesigning the scale and operation of infrastructure is required to address those conditions in order to:

(i) maintain and increase the amount and quality of food and wood production;

(ii) reduce fire risk on forested land;

(iii) maintain and enhance water quality; and

(iv) maintain and enhance natural habitats.

The contract must provide that no later than February 1, 2025, the director of the Institute on the Environment or the director's designee must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and capital investment summarizing the findings and recommendations of the research, including any recommendations for policy changes or other legislation. This is a onetime appropriation.

(b) $90,000 the first year and $92,000 the second year are for software and administrative costs associated with the state building energy conservation improvement revolving loan program under Minnesota Statutes, section 16B.87.

Sec. 5. **POLLUTION CONTROL AGENCY** **$2,000,000** **$1,000,000**

$2,000,000 the first year and $1,000,000 the second year are transferred to the local climate action grant program account established in the special revenue fund to:

(1) award grants to eligible applicants;

(2) provide technical assistance to applicants;

(3) pay a contractor to provide greenhouse gas emissions data to grantees; and

(4) reimburse the reasonable costs of the agency to administer the program.

Of this amount, 65 percent is available the first year, of which half is reserved for applicants located outside the counties of Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington. In the second year, any unencumbered first year money and the balance of the appropriation are available to all eligible applicants, and remains available until June 30, 2025. The base in fiscal year 2026 and later is $0.

ARTICLE 12
ENERGY POLICY

Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.**

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

(b) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

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

(d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(e) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(f) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(g) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a material production life cycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(h) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(j) "Integrated steel production" means the production of iron and subsequently steel primarily from iron ore or iron ore pellets.

(k) "Material production life cycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing the product's raw materials to the process of manufacturing the product.

(l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(m) "Secondary steel production" means the production of steel from primarily ferrous scrap and other metallic inputs that are melted and refined in an electric arc furnace.

(n) "State building" means a building owned by the state of Minnesota or a Minnesota state agency.

(o) "Structural steel" means steel that is used in structural applications in accordance with industry standard definitions.

(p) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute at least 80 percent of the product's material production life cycle global warming potential, as defined in ISO standard 21930.

Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall, after reviewing the recommendations from the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for the eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and subproduct categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a), and not longer than every three years thereafter, the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, shall review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of the values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines the industry average has declined.

Subd. 3. **Procurement process.** The Department of Administration and the Department of Transportation shall, after reviewing the recommendations of the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish processes for incorporating the maximum allowable global warming potential

of eligible materials into bidding processes by the effective dates listed in subdivision 2. The Department of Administration and Department of Transportation must also incorporate into the bidding process a preference for materials mined, made, or assembled in Minnesota.

Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration must establish a pilot program that seeks to obtain from vendors an estimate of the material production life cycle greenhouse gas emissions of products selected by the departments from among those procured. The pilot program must encourage, but may not require, a vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components composing the selected product:

(1) the quantity of the product purchased by the department;

(2) a current environmental product declaration for the product;

(3) the name and location of the product's manufacturer;

(4) a copy of the vendor's Supplier Code of Conduct, if any;

(5) the names and locations of the product's actual production facilities; and

(6) an assessment of employee working conditions at the product's production facilities.

(b) The Department of Administration must construct or provide access to a publicly accessible database, which shall be posted on the department's website and contain the data reported to the department under this subdivision.

Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October 1, 2023, the commissioners of administration and transportation must establish an Environmental Standards Procurement Task Force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

(1) submit environmental product declarations that assess the material production life cycle environmental impacts of the materials to state officials as part of the procurement process; and

(2) meet standards established by the commissioner of administration that limit greenhouse gas emissions impacts of the materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements and which construction materials should be considered to be added, including lumber, mass timber, aluminum, glass, and insulation;

(2) what factors should be considered in establishing greenhouse gas emissions standards, including distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process, including distinctions between eligible material production and manufacturing processes;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how to ensure that lowering environmental product declaration values does not negatively impact the durability or longevity of construction materials or built structures;

(7) how to create and manage a database for environmental product declaration data that is consistent with data governance procedures of the state and is compatible for data sharing with other states and federal agencies;

(8) how to account for differences among geographical regions with respect to the availability of covered materials, fuel, and other necessary resources, and the quantity of covered materials that the department uses or plans to use;

(9) coordinating with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, and Transportation; Environmental Protection Agency; General Services Administration; White House Office of Management and Budget; and the White House Domestic Climate Policy Council;

(10) how the issues in clauses (1) to (9) are addressed by existing programs in other states and countries; and

(11) any other issues the task force deems relevant.

(c) The task force shall make recommendations to the commissioners of administration and transportation regarding:

(1) how to implement requirements that maximum global warming impacts for eligible materials be integrated into the bidding process for eligible projects;

(2) incentive structures that can be included in bidding processes to encourage the use of materials whose global warming potential is below the maximum established under subdivision 2;

(3) how a successful bidder for a contract notifies the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential resulting from product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others; and

(7) any other items the task force deems necessary in order to implement this section.

(d) Members of the task force must include but are not limited to representatives of:

(1) the Departments of Administration and Transportation;

(2) the Center for Sustainable Building Research at the University of Minnesota;

(3) the Aggregate and Ready Mix Association of Minnesota;

(4) the Concrete Paving Association of Minnesota;

(5) the Minnesota Asphalt Pavement Association;

(6) the Minnesota Board of Engineering;

(7) the Minnesota iron mining industry;

(8) building and transportation construction firms;

(9) the American Institute of Steel Construction;

(10) the Institute of Scrap Metal Recycling Industries;

(11) suppliers of eligible materials;

(12) organized labor in the construction trades;

(13) organized labor in the manufacturing or industrial sectors;

(14) environmental advocacy organizations; and

(15) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner of administration or the commissioner's designee shall serve as chair of the task force. The task force must meet at least four times annually and may convene additional meetings at the call of the chair.

(g) The commissioner of administration shall summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over state government, transportation, and energy no later than December 1, 2025, and annually thereafter for as long as the task force continues its operations.

(h) The task force is subject to section 15.059, subdivision 6.

(i) Meetings of the task force are subject to chapter 13D.

(j) The task force expires on January 1, 2029.

Subd. 6. **Environmental product declarations; grant program.** A grant program is established in the Department of Administration to award grants to assist manufacturers to obtain environmental product declarations or otherwise collect environmental product declaration data from manufacturers in Minnesota. The commissioner of administration shall develop procedures to process and evaluate grant applications, and to make grant awards. Grant applicants must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this subdivision.

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

Sec. 2. Minnesota Statutes 2022, section 16B.325, subdivision 2, is amended to read:

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

(1) focus on achieving the lowest possible lifetime cost, considering both construction and operating costs, for new buildings and major renovations~~, and~~;

(2) allow for ~~changes in the guidelines~~ revisions that encourage continual energy conservation improvements in new buildings and major renovations~~. The guidelines shall~~;

(3) define "major renovations" for purposes of this section~~. The definition may not allow "major renovations"~~ to encompass not less than 10,000 square feet or ~~to encompass~~ not less than the replacement of the mechanical, ventilation, or cooling system of ~~the~~ a building or a building section ~~of the building. The design guidelines must~~;

(4) establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;

(5) establish resiliency guidelines to encourage design that allows buildings to adapt to and accommodate projected climate-related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels;

(6) specify ways to reduce material costs; and ~~must~~

(7) consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

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

Sec. 3. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner or the agency shall purchase ~~a motor vehicle that is capable of being powered by cleaner fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid fuel, if the total life-cycle cost of ownership is less than or comparable to that of other vehicles and if the vehicle is capable~~ the motor vehicle according to the following vehicle preference order:

(1) an electric vehicle;

(2) a hybrid electric vehicle;

(3) a vehicle capable of being powered by cleaner fuels; and

(4) a vehicle powered by gasoline or diesel fuel.

(b) The commissioner may only reject a vehicle that is higher on the vehicle preference order if:

(1) the vehicle type is incapable of carrying out the purpose for which it is purchased~~.~~; or

(2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten percent higher than the next vehicle type in the vehicle preference order.

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

Sec. 4. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

Subdivision 1. **Goals and actions.** Each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

(1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law enforcement vehicles~~:~~, are purchased in conformity with the vehicle preference order established in section 16C.135, subdivision 3;

~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen-powered vehicles; or~~

~~(iii) are powered solely by electricity;~~

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

(3) increase its use of web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

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

Sec. 5. Minnesota Statutes 2022, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account $500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and $7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. The total amount transferred annually under this paragraph must be reduced by $3,750,000.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account $350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power

plant for each year the plant is in operation, and $5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: $4,000,000 in fiscal year 2018; $6,500,000 each fiscal year in 2019 and 2020; and $3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide $6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay $7,500,000 for the discontinued Prairie Island facility and $5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable~~,~~:

(1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers; and

(2) the proposer's commitment to increasing the diversity of the proposer's workforce and vendors.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(r) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers. A project receiving funds from the account must submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

(s) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(t) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(u) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

(v) Construction projects receiving funds from this account are subject to the requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to construction contracts entered into on or after that date.

Sec. 6. Minnesota Statutes 2022, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) $10,000,000 in 2021;

(2) $10,000,000 in 2022;

(3) $5,000,000 in 2023; ~~and~~

(4) ~~$5,000,000~~ $11,250,000 in 2024~~.~~; and

(5) $6,250,000 in 2025.

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, half of the amounts allocated each year under paragraph (d), clauses (3), (4), and (5), must be reserved for solar energy systems whose installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department. All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

~~(e)~~ (f) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

~~(f)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to the renewable development account.

~~(g)~~ (h) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

~~(h)~~ (i) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 7. **[123B.662] DEFINITIONS.**

Subdivision 1. **General.** For purposes of this section and section 123B.663, the terms in this section have the meanings given unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air Conditioning Engineers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce or the commissioner's representative.

Subd. 5. **Eligible entity.** "Eligible entity" means a public school board operating within the state of Minnesota.

Subd. 6. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

Subd. 7. **Licensed professional engineer.** "Licensed professional engineer" means a professional engineer who holds an active license issued under chapter 326, and is in good standing with and not subject to any disciplinary or other actions by the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design.

Subd. 8. **MERV.** "MERV" means minimum efficiency reporting value as established by ASHRAE Standard 52.2-2017 Method of Testing General Ventilation Air-Cleaning Devices for Removal Efficiency by Particle Size.

Subd. 9. **Program.** "Program" means the air ventilation program.

Subd. 10. **Registered apprenticeship program.** "Registered apprenticeship program" means an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

Subd. 11. **Skilled and trained workforce.** "Skilled and trained workforce" means a workforce that is paid the prevailing wage rate, as defined in section 177.42, subdivision 6, for the work, and of which at least 80 percent of the construction workers are either registered in or graduates of a registered apprenticeship program for the applicable occupation.

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

Sec. 8. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND GUIDELINES.**

Subdivision 1. **Grant program establishment.** The Department of Commerce must establish and administer an air ventilation program to award grants to eligible entities under this section.

Subd. 2. **Air ventilation program account; appropriation.** (a) An air ventilation program account is created in the special revenue fund of the state treasury. The commissioner must credit to the account appropriations and transfers made to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund but remains available until expended. The commissioner is the fiscal agent and must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for grants issued under the program and the reasonable costs incurred by the commissioner to administer the program.

Subd. 3. **Grant awards; priorities; maximums.** (a) The commissioner may award grants under the program for the following activities:

(1) completing a heating, ventilation, and air conditioning assessment report;

(2) HVAC testing, adjusting, and balancing work;

(3) ventilation equipment upgrades, replacements, or other measures recommended by a heating, ventilation, and air conditioning assessment report;

(4) work on an HVAC system to improve health, safety, energy, or system efficiency, or to reduce greenhouse gas emissions from the system; and

(5) other HVAC projects that have not already been approved under section 123B.595.

(b) The commissioner must prioritize grants that give direct support to schools and school children in communities with high rates of poverty as determined by receipt of federal Title I funding.

(c) A grant under the program may be used to reimburse an eligible entity for no more than 50 percent of its costs for work described in paragraph (a) and must not exceed a total of $50,000 per school.

Subd. 4. **Administration.** (a) The commissioner must:

(1) adopt guidelines for the air ventilation program no later than October 1, 2023;

(2) establish the timing of grant funding;

(3) ensure that the program is operating and accepting applications for grants by March 31, 2024; and

(4) provide technical assistance to eligible entities.

(b) The commissioner may modify the technical and reporting requirements of the program as necessary to comply with current COVID-19 guidance or any other applicable guidance to achieve the intent of the program and to ensure consistency with related requirements and codes.

Subd. 5. **Application process.** An eligible entity must apply to the commissioner for a grant on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) a plan to complete a heating, ventilation, and air conditioning assessment report by a skilled and trained workforce; and

(2) an estimate of total project costs and funding needed to conduct the assessment and subsequent work.

Subd. 6. **Payment conditions.** The commissioner may reimburse expenses incurred by the eligible entity while under contract with the department upon receipt of the following:

(1) a report, verified by a licensed professional engineer, that includes costs of adjustments or repairs necessary to meet minimum ventilation and filtration requirements and that determines whether any cost-effective energy efficiency or electrification upgrades or replacements are warranted or recommended;

(2) an HVAC verification report that includes the name and address of the school facility and individual or contractor preparing and certifying the report and a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes; and

(3) verification that the eligible entity has complied with all requirements. Verification must include:

(i) documentation that either MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the system is able to effectively handle has been installed;

(ii) documentation of the MERV rating;

(iii) the verified ventilation rates for occupied areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1, with an accompanying explanation for any ventilation rates that do not meet applicable requirements documenting why the current system is unable to meet requirements;

(iv) the verified exhaust for occupied areas and whether those rates meet the requirements set forth in the system design intent;

(v) documentation of system deficiencies;

(vi) recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance, or reduce greenhouse gas emissions;

(vii) documentation of initial operating verifications, adjustments, and final operating verifications;

(viii) documentation of any adjustments or repairs performed;

(ix) verification of carbon dioxide monitors, if required, including correct installation and operation according to regulations;

(x) make and model of monitors;

(xi) verification of the contractor's name; and

(xii) verification that all construction work has been performed by a skilled and trained workforce.

Subd. 7. **Use of federal funds.** An eligible entity may utilize available matching funds from federal programs in conjunction with a grant awarded under this section to increase funding amounts.

Subd. 8. **HVAC report.** An eligible entity that receives a grant under the program must maintain a copy of the HVAC verification report described in subdivision 6, clause (2), and must make the report available to students, parents, school personnel, and any member of the public upon request.

Subd. 9. **Prevailing wage.** All work for which reimbursement is sought through a grant under the program that is performed after conducting a heating, ventilation, and air conditioning assessment must be performed by a skilled and trained workforce. Any project awarded a grant under the program is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, 177.44, and 177.45.

Sec. 9. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to read:

Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed under this chapter that operates under an agreement or franchise from a manufacturer and sells electric vehicles must maintain at least one employee who is certified as having completed a training course offered by a Minnesota motor vehicle dealership association that addresses at least the following elements:

(1) fundamentals of electric vehicles;

(2) electric vehicle charging options and costs;

(3) publicly available electric vehicle incentives;

(4) projected maintenance and fueling costs for electric vehicles;

(5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric vehicles;

(6) the impacts of Minnesota's cold climate on electric vehicle operation; and

(7) best practices to sell electric vehicles.

(b) For the purposes of this section, "electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 216B.096, subdivision 11, is amended to read:

Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically file with the commission a report, in a format specified by the commission, specifying the number of utility heating service customers whose service is disconnected or remains disconnected for nonpayment as of September 15 and October 1 ~~and October 15~~. If customers remain disconnected on October ~~15~~ 1, a utility must file a report each week between ~~November 1~~ October 15 and the end of the cold weather period specifying:

(1) the number of utility heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of utility heating service customers that are reconnected to service each week. The utility may discontinue weekly reporting if the number of utility heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

The data reported under this subdivision are presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 11. Minnesota Statutes 2022, section 216B.16, subdivision 10, is amended to read:

Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual granted formal intervenor status by the commission is eligible to receive compensation.

(b) The commission may order a utility to compensate all or part of an eligible intervenor's reasonable costs of participation in a general rate case that comes before the commission when the commission finds that the intervenor has materially assisted the commission's deliberation and when a lack of compensation would present financial hardship to the intervenor. Compensation may not exceed $50,000 for a single intervenor in any proceeding. For the purpose of this subdivision, "materially assisted" means that the intervenor's participation and presentation was useful and seriously considered, or otherwise substantially contributed to the commission's deliberations in the proceeding.

(c) In determining whether an intervenor has materially assisted the commission's deliberation, the commission must consider, among other factors, whether:

(1) the intervenor represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the intervenor were an important factor in producing a fair decision;

(3) the intervenor's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the intervenor would not have been a part of the record without the intervenor's participation; and

(5) the administrative law judge or the commission adopted, in whole or in part, a position advocated by the intervenor.

(d) In determining whether the absence of compensation would present financial hardship to the intervenor, the commission must consider:

(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

(e) An intervenor seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed 30 days after the later of (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(f) The compensation request must include:

(1) the name and address of the intervenor or representative of the nonprofit organization the intervenor is representing;

(2) proof of the organization's nonprofit, tax-exempt status;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) a list of actual annual revenues and expenses of the organization the intervenor is representing for the preceding year and projected revenues, revenue sources, and expenses for the current year;

(5) the organization's balance sheet for the preceding year and a current monthly balance sheet;

(6) an itemization of intervenor costs and the total compensation request; and

(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention.

(g) Within 30 days after service of the request for compensation, a party may file a response, together with an affidavit of service, with the commission. A copy of the response must be served on the intervenor and all other parties to the proceeding.

(h) Within 15 days after the response is filed, the intervenor may file a reply with the commission. A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(i) If additional costs are incurred as a result of additional proceedings following the commission's initial order, the intervenor may file an amended request within 30 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

(j) The commission must issue a decision on intervenor compensation within 60 days of a filing by an intervenor.

(k) A party may request reconsideration of the commission's compensation decision within 30 days of the decision.

(l) If the commission issues an order requiring payment of intervenor compensation, the utility that was the subject of the proceeding must pay the compensation to the intervenor, and file with the commission proof of payment, within 30 days after the later of (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed or (2) the date the commission issues an order following reconsideration of its order on intervenor compensation.

(m) The implementation and enforcement of this subdivision is suspended while section 216B.631 is effective.

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

Sec. 12. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fresh electric vehicle battery.

(c) "Electric vehicle" means any device or contrivance that transports persons or property and is capable of being powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes but is not limited to:

(1) an electric vehicle, as defined in section 169.011, subdivision 26a;

(2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

(3) an off-road vehicle, as defined in section 84.797, subdivision 7;

(4) a motorboat, as defined in section 86B.005, subdivision 9; or

(5) an aircraft, as defined in section 360.013, subdivision 37.

(d) "Electric vehicle charging station" means a physical location deploying equipment that:

(1) transfers electricity to an electric vehicle battery;

(2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

(3) exchanges electric vehicle batteries; or

(4) provides other equipment used to charge or fuel electric vehicles.

(e) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated machinery, equipment, and infrastructure necessary for a public utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(g) "Government entity" means the state, a state agency, or a political subdivision, as defined in section 13.02, subdivision 11.

(h) "Motor fuel" has the meaning given in section 296A.01, subdivision 33.

(i) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Transportation electrification plan; contents.** (a) By November 1, 2023, and periodically as ordered by the commission, but at least every four years thereafter, a public utility must file a transportation electrification plan with the commission that may include but is not limited to elements that:

(1) maximize the overall benefits of electric vehicles and other electrified transportation while minimizing overall costs; and

(2) promote the:

(i) purchase of electric vehicles by the public utility's customers;

(ii) deployment of electric vehicle infrastructure in the public utility's service territory; and

(iii) development of partnerships, including with establishments that currently retail automotive fuel, in order to increase access to electric vehicle charging stations.

(b) A transportation electrification plan may include but is not limited to the following elements:

(1) programs to educate and increase the awareness and benefits of electric vehicles and electric vehicle charging equipment among individuals, electric vehicle dealers, single-family and multifamily housing developers and property management companies, building owners and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential users of electric vehicles;

(2) investments and customer incentives offered by the public utility to support transportation electrification across all customer classes, including but not limited to investments and customer incentives to facilitate:

(i) the deployment of all types of electric vehicles, and the electric vehicle infrastructure and other electric utility infrastructure required to support them;

(ii) widespread access to publicly available and conveniently located electric vehicle charging stations, including through partnerships between public utilities and establishments that retail automotive fuel, and any Minnesota trade association predominantly composed of establishments that retail automotive fuel, provided that the establishments:

(A) collaborate with the public utility to determine optimal charging locations;

(B) operate 24 hours per day and are staffed at least 14 hours per day excluding public holidays; and

(C) assume charging station operating and maintenance costs, while maintaining operating standards in a safe and efficient manner consistent with industry standards; and

(iii) the electrification of public transit and vehicle fleets owned or operated by a government entity;

(3) research and demonstration projects to increase access to electricity as a transportation fuel, minimize the system costs of electric transportation, and inform future transportation electrification plans;

(4) rate structures or programs that:

(i) incentivize electric vehicle charging at times of day that optimize electric grid operation through the deployment of time-varying rates and charging optimization programs;

(ii) are transparent to a charging customer and an owner of electric vehicle charging stations; and

(iii) ensure that the rates, terms, and conditions governing the operation of electric vehicle charging stations are uniform throughout a public utility's service area;

(5) programs targeting transportation electrification in low- and moderate-income communities and in neighborhoods most affected by transportation-related air emissions;

(6) proposals to expedite commission consideration of program adjustments requested by the public utility; and

(7) proposals to share information and results from transportation electrification projects with stakeholders to promote effective electrification in all areas of the state.

(c) A transportation electrification plan may include planned upgrades to and investments in a public utility's distribution system that are necessary to accommodate future growth in transportation electrification and support the plan's proposed programs and activities.

Subd. 3. **Transportation electrification plan; review and implementation.** The commission may approve, modify, or reject a transportation electrification plan. When reviewing a transportation electrification plan, the commission must consider whether the programs, investments, and expenditures as a whole are reasonable and in the public interest, and are reasonably expected to:

(1) improve the operation of the electric grid;

(2) increase access to the use of electricity as a transportation fuel for all customers, including those in low- and moderate-income communities, rural communities, and communities most affected by air emissions from the transportation sector;

(3) increase access to publicly available electric vehicle charging for all types of electric vehicles;

(4) support the electrification of medium-duty and heavy-duty vehicles and associated charging infrastructure;

(5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and emissions of other air pollutants that impair the environment and public health;

(6) stimulate nonutility investment and the creation of high-quality jobs for local workers;

(7) educate the public about the benefits of electric vehicles and related infrastructure;

(8) be transparent and incorporate reasonable public reporting of program activities, consistent with existing technology and data capabilities, to inform program design and commission policy with respect to electric vehicles;

(9) reasonably balance the benefits of ratepayer funded investments in transportation electrification and impacts on utility rates; and

(10) appropriately balance the participation of public utilities and private enterprise in the market for transportation electrification and related services.

Subd. 4. **Cost recovery.** Notwithstanding any other provision of this chapter, the commission may approve cost recovery under section 216B.16, including an appropriate rate of return, of any prudent and reasonable investments made or expenses incurred by a public utility, including rebates for the installation of electric vehicle infrastructure, to administer and implement an approved transportation electrification plan.

Subd. 5. **Pending filings.** This section shall not apply to any proposals designed to satisfy the objectives established in subdivision 2 that are part of a proceeding that is pending before the commission as of April 1, 2023. In those proceedings, the commission shall have full authority and discretion to accept, modify, or reject the utility's proposals in accordance with the provisions of this chapter extant at the time the public utility's proposals were initially filed in the proceeding. In its filing due November 1, 2023, a public utility that is a party in such a pending proceeding shall not be required under this section to file proposals to satisfy the objectives of subdivision 2 in addition to those accepted or modified by the commission in the pending proceeding.

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

Sec. 13. Minnesota Statutes 2022, section 216B.164, is amended by adding a subdivision to read:

Subd. 12. **Customer's access to electricity usage data.** A utility must provide a customer's electricity usage data to the customer within ten days of the date the utility receives a request from the customer that is accompanied by evidence that the energy usage data is relevant to the interconnection of a qualifying facility on behalf of the customer. For the purposes of this subdivision, "electricity usage data" includes but is not limited to: (1) the total amount of electricity used by a customer monthly; (2) usage by time period if the customer operates under a tariff where costs vary by time of use; and (3) usage data that is used to calculate a customer's demand charge.

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

Sec. 14. Minnesota Statutes 2022, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

Subdivision 1. **Legacy program.** (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

(b) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

(c) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility located in the same county or a county contiguous to where the facility is located.

(d) The public utility must purchase from the community solar garden all energy generated by the solar garden. The purchase shall be at the rate calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill.

(e) The commission may approve, disapprove, or modify a community solar garden program. Any plan approved by the commission must:

(1) reasonably allow for the creation, financing, and accessibility of community solar gardens;

(2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;

(3) not apply different requirements to utility and nonutility community solar garden facilities;

(4) be consistent with the public interest;

(5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;

(6) include a program implementation schedule;

(7) identify all proposed rules, fees, and charges; and

(8) identify the means by which the program will be promoted.

(f) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

(g) Within 180 days of commission approval of a plan under this section, a utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

(h) For the purposes of this section, the following terms have the meanings given:

(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar garden facility interconnected with that utility; and

(2) "subscription" means a contract between a subscriber and the owner of a solar garden.

(i) This subdivision applies to a community solar garden that was approved before January 1, 2024.

Subd. 2. **Definitions.** (a) For purposes of subdivisions 3 to 14, the following terms have the meanings given.

(b) "Backup subscriber" means an individual or entity that temporarily assumes all or a portion of a community solar garden subscription in the event a subscriber exits the community solar garden or is delinquent in paying the subscriber's utility bill.

(c) "Community solar garden" means a facility (1) that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device, (2) that is owned and operated by a subscriber organization, and (3) for which subscribers receive a bill credit for the electricity generated in proportion to the size of the subscriber's subscription.

(d) "Low- to moderate-income subscriber" or "LMI subscriber" means a subscriber that, at the time the community solar garden subscription is executed, is: (1) a low-income household, as defined under section 216B.2402, subdivision 16; or (2) a household whose income is 150 percent or less of the area median household income.

(e) "Public interest subscriber" means a subscriber that demonstrates status as a public or Tribal entity, school, nonprofit organization, house of worship, or social service provider.

(f) "Subscribed energy" means electricity generated by the community solar garden that is attributable to a subscriber's subscription.

(g) "Subscriber" means a retail customer who owns one or more subscriptions of a community solar garden interconnected with the retail customer's utility.

(h) "Subscriber organization" means a developer or owner of a community solar garden.

(i) "Subscription" means a contract between a subscriber and subscriber organization.

(j) "Utility" means the public utility subject to section 116C.779.

Subd. 3. **Applicability; scope; limitation.** (a) Subdivisions 2 to 13 apply to community solar gardens approved for the program beginning January 1, 2024.

(b) Except as otherwise modified, replaced, or superseded by subdivisions 2 to 13, any commission order that applies to the legacy program under subdivision 1 applies to subdivisions 2 to 13.

(c) Notwithstanding any other law, a subscriber organization or a subscriber must not be deemed a utility solely as a result of the subscriber organization's or subscriber's participation in a community solar garden.

Subd. 4. **Community solar garden program administration.** (a) The commissioner must administer the community garden program. The commissioner must:

(1) collect and evaluate community solar garden applications from subscriber organizations;

(2) audit or verify that project eligibility criteria have been met, as necessary;

(3) pursuant to subdivision 7, allocate community solar garden capacity to approved community solar gardens, subject to the annual capacity limit;

(4) develop procedures to carry out the duties under this section, including establishing procedures and a timeline to allocate community solar garden capacity under subdivision 7; and

(5) enforce the consumer protections under subdivisions 9 to 11.

(b) The commissioner is authorized to access information regarding a subscriber's net electricity bill savings or any charges that the subscriber pays.

Subd. 5. **Application; registration.** (a) A subscriber organization must submit an application to the commissioner, on a form prescribed by the commissioner, to receive approval for a proposed community solar garden project.

(b) A community solar garden application must contain, at a minimum:

(1) a copy of a signed interconnection agreement between the subscriber organization and the utility, except that information that the subscriber organization cannot reasonably determine without approval of the proposed community solar garden is not required;

(2) a copy of any required nonministerial permits that have been approved by the local authority that has jurisdiction over the project;

(3) a copy of the community solar garden's subscription contract, including: (i) the information provided to potential subscribers that discloses future costs and benefits of subscriptions; and (ii) any rules, fees, and charges;

(4) information regarding the community solar garden's program design with respect to potential subscribers, itemized by subscriber type;

(5) proof of legally binding site control of the community solar garden's proposed location;

(6) any information necessary for the commissioner to allocate annual community solar garden program capacity under subdivision 7, paragraph (b); and

(7) any other information the commissioner deems necessary to administer the community solar garden program.

(c) The commissioner must approve a community solar garden that submits the information required under paragraph (b), unless the total annual capacity threshold has been met or the commissioner determines approving the community solar garden is not in the public interest. An application that is deemed in the public interest, but not allocated capacity in a particular program year, must be held in queue for the program year and allocated capacity if any capacity becomes available during the program year.

Subd. 6. **Eligible project; other requirements.** (a) In order to be eligible for compensation under subdivision 8, a community solar garden must: (1) be connected to the utility's distribution system; (2) have a capacity, as defined under section 216B.164, subdivision 2a, paragraph (c), of no more than five megawatts; and (3) have at least 25 individual subscribers per megawatt of generation capacity, provided that a single subscriber does not possess more than a 40 percent interest in the community solar garden's total capacity.

(b) A community solar garden subscriber must be located within the Minnesota service territory of the utility.

(c) A contractor or subcontractor that constructs or installs a community solar garden that has a capacity of at least 1 megawatt: (1) must pay no less than the prevailing wage rate, as defined in section 177.42; and (2) is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 7. **Annual capacity limit; allocation.** (a) Each program year the commissioner must allocate the community solar garden program's annual new capacity to eligible community solar gardens. The maximum cumulative annual capacity of new community solar gardens approved each program year under this subdivision is:

(1) 100 megawatts in 2024, 2025, and 2026;

(2) 80 megawatts in 2027, 2028, 2029, and 2030; and

(3) 60 megawatts in 2031 and each year thereafter.

(b) When allocating capacity to eligible community solar gardens, the commissioner must evaluate and prioritize capacity allocation to community solar garden applicants based on information provided in the community solar garden application regarding:

(1) the degree to which subscribers, utility ratepayers, or the community surrounding the project receive the financial benefit of tax benefits and other incentives resulting from the community solar garden;

(2) the scale of financial benefits the community solar garden delivers to LMI subscribers, affordable housing residents, and public interest subscribers, as well as the number of, and project capacity attributable to, LMI subscribers, affordable housing residents, and public interest subscribers;

(3) community solar garden project ownership and financing arrangements that deliver benefits to public, nonprofit, cooperative, and Tribal entities;

(4) whether the community solar garden uses nongreenfield locations, especially rooftops, carports, or sites that contain a hazardous substance, pollutant, or contaminant;

(5) whether the community solar garden provides workforce development and apprenticeship opportunities, especially for workers who are Black, Indigenous, or Persons of Color; and

(6) the resiliency benefits the community solar garden provides to the electrical grid or the local community.

(c) The commissioner may allocate capacity to a community solar garden under this subdivision only if the application includes a subscription plan that ensures:

(1) at least 30 percent of the community solar garden's capacity is subscribed to by LMI subscribers; and

(2) at least 55 percent of the community solar garden's capacity is subscribed to by subscribers that are:

(i) LMI subscribers;

(ii) public interest subscribers; or

(iii) an affordable housing provider, as determined by the commissioner.

(d) A backup subscriber may subscribe to and receive bill credits for up to 15 percent of a community solar garden's annual capacity. In the event a community solar garden subscriber exits the community solar garden or is delinquent on the subscriber's utility bill, the backup subscriber may be automatically subscribed to up to 40 percent of the community solar garden's capacity for up to one year at the rates provided under subdivision 8, paragraph (b), clause (7).

Subd. 8. **Community solar garden compensation.** (a) A utility must purchase electricity generated by a community solar garden approved for a period of 25 years from the date the community solar garden begins operations. A utility must compensate a community solar garden using a bill credit on each individual subscriber's bill, in an amount proportional to the subscriber's share in the community solar garden.

(b) Beginning January 1, 2024, the utility must purchase energy generated by a community solar garden at the following rates provided for each subscriber type, as determined by the commission:

(1) for a LMI subscriber, the average retail rate for residential customers;

(2) for a residential subscriber that is not a LMI subscriber, 85 percent of the average retail rate for the applicable residential class customers;

(3) for master-metered affordable housing, 80 percent of the average retail rate for residential customers;

(4) for a public interest subscriber that is a small general commercial customer, 75 percent of the average retail rate for the customer's rate class;

(5) for a public interest subscriber that is a general service commercial customer, 100 percent of the average retail rate for the customer's rate class;

(6) for other commercial subscribers, 70 percent of the average retail rate for the customer's rate class;

(7) for a community solar garden with at least 50 percent total capacity subscribed to by LMI subscribers:

(i) up to one backup subscriber may receive 90 percent of the average retail rate for the regular commercial subscriber's customer class, plus additional compensation for demand charges based on 50 percent of the comparable photovoltaic demand credit rider; and

(ii) a backup subscriber that subscribes to more than 15 percent of a community solar garden's total capacity for more than 12 consecutive months, the rate provided for other commercial subscribers under clause (6); and

(8) for unsubscribed energy generated that is credited to the subscriber organization, the utility's avoided cost.

Subd. 9. **Subscriber organizations; prohibitions; requirements.** (a) A subscriber organization and a subscriber organization's marketing representatives are prohibited from, with respect to a community solar garden:

(1) checking the credit score or credit history of a new or existing residential subscriber;

(2) charging an exit fee to a residential subscriber;

(3) enrolling a subscriber without the subscriber's prior, voluntary consent;

(4) engaging in misleading or deceptive conduct; and

(5) making false or misleading representations.

(b) A subscriber organization must preserve the privacy of subscribers. Except as otherwise authorized under subdivision 4, paragraph (b), a subscriber organization must not publicly disclose a subscriber's account information, energy usage, energy data, or bill credits, unless (1) the subscriber provides express, written, informed consent that authorizes disclosure of the subscriber's information, or (2) the subscription contract otherwise authorizes disclosure of the information.

(c) A subscriber organization and a subscriber organization's marketing representatives must make reasonable efforts to provide subscribers with timely and accurate information regarding the community solar garden. The information must be provided in writing and in plain language, and must include but is not limited to information regarding rates, contract terms, termination fees, and the right to cancel a community solar garden subscription.

(d) Beginning one year after a community solar garden begins operations and annually thereafter, a subscriber organization must publish a signed and notarized report that details the community solar garden's operations for the previous 12-month period. The report must contain, at a minimum: (1) the energy produced by the community solar garden; (2) financial statements, including a balance sheet, income statement, and a sources and uses of funds statement; and (3) a list of the individuals that currently own and manage the subscriber organization. The report under this paragraph must be provided to the commissioner, on a form prescribed by the commissioner, and to each of the community solar garden's subscribers.

(e) A subscriber organization must annually publish a signed and notarized report that details the community solar garden's capacity allocated to relevant subscriber categories, including but not limited to: (1) LMI subscribers; (2) other residential subscribers; (3) affordable housing providers; (4) public interest subscribers, by type; (5) small subscriptions of up to 25 kilowatts; and (6) other subscribers, by type.

Subd. 10. **Subscriber protections.** (a) A community solar garden subscription is transferable and portable, but only within the utility's Minnesota service territory.

(b) The cost of a subscriber's community solar garden subscription must not exceed the value of the subscriber's community solar garden bill credit. For a LMI subscriber, the cost of the community solar garden subscription must not exceed 90 percent of the LMI subscriber's community solar garden bill credit and must not include any fees at the time the subscription is executed.

(c) A utility must offer consolidated billing for community solar garden subscribers so that a subscriber receives only one bill for both the subscribers's monthly electric service and the community solar garden subscription. A utility must offer consolidated billing under this paragraph for community solar garden subscribers no later than January 1, 2024. The commission may modify the date required by this paragraph if the utility demonstrates to the commission that implementing consolidated billing by January 1, 2024, is unreasonably burdensome. A subscriber may elect, but is not required, to use consolidated billing under this paragraph.

(d) A subscriber must be provided an opportunity to submit comments to the subscriber organization regarding the annual report submitted under subdivision 9, paragraph (d), regarding the accuracy and completeness of the report.

Subd. 11. **Nonsubscriber protections.** (a) A utility must exclude from the fuel adjustment charged to a utility customer the net cost of community solar garden generation under this section if the utility customer (1) receives or is eligible for bill payment assistance, and (2) does not subscribe to a community solar garden under this section.

(b) The commission must determine the net cost of community solar garden generation under this section for purposes of paragraph (a).

Subd. 12. **Noncompliance.** A community solar garden that has begun commercial operation must notify the commissioner in writing within 30 days if the community solar garden is not in compliance with subdivision 6, 7, 9 or 10, and must comply within 12 months or the commissioner must revoke the solar garden's participation in the program. Nothing in this subdivision prevents a subscriber organization from reapplying to participate in the program after revocation.

Subd. 13. **Report.** No later than January 31 each year beginning in 2025, the commissioner must prepare and submit to the legislative committees having primary jurisdiction over energy and climate policy a report that aggregates the information received in the reports under subdivision 9, paragraphs (d) and (e).

Subd. 14. **Transition from legacy program.** (a) From the effective date of this section to the date the commissioner begins allocating capacity under subdivision 7, but no later than December 31, 2023, a subscriber organization may submit a community solar garden project application to the utility for the legacy program under subdivision 1 or to the commissioner for the program under subdivisions 3 to 12.

(b) The utility administering the legacy program under subdivision 1 must act in good faith to continue processing applications for the legacy program until December 31, 2023. An application for the legacy program that is approved on or before December 31, 2023, is eligible to become a community solar garden under subdivisions 3 to 12, provided the proposed community solar garden complies with subdivisions 3 to 12.

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

Sec. 15. Minnesota Statutes 2022, section 216B.1645, subdivision 4, is amended to read:

Subd. 4. **~~Settlement with Mdewakanton Dakota Tribal Council at~~ Payments to the Prairie Island Indian Community.** (a) The commission shall approve a rate schedule providing for the automatic adjustment of charges to recover the costs or expenses of a settlement between the public utility that owns the Prairie Island nuclear generation facility and the ~~Mdewakanton Dakota Tribal Council~~ Prairie Island Indian Community at Prairie Island, resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641, article 1, section 4. The settlement must provide for annual payments, not to exceed $2,500,000 annually, by the public utility to the Prairie Island Indian Community, to be used for, among other purposes, acquiring ~~up to 1,500 contiguous or noncontiguous acres of~~ land in Minnesota within 50 miles of the tribal community's reservation at Prairie Island to be taken into trust by the federal government for the benefit of the tribal community ~~for housing and other residential purposes~~. The legislature acknowledges that the intent to purchase land by the tribe for relocation purposes is part of the settlement agreement and Laws 2003, First Special Session chapter 11. However, the state, through the governor, reserves the right to support or oppose any particular application to place land in trust status.

(b) In addition to payments required under paragraph (a), the public utility that owns the Prairie Island nuclear generating facility must make the following annual payments to the Prairie Island Indian Community:

(1) $7,500,000 for each year the Prairie Island nuclear generating facility is in licensed operation; and

(2) $50,000 for each dry cask or container containing spent fuel that is located at the Prairie Island nuclear generating facility, whether or not the plant is in licensed operation.

(c) The commission shall approve a rate schedule providing for the automatic adjustment of charges to retail electricity customers of the public utility that owns the Prairie Island nuclear generating facility to recover the amounts in paragraph (b), clauses (1) and (2).

(d) Paragraphs (b) and (c) apply only if the public utility that owns the Prairie Island nuclear generation facility enters into a new or amended settlement agreement with the Prairie Island Indian Community.

(e) Payments made under this subdivision may be used by the Prairie Island Indian Community for any purpose benefitting the Prairie Island Indian Community. Payments made under this subdivision shall constitute prudent operating expenses for the public utility that owns the Prairie Island nuclear generation facility, and shall constitute consideration for any amended settlement agreement entered into between the public utility and the Prairie Island Indian Community. This subdivision is intended to apply to any successors in interest or assignees of the Prairie Island nuclear generation facility and Prairie Island Independent Spent Fuel Storage Installation.

(f) The commission's approval of a certificate of need under section 216B.243 allowing for the additional storage of spent nuclear fuel necessary for the extended operation of the Prairie Island nuclear plant is effective only if the governor, on behalf of the state, and the public utility operating the Prairie Island nuclear generating plant enter into an agreement binding the parties to the required payments and payment recovery terms of paragraphs (b) and (c). The Prairie Island Indian Community is an intended beneficiary of this agreement and has standing to enforce the agreement.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2h. **Distributed solar energy standard.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "capacity" has the meaning given in section 216B.164, subdivision 2a;

(2) "industrial customer" means a retail electricity customer:

(i) whose numerical classification under the North American Industry Classification System begins with the numbers 31, 32, or 33;

(ii) that is a pipeline, as defined in section 216G.01, subdivision 3; or

(iii) that is an iron mining extraction and processing facility, including a scram mining facility, as defined in Minnesota Rules, part 6130.0100, subpart 16; and

(3) "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

(b) In addition to the other requirements of this section, by the end of 2030, the following proportions of a public utility's total retail electric sales in Minnesota must be generated from solar energy generating systems:

(1) for a public utility with at least 200,000 retail electric customers in Minnesota, at least three percent;

(2) for a public utility with at least 100,000 but fewer than 200,000 retail electric customers in Minnesota, at least three percent; and

(3) for a public utility with fewer than 100,000 retail electric customers in Minnesota, at least one percent.

For a public utility subject to clause (2) or (3), sales to industrial customers in Minnesota must be subtracted from the utility's total retail electric sales for the purpose of calculating total retail electric sales in Minnesota.

(c) To be counted toward a public utility's standard established in paragraph (a), a solar energy generating system must:

(1) have a capacity of ten megawatts or less;

(2) be connected to the public utility's distribution system;

(3) be located in the Minnesota service territory of the public utility; and

(4) be constructed or procured after August 1, 2023.

(d) A solar energy generating system with a capacity of 100 kilowatts or more does not count toward compliance with the standard established in paragraph (a) unless the public utility verifies that construction trades workers who constructed the solar energy generating system were all paid no less than the prevailing wage rate, as defined in section 177.42, and whose employer participated in an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

(e) A public utility shall select projects to satisfy the standard established under this subdivision through a competitive bidding process approved by the commission.

(f) The commission may modify or delay the implementation of the standard established under this subdivision in accordance with the provisions of subdivision 2b.

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

Sec. 17. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** On ~~its~~ the commission's own motion or upon a complaint made against any public utility~~,~~ by the governing body of any political subdivision, by another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility, or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting or relating to the production, transmission, delivery, or furnishing of natural gas or electricity or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed, with notice, to make such investigation as it may deem necessary. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 18. **[216B.172] CONSUMER DISPUTES.**

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 who files with the consumer affairs office a complaint against a public utility.

(d) "Complaint" means an allegation submitted to the consumer affairs office by a complainant that a public utility'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) "Public assistance" has the meaning given in section 550.37, subdivision 14.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility 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.

Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with the resolution of a complaint by the consumer affairs office, the complainant may file an appeal with the commission requesting that the commission make a final decision on the complaint. The commission's response to an appeal filed under this subdivision must comply with the notice requirements under section 216B.17, subdivisions 2 to 5.

(b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of the commission or a subcommittee delegated under section 216A.03, subdivision 8, to review the resolution of the complaint must decide whether the complaint be:

(1) dismissed because there is no reasonable basis on which to proceed;

(2) resolved through an informal commission proceeding; or

(3) referred to the Office of Administrative Hearings for a contested case proceeding under chapter 14.

A decision made under this paragraph must be provided in writing to the complainant and the public utility.

(c) If the commission decides that the complaint be resolved through an informal proceeding before the commission or referred to the Office of Administrative Hearings for a contested case proceeding, the executive secretary must issue any procedural schedules, notices, or orders required to initiate an informal proceeding or a contested case.

(d) The commission's dismissal of an appeal request or a decision rendered after conducting an informal proceeding is a final decision constituting an order or determination of the commission.

Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek judicial review in district court of an adverse final decision under subdivision 3, paragraph (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

Subd. 5. **Right to service during pendency of dispute.** A public utility must continue or promptly restore service to a complainant during the pendency of an administrative or judicial procedure pursued by a complainant under this section, provided that the complainant:

(1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

(2) posts the full disputed payment in escrow;

(3) demonstrates receipt of public assistance or eligibility for legal aid services; or

(4) demonstrates the complainant's household income is at or below 50 percent of the median income in Minnesota.

Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 19. Minnesota Statutes 2022, section 216B.2402, subdivision 16, is amended to read:

Subd. 16. **Low-income household.** "Low-income household" means a household whose household income:

(1) is ~~60~~ 80 percent or less of the ~~state~~ area median household income~~.~~ for the geographic area in which the low-income household is located, as calculated by the United States Department of Housing and Urban Development; or

(2) meets the income eligibility standards, as determined by the commissioner, required for a household to receive financial assistance from a federal, state, municipal, or utility program administered or approved by the department.

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

Sec. 20. Minnesota Statutes 2022, section 216B.2425, subdivision 3, is amended to read:

Subd. 3. **Commission approval.** (a) By June 1 of each even-numbered year, the commission shall adopt a state transmission project list and shall certify, certify as modified, or deny certification of the transmission and distribution projects proposed under subdivision 2. Except as provided in paragraph (b), the commission may only certify a project that is a high-voltage transmission line as defined in section 216B.2421, subdivision 2, that the commission finds is:

(1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;

(2) needed, applying the criteria in section 216B.243, subdivision 3; and

(3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

(b) The commission may certify a project proposed under subdivision 2, paragraph (e), only if the commission finds the proposed project is in the public interest.

Sec. 21. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision to read:

Subd. 9. **Integrated distribution plan; contents.** The public utility that owns a nuclear generating plant must include the following information in the public utility's annual integrated distribution plan filed with the commission, beginning with the plan due November 1, 2023:

(1) a forecast of distribution system upgrades necessary to accommodate the interconnection of distributed generation resulting from the utility's compliance with sections 216B.1641 and 216B.1691, subdivision 2h, and other customer-sited projects, including energy storage systems;

(2) an evaluation of measures that can reduce the need for or cost of distribution system upgrades to enable the interconnection of distributed generation resources, including but not limited to the employment of smart inverters, grid management tools, distributed energy resources management tools, and energy export tariffs; and

(3) a discussion of alternative methods to allocate costs of distribution system upgrades among distributed generation owners or developers and ratepayers.

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

Sec. 22. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws 2023, chapter 7, section 23, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating system, as defined in section 216E.01, subdivision 9a, ~~if the system is owned and operated by an independent power producer and the electric output of the system:~~ for which a site permit application is submitted by an independent power producer under chapter 216E or 216F; or

~~(i) is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; or~~

~~(ii) is sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator, provided that the system represents solar or wind capacity that the entity purchasing the system's electric output was ordered by the commission to develop in the entity's most recent integrated resource plan approved under section 216B.2422; or~~

(8) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating system that is a large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that:

(i) will not result in the system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

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

Sec. 23. Minnesota Statutes 2022, section 216B.50, subdivision 1, is amended to read:

Subdivision 1. **Commission approval required.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of ~~$100,000~~ $1,000,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

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

Sec. 24. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition to other assessments in subdivision 3, the department may assess up to ~~$500,000~~ $1,000,000 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct analysis that assesses energy grid reliability at state, regional, and

national levels. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

~~(b) By February 1, 2023, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must describe how the department has used utility grid assessment funding under paragraph (a) and must explain the impact the grid assessment funding has had on grid reliability in Minnesota.~~

~~(c) This subdivision expires June 30, 2023.~~

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

Sec. 25. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

(b) "Participant" means a person who files comments or appears in a commission proceeding concerning one or more public utilities, excluding public hearings held in contested cases and commission proceedings conducted to receive general public comments.

(c) "Party" means a person by or against whom a proceeding before the commission is commenced or a person permitted to intervene in a proceeding, other than public hearings, concerning one or more public utilities.

(d) "Proceeding" means:

(1) a rate change proceeding under section 216B.16, including a request to withdraw, defer, or modify a petition to change rates;

(2) a proceeding in which the commission considers a utility request for cost recovery through general rates or riders;

(3) a proceeding in which the commission considers a determination related to ratepayer protections, service quality, or disconnection policies and practices, including but not limited to utility compliance with the requirements of sections 216B.091 to 216B.0993;

(4) a proceeding in which the commission considers determinations directly related to low-income affordability programs, including but not limited to utility compliance with the requirements of section 216B.16, subdivisions 14, 15, and 19, paragraph (a), clause (3);

(5) a proceeding related to the design or approval of utility tariffs or rates;

(6) a proceeding related to utility performance measures or incentives, including but not limited to proceedings under sections 216B.16, subdivision 19, paragraph (h); 216B.167; and 216B.1675;

(7) proceedings related to distribution system planning and grid modernization, including but not limited to proceedings in compliance with the requirements in section 216B.2425, subdivision 2, paragraph (e);

(8) investigations or inquiries initiated by the commission or the Department of Commerce; or

(9) proceedings related to utility pilot programs in which the commission considers a proposal with a proposed cost of at least $5,000,000.

(e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive compensation under this section:

(1) a nonprofit organization that:

(i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(ii) is incorporated or organized in Minnesota;

(iii) is governed under chapter 317A or section 322C.1101; and

(iv) the commission determines under subdivision 3, paragraph (c), would suffer financial hardship if not compensated for the nonprofit organization's participation in the applicable proceeding; or

(2) a Tribal government of a federally recognized Indian Tribe that is located in Minnesota.

Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to compensate all or part of a participant's reasonable costs incurred to participate in a proceeding before the commission if the participant is eligible under subdivision 2 and the commission finds:

(1) that the participant has materially assisted the commission's deliberation; and

(2) if the participant is a nonprofit organization, that the participant would suffer financial hardship if the nonprofit organization's participation in the proceeding was not compensated.

(b) In determining whether a participant has materially assisted the commission's deliberation, the commission must find that:

(1) the participant made a unique contribution to the record and represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the participant were an important factor in producing a fair decision;

(3) the participant's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the participant would not otherwise have been part of the record;

(5) the participant was active in any stakeholder process included in the proceeding; and

(6) the proceeding resulted in a commission order that adopted, in whole or in part, a position advocated by the participant.

(c) In determining whether a nonprofit participant has demonstrated that a lack of compensation would present financial hardship, the commission must find that the nonprofit participant:

(1) had an average annual payroll expense less than $600,000 for participation in commission proceedings over the previous three years; and

(2) has fewer than 30 full-time equivalent employees.

(d) In reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable. If the commission determines that an eligible participant materially assisted the commission's deliberation, the commission shall award all or part of the requested compensation, up to the maximum amounts provided under subdivision 4.

Subd. 4. **Compensation; amount.** (a) Compensation must not exceed $50,000 for a single participant in any proceeding, except that:

(1) if a proceeding extends longer than 12 months, a participant may request and be awarded compensation of up to $50,000 for costs incurred in each calendar year; and

(2) for a contested case proceeding, a participant may request and be awarded up to $75,000.

(b) No single participant may be awarded more than $200,000 under this section in a single calendar year.

(c) Compensation requests from joint participants must be presented as a single request.

(d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar year, require a single public utility to pay aggregate compensation under this section that exceeds the following amounts:

(1) $100,000, for a public utility with up to $300,000,000 annual gross operating revenue in Minnesota;

(2) $275,000, for a public utility with at least $300,000,000 but less than $900,000,000 annual gross operating revenue in Minnesota;

(3) $375,000, for a public utility with at least $900,000,000 but less than $2,000,000,000 annual gross operating revenue in Minnesota; and

(4) $1,250,000, for a public utility with $2,000,000,000 or more annual gross operating revenue in Minnesota.

(e) When requests for compensation from any public utility approach the limits established in paragraph (d), the commission may give priority to requests from participants that received less than $150,000 in total compensation during the previous two years and from participants who represent residential ratepayers, particularly those residential ratepayers who the participant can demonstrate have been underrepresented in past commission proceedings.

Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed no more than 30 days after the later of:

(1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed; or

(2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(b) A compensation request must include:

(1) the name and address of the participant or nonprofit organization the participant is representing;

(2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility for compensation under the financial hardship test under subdivision 3, paragraph (c);

(5) amounts of compensation awarded to the participant under this section during the current year and any pending requests for compensation, itemized by docket;

(6) an itemization of the participant's costs, not including overhead costs;

(7) participant revenues dedicated to the proceeding;

(8) the total compensation request; and

(9) a narrative describing the unique contribution made to the proceeding by the participant.

(c) A participant must comply with reasonable requests for information by the commission and other parties or participants. A participant must reply to information requests within ten calendar days of the date the request is received, unless doing so would place an extreme hardship upon the replying participant. The replying participant must provide a copy of the information to any other participant or interested person upon request. Disputes regarding information requests may be resolved by the commission.

(d) A party or participant objecting to a request for compensation must, within 30 days after service of the request for compensation, file a response and an affidavit of service with the commission. A copy of the response must be served on the requesting participant and all other parties to the proceeding.

(e) The requesting participant may file a reply with the commission within 15 days after a response is filed under paragraph (d). A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(f) If additional costs are incurred by a participant as a result of additional proceedings following the commission's initial order, the participant may file an amended request within 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an amended request.

(g) The commission must issue a decision on participant compensation within 120 days of the date a request for compensation is filed by a participant.

(h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to 30 days upon the request of a participant or on the commission's own initiative.

(i) A participant may request reconsideration of the commission's compensation decision within 30 days of the decision date.

Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment of participant compensation, the public utility that was the subject of the proceeding must pay the full compensation to the participant and file proof of payment with the commission within 30 days after the later of:

(1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed; or

(2) the date the commission issues an order following reconsideration of the commission's order on participant compensation.

(b) If the commission issues an order requiring payment of participant compensation in a proceeding involving multiple public utilities, the commission must apportion costs among the public utilities in proportion to each public utility's annual revenue.

(c) The commission may issue orders necessary to allow a public utility to recover the costs of participant compensation on a timely basis.

Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy on the operation of this section. The report must include but is not limited to:

(1) the amount of compensation paid each year by each utility;

(2) each recipient of compensation, the commission dockets in which compensation was awarded, and the compensation amounts; and

(3) the impact of the participation of compensated participants.

Subd. 8. **Sunset.** This section expires July 1, 2031.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any proceeding in which the commission has not issued a final order as of that date.

Sec. 26. Minnesota Statutes 2022, section 216C.08, is amended to read:

216C.08 JURISDICTION.

The commissioner has sole authority and responsibility for the administration of sections 216C.05 to 216C.30 and 216C.375. Other laws notwithstanding, the authority granted the commissioner shall supersede the authority given any other agency whenever overlapping, duplication, or additional administrative or legal procedures might occur in the administration of sections 216C.05 to 216C.30 and 216C.375. The commissioner shall consult with other state departments or agencies in matters related to energy and shall contract with them to provide appropriate services to effectuate the purposes of sections 216C.05 to 216C.30 and 216C.375. Any other department, agency, or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 216C.05 to 216C.30 and 216C.375 shall cooperate and coordinate all activities with the commissioner to assure orderly and efficient administration and enforcement of sections 216C.05 to 216C.30 and 216C.375.

The commissioner shall designate a liaison officer whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the commissioner and the other agencies that may be involved in energy.

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

Sec. 27. Minnesota Statutes 2022, section 216C.09, is amended to read:

216C.09 COMMISSIONER DUTIES.

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 216C.05 to 216C.30 and 216C.375;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 216C.05 to 216C.30 and 216C.375, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

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

Sec. 28. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

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

(b) "Low-income conservation program" means a utility program that offers energy conservation services to low-income households under sections 216B.2403, subdivision 5, and 216B.241, subdivision 7.

(c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision 20.

(d) "Weatherization assistance program" means the federal program described in Code of Federal Regulations, title 10, part 440 et seq., designed to assist low-income households reduce energy use.

(e) "Weatherization assistance services" means the energy measures installed in households under the weatherization assistance program.

Sec. 29. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the department. The purpose of the program is to provide grants for preweatherization services, as defined under section 216B.2402, subdivision 20, in order to expand the breadth and depth of services provided to income-eligible households in Minnesota.

Sec. 30. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1c. **Preweatherization account.** (a) A preweatherization account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law, donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Sec. 31. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants are provided primarily ~~for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.~~ to pay for and may be used to:

(1) address physical deficiencies in a residence that increase heat loss, including deficiencies that prohibit the residence from being eligible to receive federal weatherization assistance;

(2) install eligible preweatherization measures established by the commissioner, as required under section 216B.241, subdivision 7, paragraph (g);

(3) increase the number of weatherized residences;

(4) conduct outreach activities to make income-eligible households aware of available weatherization services, to assist applicants in filling out applications for weatherization assistance, and to provide translation services when necessary;

(5) enable projects in multifamily buildings to proceed even if the project cannot comply with the federal requirement that projects must be completed within the same federal fiscal year in which the project is begun;

(6) expand weatherization training opportunities in existing and new training programs;

(7) pay additional labor costs for the federal weatherization program; and

(8) provide an incentive for the increased production of weatherized units.

(b) Criteria ~~for the allocation of~~ used to allocate state grants to local agencies include existing local agency production levels, emergency needs, and the potential ~~for maintaining~~ to maintain or ~~increasing~~ increase acceptable levels of production in the area.

(c) An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of the program criteria under this subdivision.

Sec. 32. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 7. **Supplemental preweatherization assistance program.** The commissioner must provide grants to weatherization service providers to address physical deficiencies and install weatherization and preweatherization measures in residential buildings occupied by eligible low-income households.

Sec. 33. **[216C.2641] WEATHERIZATION TRAINING GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of commerce must establish a weatherization training grant program to award grants to train workers for careers in the weatherization industry.

Subd. 2. **Grants.** (a) The commissioner must award grants through a competitive grant process.

(b) An eligible entity under paragraph (c) seeking a grant under this section must submit a written application to the commissioner using a form developed by the commissioner.

(c) The commissioner may award grants under this section only to:

(1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United States Internal Revenue Code;

(2) a labor organization, as defined in section 179.01, subdivision 6; or

(3) a job training center or educational institution that the commissioner of commerce determines has the ability to train workers for weatherization careers.

(d) Grant funds must be used to pay costs associated with training workers for careers in the weatherization industry, including related supplies, materials, instruction, and infrastructure.

(e) When awarding grants under this section, the commissioner must give priority to applications that provide the highest quality training to prepare trainees for weatherization employment opportunities that meet technical standards and certifications developed by the Building Performance Institute, Inc., or the Standard Work Specifications developed by the United States Department of Energy for the federal Weatherization Assistance Program.

Subd. 3. **Reports.** By January 15, 2025, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy. The report must detail the use of grant funds under this section, including data on the number of trainees trained and the career progress of trainees supported by prior grants.

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

Sec. 34. **[216C.331] ENERGY BENCHMARKING.**

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

(b) "Aggregated customer energy use data" means customer energy use data that is combined into one collective data point per time interval. Aggregated customer energy use data is data with any unique identifiers or other personal information removed that a qualifying utility collects and aggregates in at least monthly intervals for an entire building on a covered property.

(c) "Benchmark" means to electronically input into a benchmarking tool the total energy use data and other descriptive information about a building that is required by a benchmarking tool.

(d) "Benchmarking information" means data related to a building's energy use generated by a benchmarking tool, and other information about the building's physical and operational characteristics. Benchmarking information includes but is not limited to the building's:

(1) address;

(2) owner and, if applicable, the building manager responsible for operating the building's physical systems;

(3) total floor area, expressed in square feet;

(4) energy use intensity;

(5) greenhouse gas emissions; and

(6) energy performance score comparing the building's energy use with that of similar buildings.

(e) "Benchmarking tool" means the United States Environmental Protection Agency's Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

(f) "Covered property" means any property that is served by an investor-owned utility in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a population of over 50,000 residents served by a municipal energy utility or investor-owned utility, and that has one or more buildings containing in sum 50,000 gross square feet or greater. Covered property does not include:

(1) a residential property containing fewer than five dwelling units;

(2) a property that is: (i) classified as manufacturing under the North American Industrial Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an industrial building otherwise incompatible with benchmarking in the benchmarking tool, as determined by the commissioner;

(3) an agricultural building;

(4) a multitenant building that is served by a utility that cannot supply aggregated customer usage data; or

(5) other property types that do not meet the purposes of this section, as determined by the commissioner.

(g) "Customer energy use data" means data collected from utility customer meters that reflect the quantity, quality, or timing of customers' energy use.

(h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

(i) "Energy performance score" means a numerical value from one to 100 that the Energy Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of comparable buildings nationwide.

(j) "Energy Star Portfolio Manager" means an interactive resource management tool developed by the United States Environmental Protection Agency that (1) enables the periodic entry of a building's energy use data and other descriptive information about a building, and (2) rates a building's energy efficiency against that of comparable buildings nationwide.

(k) "Energy use intensity" means the total annual energy consumed in a building divided by the building's total floor area.

(l) "Financial distress" means a covered property that, at the time benchmarking is conducted:

(1) is the subject of a qualified tax lien sale or public auction due to property tax arrearages;

(2) is controlled by a court-appointed receiver based on financial distress;

(3) is owned by a financial institution through default by the borrower;

(4) has been acquired by deed in lieu of foreclosure; or

(5) has a senior mortgage that is subject to a notice of default.

(m) "Local government" means a statutory or home rule municipality or county.

(n) "Owner" means:

(1) an individual or entity that possesses title to a covered property; or

(2) an agent authorized to act on behalf of the covered property owner.

(o) "Qualifying utility" means a utility serving the covered property, including:

(1) an electric or gas utility, including:

(i) an investor-owned electric or gas utility; or

(ii) a municipally owned electric or gas utility;

(2) a natural gas supplier with five or more active commercial connections, accounts, or customers in the state; or

(3) a district steam, hot water, or chilled water provider.

(p) "Tenant" means a person that occupies or holds possession of a building or part of a building or premises pursuant to a lease agreement.

(q) "Total floor area" means the sum of gross square footage inside a building's envelope, measured between the outside exterior walls of the building. Total floor area includes covered parking structures.

(r) "Utility customer" means the building owner or tenant listed on the utility's records as the customer liable for payment of the utility service or additional charges assessed on the utility account.

Subd. 2. **Establishment.** The commissioner must establish and maintain a building energy benchmarking program. The purpose of the program is to:

(1) make a building's owners, tenants, and potential tenants aware of (i) the building's energy consumption levels and patterns, and (ii) how the building's energy use compares with that of similar buildings nationwide; and

(2) enhance the likelihood that an owner adopts energy conservation measures in the owner's building as a way to reduce energy use, operating costs, and greenhouse gas emissions.

Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered property is classified as follows:

Class	Total Floor Area (square feet)
1	100,000 or more
2	50,000 to 99,999

Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all covered property owned as of December 31 in conformity with the schedule in subdivision 7. Energy use data must be compiled by:

(1) obtaining the data from the utility providing the energy; or

(2) reading a master meter.

(b) Before entering information in a benchmarking tool, an owner must run all automated data quality assurance functions available within the benchmarking tool and must correct all data identified as missing or incorrect.

(c) An owner who becomes aware that any information entered into a benchmarking tool is inaccurate or incomplete must amend the information in the benchmarking tool within 30 days of the date the owner learned of the inaccuracy.

(d) Nothing in this subdivision prohibits an owner of property that is not a covered property from voluntarily benchmarking a property under this section.

Subd. 5. **Exemption for individual building.** (a) The commissioner may exempt an owner of a specific covered property from the requirements of subdivision 4 if the owner provides evidence satisfactory to the commissioner that the covered property for which the owner is seeking an exemption:

(1) is presently experiencing financial distress;

(2) has been less than 50 percent occupied during the previous calendar year;

(3) does not have a certificate of occupancy or temporary certificate of occupancy for the full previous calendar year;

(4) was issued a demolition permit during the previous calendar year that remains current; or

(5) received no energy services for at least 30 days during the previous calendar year.

(b) An exemption granted under this subdivision applies only to a single calendar year. An owner must reapply to the commissioner each year an extension is sought.

(c) Within 30 days of the date an owner makes a request under this paragraph, a tenant of a covered property subject to this section must provide the owner with any information regarding energy use of the tenant's rental unit that the property owner cannot otherwise obtain and that is needed by the owner to comply with this section. The tenant must provide the information required under this paragraph in a format approved by the commissioner.

Subd. 6. **Exemption by other government benchmarking program.** An owner is exempt from the requirements of subdivision 4 for a covered property if the property is subject to a benchmarking requirement by the state, a city, or other political subdivision with a benchmarking requirement that the commissioner determines is equivalent or more stringent, as determined under subdivision 11, paragraph (b), than the benchmarking requirement established in this section. The exemption under this subdivision applies in perpetuity unless or until the benchmarking requirement is changed or revoked and the commissioner determines the benchmarking requirement is no longer equivalent nor more stringent.

Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered property for the previous calendar year according to the following schedule:

(1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and

(2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

(b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2 properties, an owner who is selling a covered property must provide the following to the new owner at the time of sale:

(1) benchmarking information for the most recent 12-month period, including monthly energy use by source; or

(2) ownership of the digital property record in the benchmarking tool through an online transfer.

Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility shall only aggregate customer energy use data of covered properties, and on or before January 1, 2025, a qualifying utility shall:

(1) establish an aggregation standard whereby:

(i) an aggregated customer energy use data set may include customer energy use data from no fewer than four customers. A single customer's energy use must not constitute more than 50 percent of total energy consumption for the requested data set; and

(ii) customer energy use data sets containing three or fewer customers or with a single customer's energy use constituting more than 50 percent of total energy consumption may be provided upon the written consent of:

(A) all customers included in the requested data set, in cases of three or fewer customers; or

(B) any customer constituting more than 50 percent of total energy consumption for the requested data set; and

(2) prepare and make available customer energy use data and aggregated customer energy use data upon the request of an owner.

(b) Customer energy use data that a qualifying utility provides an owner pursuant to this subdivision must be:

(1) available on, or able to be requested through, an easily navigable web portal or online request form using up-to-date standards for digital authentication;

(2) provided to the owner within 30 days after receiving the owner's valid written or electronic request;

(3) provided for at least 24 consecutive months of energy consumption or as many months of consumption data that are available if the owner has owned the building for less than 24 months;

(4) directly uploaded to the owner's benchmarking tool account, delivered in the spreadsheet template specified by the benchmarking tool, or delivered in another format approved by the commissioner;

(5) provided to the owner on at least an annual basis until the owner revokes the request for energy use data or sells the covered property; and

(6) provided in monthly intervals, or the shortest available intervals based in billing.

(c) Data necessary to establish, utilize, or maintain information in the benchmarking tool under this section may be collected or shared as provided by this section and are considered public data whether or not the data have been aggregated.

(d) Notwithstanding any other provision of law, a qualifying utility shall not aggregate or anonymize customer energy use data of any customer exempted by the commissioner under section 216B.241 from contributing to investments and expenditures made by a qualifying utility under an energy and conservation optimization plan, unless the customer provides written consent to the qualifying utility.

(e) Except as provided in paragraph (d), qualifying utilities may aggregate the customer energy use data of properties with a total floor area of less than 50,000 square feet if the property otherwise meets the definition of a covered property.

Subd. 9. **Data collection and management.** (a) The commissioner must:

(1) collect benchmarking information generated by a benchmarking tool and other related information for each covered property;

(2) provide technical assistance to owners entering data into a benchmarking tool;

(3) collaborate with the Department of Revenue to collect the data necessary for establishing the covered property list annually; and

(4) provide technical guidance to utilities in the establishment of data aggregation and access tools.

(b) Upon request of the commissioner, a county assessor shall provide by January 15 annually readily available property data necessary for the development of the covered property list, including but not limited to gross floor area, property type, and owner information.

(c) The commissioner must:

(1) rank benchmarked covered properties in each property class from highest to lowest performance score or, if a performance score is unavailable for a covered property, from lowest to highest energy use intensity;

(2) divide covered properties in each property class into four quartiles based on the applicable measure in clause (1);

(3) assign four stars to each covered property in the quartile of each property class with the highest performance scores or lowest energy use intensities, as applicable;

(4) assign three stars to each covered property in the quartile of each property class with the second highest performance scores or second lowest energy use intensities, as applicable;

(5) assign two stars to each covered property in the quartile of each property class with the third highest performance scores or third lowest energy use intensities, as applicable;

(6) assign one star to each covered property in the quartile of each property class with the lowest performance scores or highest energy use intensities, as applicable; and

(7) serve notice in writing to each owner identifying the number of stars assigned by the commissioner to each of the owner's covered properties.

Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's website and update by December 1 annually the following information for the previous calendar year:

(1) annual summary statistics on energy use for all covered properties;

(2) annual summary statistics on energy use for all covered properties, aggregated by covered property class, as defined in subdivision 3, city, and county;

(3) the percentage of covered properties in each building class listed in subdivision 3 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

(4) for each covered property, at a minimum, the address, the total energy use, energy use intensity, annual greenhouse gas emissions, and an energy performance score, if available.

(b) The commissioner must post the information required under this subdivision for:

(1) all Class 1 properties by December 1, 2025, and by every December 1 thereafter; and

(2) all Class 2 properties by December 1, 2026, and by every December 1 thereafter.

Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner shall coordinate with any state agency or local government that implements an energy benchmarking program, including with respect to reporting requirements.

(b) This section does not restrict a local government from adopting or implementing an ordinance or resolution that imposes more stringent benchmarking requirements. For purposes of this section, a local government benchmarking program is more stringent if the program requires:

(1) buildings to be benchmarked that are not required to be benchmarked under this section; or

(2) benchmarking of information that is not required to be benchmarked under this section.

(c) Benchmarking program requirements of local governments must:

(1) be at least as comprehensive in scope and application as the program operated under this section; and

(2) include annual enforcement of a penalty on covered properties that do not comply with the local government's benchmarking ordinance.

(d) Local governments must notify the commissioner of the local government's existing benchmarking ordinance requirements and of new, changed, or revoked ordinance requirements that would apply to the benchmarking schedule for the following year.

(e) The commissioner must make available to local governments upon request all benchmarking data for covered properties within the local government's jurisdiction annually by December 1.

Subd. 12. **Building performance disclosure to occupants.** The commissioner must provide disclosure materials for public display within a building to building owners, so that owners can prominently display the performance of the building. The materials must include the number of stars assigned to the building by the commissioner under subdivision 9, paragraph (c), and a relevant explanation of the rating.

Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner of each covered property required to benchmark for the previous calendar year of the requirement to benchmark by June 1 of the current year.

Subd. 14. **Program implementation.** The commissioner may contract with an independent third party to implement any or all of the commissioner's duties required under this section. The commissioner must assist owners to increase energy efficiency and reduce greenhouse gas emissions from the owners' covered properties, including by providing outreach, training, and technical assistance to owners to help owners' covered properties comply with the benchmarking program.

Subd. 15. **Account established; appropriation.** (a) An energy benchmarking program account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to pay the reasonable costs of the department to administer this section.

Subd. 16. **Enforcement.** By June 15 each year, the commissioner must notify the owner of each covered property that has failed to comply with this section that the owner has until July 15 to bring the covered property into compliance, unless the owner requests and receives an extension until August 15. If an owner fails to comply with the requirements of this section by July 15 and fails to request an extension by that date, or is given an extension and fails to comply by August 15, the commissioner may impose a civil fine of $1,000 on the owner. The commissioner may by rule increase the civil fine to adjust for inflation.

Subd. 17. **Recovery of expenses.** The commission shall allow a public utility to recover reasonable and prudent expenses of implementing this section under section 216B.16, subdivision 6b. The costs and benefits associated with implementing this section may, at the discretion of the utility, be excluded from the calculation of net economic benefits for purposes of calculating the financial incentive to the public utility under section 216B.16, subdivision 6c. The energy and demand savings may, at the discretion of the public utility, be applied toward the calculation of overall portfolio energy and demand savings for purposes of determining progress toward annual goals under section 216B.241, subdivision 1c, and in the financial incentive mechanism under section 216B.16, subdivision 6c.

EFFECTIVE DATE. This section is effective the day following final enactment, except that subdivision 15 is effective June 15, 2026.

Sec. 35. **[216C.374] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fully charged electric vehicle battery.

(c) "Electric school bus" means an electric vehicle: (1) designed to carry a driver and more than ten passengers; and (2) primarily used to transport preprimary, primary, and secondary students.

(d) "Electric utility" means any utility that provides wholesale or retail electric service to customers in Minnesota.

(e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(f) "Electric vehicle charging station" means a physical location deploying equipment that provides electricity to charge a battery in an electric vehicle.

(g) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated electric panels, machinery, equipment, and infrastructure necessary for an electric utility to supply electricity to an electric vehicle charging station and to support electric vehicle operation.

(h) "Electric vehicle service provider" means an organization that installs, maintains, or otherwise services a battery exchange station, electric vehicle infrastructure, or electric vehicle charging stations.

(i) "Eligible applicant" means a school district or an electric utility, electric vehicle service provider, or transportation service provider applying for a grant under this section on behalf of a school district.

(j) "Federal vehicle electrification grants" means grants that fund electric school buses or electric vehicle infrastructure under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

(k) "Poor air quality" means:

(1) ambient air levels that air monitoring data reveals approach or exceed state or federal air quality standards or chronic health inhalation risk benchmarks for total suspended particulates, particulate matter less than ten microns wide (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

(2) areas in which levels of asthma among children significantly exceed the statewide average.

(l) "Prioritized school district" means:

(1) a school district listed in the Small Area Income and Poverty Estimates School District Estimates as having 7.5 percent or more students living in poverty based on the most recent decennial U.S. census;

(2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural: Distant" by the National Center for Education Statistics;

(3) a school district funded by the Bureau of Indian Affairs; or

(4) a school district that receives basic support payments under United States Code, title 20, section 7703(b)(1), for children who reside on Indian land.

(m) "School" means a school that operates as part of an independent or special school district.

(n) "School bus" has the meaning given in section 169.011, subdivision 71.

(o) "School district" means:

(1) an independent school district, as defined in section 120A.05, subdivision 10; or

(2) a special school district, as defined in section 120A.05, subdivision 14.

(p) "Transportation service provider" means a person that has a contract with a school district to transport students to and from school.

Subd. 2. **Establishment; purpose.** An electric school bus deployment program is established in the department. The purpose of the program is to provide grants to accelerate the deployment of electric school buses by school districts and to encourage schools to use vehicle electrification as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** An electric school bus program account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until June 30, 2027. The commissioner shall manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account is appropriated to the commissioner and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section, including the cost of providing technical assistance to eligible applicants, including but not limited to grant writing assistance for applications for federal vehicle electrification grants under subdivision 6, paragraph (c).

Subd. 5. **Eligible grant expenditures.** A grant awarded under this section may be used only to pay:

(1) a school district or transportation service provider to purchase one or more electric school buses, or convert or repower fossil-fuel-powered school buses to be powered by electricity;

(2) up to 75 percent of the cost a school district or transportation service provider incurs to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered school buses to be powered by electricity;

(3) for prioritized school districts, up to 95 percent of the cost a school district or transportation service provider incurs to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered school buses to be powered by electricity;

(4) up to 75 percent of the cost of deploying, on the school district or transportation service provider's real property, infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(5) for prioritized school districts, up to 95 percent of the cost of deploying, on the school district or transportation service provider's real property, infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations; and

(6) the reasonable costs of technical assistance related to electric school bus deployment program planning and to prepare grant applications for federal vehicle electrification grants.

Subd. 6. **Application process.** (a) The commissioner must develop administrative procedures governing the application and grant award process.

(b) The commissioner must issue a request for proposals to eligible applicants who may wish to apply for a grant under this section on behalf of a school.

(c) An eligible applicant must submit an application for an electric school bus deployment grant to the commissioner on a form prescribed by the commissioner. The form must require an applicant to supply, at a minimum, the following information:

(1) the number of and a description of the electric school buses the school district or transportation service provider intends to purchase;

(2) the total cost to purchase the electric school buses and the incremental cost, if any, of the electric school buses when compared with fossil-fuel-powered school buses;

(3) a copy of the proposed contract agreement between the school district, the electric utility, the electric vehicle service provider, or the transportation service provider that includes provisions addressing responsibility for maintenance of the electric school buses and related electric vehicle infrastructure and battery exchange stations;

(4) whether the school district is a prioritized school district;

(5) areas of the school district that serve significant numbers of students eligible for free and reduced-price school meals, and areas that disproportionately experience poor air quality, as measured by indicators such as the Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota Department of Health's air quality and health monitoring, or other relevant indicators;

(6) the school district's plan to prioritize the deployment of electric school buses in areas of the school district that:

(i) serve students eligible for free and reduced-price school meals;

(ii) experience disproportionately poor air quality; or

(iii) are located within environmental justice areas, as defined in section 216B.1691, subdivision 1, paragraph (e);

(7) the school district's plan, if any, to make the electric school buses serve as a visible learning tool for students, teachers, and visitors to the school, including how vehicle electrification may be integrated into the school district's curriculum;

(8) information that demonstrates the school district's level of need for financial assistance available under this section;

(9) any federal vehicle electrification grants awarded to or applied for by the eligible applicant for the same electric school buses or electric vehicle infrastructure proposed by the eligible applicant in a grant application made under this section;

(10) information that demonstrates the school district's readiness to implement the project and to operate the electric school buses for no less than five years;

(11) whether the electric utility or electric vehicle service provider will deploy electric vehicle infrastructure on the school district's or transportation service provider's property, and if so, the willingness and ability of the electric vehicle service provider or the electric utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) comply with section 177.43; and

(12) any other information deemed relevant by the commissioner.

(d) An eligible applicant may seek a technical assistance grant under this section to assist the eligible applicant apply for federal vehicle electrification grants. An eligible applicant seeking a technical assistance grant under this section must submit an application to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the names of the federal programs to which the applicant intends to apply;

(2) a description of the technical assistance the applicants need in order to complete the federal application; and

(3) any other information deemed relevant by the commissioner.

(e) The commissioner must administer an open application process under this section at least twice annually.

Subd. 7. **Technical assistance.** The department must provide technical assistance to school districts to develop and execute projects applied for or funded by grants awarded under this section.

Subd. 8. **Grant awards.** (a) In awarding grants under this section, the commissioner must give priority to applications from or on behalf of prioritized school districts, and must endeavor to award no less than 40 percent of the total amount of grants awarded under this section to prioritized school districts.

(b) In making grant awards under this section, the amount of the grant must be based on the commissioner's assessment of the school district's need for financial assistance.

(c) A grant awarded under this section, when combined with any federal vehicle electrification grants obtained by an eligible applicant for the same electric school buses or electric vehicle infrastructure as proposed by the eligible applicant in a grant application made under this section, must not exceed the total cost of the electric school buses or electric vehicle infrastructure funded by the grant.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2026.

Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2028, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding:

(1) grants and amounts awarded to school districts under this section during the previous year; and

(2) any remaining balance available in the electric school bus program account.

Subd. 11. **Cost recovery.** (a) A prudent and reasonable investment on electric vehicle infrastructure installed on a school district's real property that is made by a public utility may be placed in the public utility's rate base and earn a rate of return determined by the commission.

(b) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism to automatically adjust annual charges for prudent and reasonable investments made by a public utility on electric vehicle infrastructure installed on a school district's real property.

Sec. 36. Minnesota Statutes 2022, section 216C.375, is amended to read:

216C.375 SOLAR FOR SCHOOLS PROGRAM.

Subdivision 1. **Definitions.** (a) For the purposes of this section ~~and section 216C.376~~, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Electricity expenses" means expenses associated with:

(1) purchasing electricity from a utility; or

(2) purchasing and installing a solar energy system, including financing and power purchase agreement payments, operation and maintenance contract payments, and interest charges.

~~(c)~~ (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

~~(d)~~ (e) "School" means:

(1) a school that operates as part of ~~an independent or special~~ a school district;

(2) a Tribal contract school; or

~~(2)~~ (3) a state college or university that is under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

~~(e)~~ (f) "School district" means:

(1) an independent ~~or~~ school district, as defined in section 120A.05, subdivision 10;

(2) a special school district, as defined in section 120A.05, subdivision 14; or

(3) a cooperative unit, as defined in section 123A.24, subdivision 2.

~~(f)~~ (g) "Solar energy system" means photovoltaic or solar thermal devices.

~~(g)~~ (h) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (d).

~~(h)~~ (i) "State colleges and universities" has the meaning given in section 136F.01, subdivision 4.

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the ~~cost~~ school's electricity expenses, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** A solar for schools program account is established in the special revenue fund. Money received from the general fund and from the renewable development account established under section 116C.779, subdivision 1, must be transferred to the commissioner of commerce and credited to the account. The account consists of money received from the general fund and the renewable development account, provided by law, donated, allocated, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Except as otherwise provided in this paragraph, money deposited in the account remains in the account until expended. Any money that remains in the account on June 30, ~~2027~~ 2034, cancels to the general fund.

Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the commissioner and may be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

(b) Grant awards made with funds ~~in the account~~ from the general fund must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

(c) Grant awards made with funds from the renewable development account must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the school building is owned by the grantee and the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to the school building that consumes the electricity generated by the solar energy system, on property within the service territory of the utility currently providing electric service to the school building;

(2) if installed on or adjacent to a school building receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1, has a capacity that does not exceed the lesser of: (i) 40 kilowatts alternating current or, with the consent of the interconnecting electric utility, up to 1,000 kilowatts alternating current; or (ii) 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed; and

(3) if installed on or adjacent to a school building receiving retail electric service from a utility that is subject to section 116C.779, subdivision 1, has a capacity that does not exceed the lesser of 1,000 kilowatts alternating current or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed;

(4) has real-time and cumulative display devices, located in a prominent location accessible to students and the public, that indicate the system's electrical performance.

(b) A school that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the school building on which the solar energy generating system is to be installed and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(4) the total cost to purchase and install the solar energy system and the solar energy system's lifecycle cost, including removal and disposal at the end of the system's life;

(5) a copy of the proposed contract agreement between the school and the ~~public~~ utility to which the solar energy system is interconnected or the developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum and provisions for real-time monitoring of the solar energy system performance for display in a prominent location within the school or on-demand in the classroom;

(7) information that demonstrates the school's level of need for financial assistance available under this section;

(8) information that demonstrates the school's readiness to implement the project, including but not limited to the availability of the site on which the solar energy system is to be installed and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) ~~how the developer or public utility plans to reduce~~ the school's ~~initial capital expense to purchase and install~~ projected reductions in electricity expenses resulting from purchasing and installing the solar energy system ~~by providing financial assistance to the school~~; and

(11) any other information deemed relevant by the commissioner.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process.

(e) The school, the developer, or the utility to which the solar energy generating system is interconnected must annually submit to the commissioner on a form prescribed by the commissioner a report containing the following information for each of the 12 previous months:

(1) the total number of kilowatt-hours of electricity consumed by the school;

(2) the total number of kilowatt-hours generated by the solar energy generating system;

(3) the amount paid by the school to its utility for electricity; and

(4) any other information requested by the commissioner.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section ~~shall~~ must provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant must be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Application deadline.** No application may be submitted under this section after December 31, ~~2025~~ 2032.

Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to schools under this section during the previous year; ~~(2) financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and (3) any remaining balances available under this section and section 216C.376.~~ (2) the amount of electricity generated by solar energy generating systems awarded a grant under this section; and (3) the impact on school electricity expenses.

Subd. 12. **Renewable energy credits.** Renewable energy credits associated with the electricity generated by a solar energy generating system installed under this section in the electric service area of a public utility subject to section 116C.779 are the property of the public utility for the life of the solar energy generating system.

Sec. 37. **[216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

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

(b) "Cooperative electric association" means a cooperative association organized under chapter 308A for the purpose of providing rural electrification at retail.

(c) "Developer" means an entity that installs and may own, maintain, or decommission a solar energy generating system on a public building awarded a grant under this section.

(d) "Local unit of government" means:

(1) a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375; or

(2) a federally recognized Indian Tribe in Minnesota.

(e) "Municipal electric utility" means a utility that (1) provides electric service to retail customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

(f) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations.

(g) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is established in the department. The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings.

Subd. 3. **Establishment of account.** A solar on public buildings grant program account is established in the special revenue fund. Money received from the general fund and the renewable development account established in section 116C.779, subdivision 1, must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be

credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account established under subdivision 3 is appropriated to the commissioner for the purposes of this section and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs of the department to administer this section.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) on property within the service territory of the utility currently providing electric service to the public building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

(b) A public building that receives a rebate or other financial incentive under section 216B.241 for a solar energy generating system is eligible for a grant under this section for the same solar energy generating system.

(c) Before filing an application for a grant under this section, a local unit of government or public building that is served by a municipal electric utility or cooperative electric association must inform the municipal electric utility or cooperative electric association of the local unit of government's or public building's intention to do so. A municipal electric utility may, under an agreement with a local unit of government, own and operate a solar energy generating system awarded a grant under this section on behalf of and for the benefit of the local unit of government.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to local units of government who may wish to apply for a grant under this section on behalf of a public building.

(b) A local unit of government must submit an application to the commissioner on behalf of a public building on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy generating system and the amount of electricity that is projected to be generated;

(2) the current energy demand of the public building on which the solar energy generating system is to be installed, information regarding any distributed energy resource that currently provides electricity to the public building, and the size of the public building's subscription to a community solar garden, if applicable;

(3) information sufficient to estimate the energy and monetary savings that are projected to result from installation of the solar energy generating system over the system's useful life;

(4) the total cost to purchase and install the solar energy generating system and the solar energy generating system's life cycle cost, including removal and disposal after decommissioning;

(5) a copy of the proposed contract agreement between the local unit of government and the utility or developer that includes provisions addressing responsibility for maintenance, removal, and disposal of the solar energy generating system; and

(6) a written statement from the interconnecting utility that no issues that would prevent interconnection of the solar energy generating system as proposed are foreseen.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process under this section.

Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of government awarded a grant under this section must provide the commissioner with information regarding energy conservation measures implemented at the public building where the solar energy generating system is to be installed. The commissioner may make recommendations to the local unit of government regarding cost-effective conservation measures the local unit of government can implement and may provide technical assistance and direct the local unit of government to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a local unit of government for the necessary and reasonable costs associated with the purchase and installation of a solar energy generating system. In determining the amount of a grant award, the commissioner shall take into consideration the financial capacity of the local unit of government awarded the grant.

Subd. 10. **Application deadline.** An application must not be submitted under this section after June 30, 2026.

Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section:

(1) must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and

(2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 12. **Forfeited income.** (a) The utility to which a solar energy generating system awarded a grant under this section is interconnected must calculate the amount of net income accruing to the local unit of government annually as a result of the operation of the solar energy generating system, whether in the form of cash payments or electricity bill credits, and report that amount to the local unit of government no later than February 1.

(b) Any net income accruing to a local unit of government as calculated under paragraph (a) must be forfeited to the utility by the local unit of government.

Subd. 13. **Reporting.** Beginning January 15, 2025, and each year thereafter until January 15, 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance and policy regarding grants and amounts awarded to local units of government under this section during the previous year and any remaining balances available in the account established under this section.

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

Sec. 38. **[216C.378] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE PROGRAM.**

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

(b) "Capacity constrained location" means a location on an electric utility's distribution system that the utility has reasonably determined requires significant distribution or network upgrades before additional distributed energy resources can interconnect.

(c) "DER Technical Planning Standard" means an engineering practice that limits the total aggregate distributed energy resource capacity that may interconnect to a particular location on the utility's distribution system.

(d) "Distributed energy resources" means distributed generation, as defined in section 216B.164, and energy storage systems, as defined in section 216B.2422.

(e) "Distribution upgrades" means the additions, modifications, and upgrades made to an electric utility's distribution system to facilitate interconnection of distributed energy resources.

(f) "Interconnection" means the process governed by the Minnesota Distributed Energy Resources Interconnection Process and Agreement, as approved in the Minnesota Public Utilities Commission's order issued April 19, 2019, or the Minnesota Distributed Energy Resources Interconnection Process most recently approved by the commission.

(g) "Net metered facility" has the meaning given in section 216B.164.

(h) "Network upgrades" means additions, modifications, and upgrades to the transmission system required at or beyond the point at which the distributed energy resource interconnects with an electric utility's distribution system to accommodate the interconnection of the distributed energy resource with the electric utility's distribution system. Network upgrades do not include distribution upgrades.

Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade program is established in the department. The purpose of the program is to provide funding to the utility subject to section 116C.779 to complete infrastructure investments necessary to enable electricity customers to interconnect distributed energy resources. The program must be designed to achieve the following goals to the maximum extent feasible:

(1) make upgrades at capacity constrained locations on the utility's distribution system that maximize the number and capacity of distributed energy resources projects with a capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to serve projected demand;

(2) enable all distributed energy resources projects with a nameplate capacity of up to 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business days;

(3) minimize interconnection barriers for electricity customers seeking to construct net metered facilities for on-site electricity use; and

(4) advance innovative solutions that can minimize the cost of distribution and network upgrades required for interconnection, including but not limited to energy storage, control technologies, smart inverters, distributed energy resources management systems, and other innovative technologies and programs.

Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779 must file with the commissioner a plan for the distributed energy resources system upgrade program. The plan must contain, at a minimum:

(1) a description of how the utility proposes to use money in the distributed energy resources system upgrade program account to upgrade the utility's distribution system to maximize the number and capacity of distributed energy resources that can be interconnected sufficient to serve projected demand;

(2) the locations where the utility proposes to make investments under the program;

(3) the number and capacity of distributed energy resources projects the utility expects to interconnect as a result of the program;

(4) a plan for reporting on the program's outcomes; and

(5) any additional information required by the commissioner.

(b) The utility subject to section 116C.779 is prohibited from implementing the program until the commissioner approves the plan submitted under this subdivision. No later than March 31, 2024, the commissioner must approve a plan under this subdivision that the commissioner determines is in the public interest. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 4. **Project priorities.** When developing the plan required under subdivision 3, the utility must prioritize making investments:

(1) at capacity constrained locations on the distribution grid;

(2) in communities with demonstrated customer interest in distributed energy resources, as measured by anticipated, pending, and completed interconnection applications; and

(3) in communities with a climate action plan, clean energy goal, or policies that:

(i) seek to mitigate the impacts of climate change on the city; or

(ii) reduce the city's contributions to the causes of climate change.

Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of the utility subject to section 116C.779 under a plan approved in accordance with subdivision 3 from money available in the distributed energy resources system upgrade program account:

(1) distribution upgrades and network upgrades;

(2) energy storage; control technologies, including but not limited to a distributed energy resources management system; or other innovative technology used to achieve the purposes of this section; and

(3) pilot programs operated by the utility to implement innovative technology solutions.

Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any increase in the DER Technical Planning Standard made available by upgrades paid for under this section for net metered facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts alternating current. The commissioner may modify the requirements of this subdivision when the commissioner finds doing so is in the public interest.

Subd. 7. **Establishment of account.** (a) A distributed energy resources system upgrade program account is established in the special revenue fund. The account consists of money provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended.

(b) Money from the account is appropriated to the commissioner to review plans, award grants, and pay the reasonable costs of the department to administer this section.

Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must report to the commissioner within 60 days if any distributed energy resources project with a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety, reliability, or the cost of distribution or network upgrades required at a location for which upgrade funding was provided under this program. The utility must make available to the commissioner all engineering analyses, studies, and information related to any such instances. The commissioner may modify or waive this requirement after December 31, 2025.

Sec. 39. **[216C.379] ENERGY STORAGE INCENTIVE PROGRAM.**

(a) The public utility subject to section 116C.779 must develop and operate a program to provide a grant to customers to reduce the cost to purchase and install an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). The public utility subject to this section must file a plan with the commissioner to operate the program no later than November 1, 2023. The public utility must not operate the program until the program is approved by the commissioner. Any change to an operating program must be approved by the commissioner.

(b) In order to be eligible to receive a grant under this section, an energy storage system must:

(1) have a capacity no greater than 50 kilowatt hours; and

(2) be located within the electric service area of the public utility subject to this section.

(c) An owner of an energy storage system is eligible to receive a grant under this section if:

(1) a solar energy generating system is operating at the same site as the proposed energy storage system; or

(2) the owner has filed an application with the public utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The amount of a grant awarded under this section must be based on the number of watt-hours that reflects the duration of the energy storage system at the system's rated capacity, up to a maximum of $5,000.

(e) The commissioner must annually review and may adjust the amount of grants awarded under this section, but must not increase the amount over that awarded in previous years unless the commissioner demonstrates in writing that an upward adjustment is warranted by market conditions.

(f) A customer who receives a grant under this section is eligible to receive financial assistance under programs operated by the state or the public utility for the solar energy generating system operating in conjunction with the energy storage system.

(g) For the purposes of this section, "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

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

Sec. 40. **[216C.401] ELECTRIC VEHICLE REBATES.**

Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the terms in this subdivision have the meanings given.

(b) "Dealer" means a person, firm, or corporation that:

(1) possesses a new motor vehicle license under chapter 168;

(2) regularly engages in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicles;

(3) has an established place of business to sell, trade, and display new and unused motor vehicles; and

(4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

(c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

(d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (a).

(e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (b).

(f) "Lease" means a business transaction under which a dealer furnishes an eligible electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences of ownership are transferred other than the right to use the vehicle for a term of at least 24 months.

(g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

(h) "New eligible electric vehicle" means an eligible electric vehicle that has not been registered in any state.

Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this section if the electric vehicle:

(1) has not been previously owned;

(2) is used by a dealer as a floor model or test drive vehicle and has not been previously registered in Minnesota or any other state; or

(3) is returned to a dealer by a purchaser or lessee:

(i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing for the electric vehicle has been disapproved; or

(ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered in Minnesota; and

(4) has not been modified from the original manufacturer's specifications;

(5) has a manufacturer's suggested base retail price that does not exceed $55,000;

(6) is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota; and

(7) is purchased or leased after the effective date of this section for use by the purchaser and not for resale.

(b) A used electric vehicle is eligible for an electric vehicle rebate under this section: (1) if the electric vehicle has previously been owned in Minnesota or another state; (2) has not been modified from the original manufacturer's specifications; and (3) has a purchase price no greater than $25,000, exclusive of taxes and fees.

Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible new or used electric vehicle is eligible for a rebate under this section if the purchaser or lessee:

(1) is one of the following:

(i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) a business that has a valid address in Minnesota from which business is conducted;

(iii) a nonprofit corporation incorporated under chapter 317A; or

(iv) a political subdivision of the state;

(2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle from the state of Minnesota; and

(3) registers the electric vehicle in Minnesota.

Subd. 4. **Rebate amounts.** (a) A $2,500 rebate may be issued under this section to an eligible purchaser to purchase or lease an eligible new electric vehicle.

(b) A $600 rebate may be issued under this section to an eligible purchaser or lessee of an eligible used electric vehicle.

Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

(1) no more than one rebate per resident per household; and

(2) no more than one rebate per business entity per year.

Subd. 6. **Program administration.** (a) A rebate application under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop administrative procedures governing the application and rebate award process. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner must, in coordination with dealers and other state agencies as applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or lessee at the point of sale so that the rebate amount may be subtracted from the selling price of the eligible electric vehicle.

(d) The commissioner may reduce the rebate amounts provided under subdivision 4 or restrict program eligibility based on the availability of money to award rebates or other factors.

Subd. 7. **Account established.** (a) The electric vehicle rebate account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to award rebates for electric vehicles and to reimburse the reasonable costs of the department to administer this section.

Subd. 8. **Expiration.** This section expires June 30, 2027.

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

Sec. 41. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the department to award grants to dealers to offset the costs of obtaining the necessary training and equipment that is required by electric vehicle manufacturers in order to certify a dealer to sell electric vehicles produced by the manufacturer.

Subd. 2. **Application.** An application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures and processes to review applications and award grants under this section.

Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise from a manufacturer of electric vehicles.

Subd. 4. **Account established; appropriation.** (a) An auto dealer certification grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to pay the reasonable costs of the department to administer this section.

Subd. 5. **Eligible expenditures.** Appropriations made to support the activities of this section must be used only to reimburse:

(1) a dealer for the reasonable costs to obtain training and certification for the dealer's employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

(2) a dealer for the reasonable costs to purchase and install equipment to service and repair electric vehicles, as required by the electric vehicle manufacturer that awarded the franchise to the dealer; and

(3) the department for the reasonable costs to administer this section.

Subd. 6. **Limitation.** A grant awarded under this section to a single dealer must not exceed $40,000.

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

Sec. 42. Minnesota Statutes 2022, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland, as defined in section 216C.436, subdivision 1b, that the implementing entity has determined, after review of an energy audit ~~or~~, renewable energy system feasibility study, or agronomic assessment, as defined in section 216C.436, subdivision 1b, can ~~be benefited by~~ benefit from the installation of cost-effective energy improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

Sec. 43. Minnesota Statutes 2022, section 216C.436, is amended by adding a subdivision to read:

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

(b) "Agronomic assessment" means a study by an independent third party that assesses the environmental impacts of proposed land and water improvements on farmland.

(c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under section 273.13, subdivision 23.

(d) "Land and water improvement" means:

(1) an improvement to farmland that:

(i) is permanent;

(ii) results in improved agricultural profitability or resiliency;

(iii) reduces the environmental impact of agricultural production; and

(iv) if the improvement affects drainage, complies with the most recent versions of the applicable following conservation practice standards issued by the United States Department of Agriculture's Natural Resources Conservation Service: Drainage Water Management (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and Constructed Wetland (Code 656); or

(2) water conservation and quality measures, which include permanently affixed equipment, appliances, or improvements that reduce a property's water consumption or that enable water to be managed more efficiently.

(e) "Resiliency" means the ability of farmland to maintain and enhance profitability, soil health, and water quality.

Sec. 44. Minnesota Statutes 2022, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A commercial PACE loan program must:

(1) impose requirements and conditions on financing arrangements to ensure timely repayment;

(2) require an energy audit ~~or,~~ renewable energy system feasibility study, or agronomic or soil health assessment to be conducted on the qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

(3) require the inspection of all installations and a performance verification of at least ten percent of the cost-effective energy improvements or land and water improvements financed by the program;

(4) not prohibit the financing of all cost-effective energy improvements or land and water improvements not otherwise prohibited by this section;

(5) require that all cost-effective energy improvements or land and water improvements be made to a qualifying commercial real property prior to, or in conjunction with, an applicant's repayment of financing for cost-effective energy improvements or land and water improvements for that property;

(6) have cost-effective energy improvements or land and water improvements financed by the program performed by a licensed contractor as required by chapter 326B or other law or ordinance;

(7) require disclosures in the loan document to borrowers by the implementing entity of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default; and (ii) all the terms and conditions of the commercial PACE loan and the installation of cost-effective energy improvements or land and water improvements, including the interest rate being charged on the loan;

(8) provide financing only to those who demonstrate an ability to repay;

(9) not provide financing for a qualifying commercial real property in which the owner is not current on mortgage or real property tax payments;

(10) require a petition to the implementing entity by all owners of the qualifying commercial real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; ~~and~~

(12) require that liability for special assessments related to the financing runs with the qualifying commercial real property.; and

(13) prior to financing any improvements to or imposing any assessment upon qualifying commercial real property, require notice to and written consent from the mortgage lender of any mortgage encumbering or otherwise secured by the qualifying commercial real property.

Sec. 45. **[216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT PROGRAM.**

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

(b) "Area median income" means the median income of the geographic area in which a single-family or multifamily building whose owner is applying for a grant under this section is located, as reported by the United States Department of Housing and Urban Development.

(c) "Automatic overcurrent protection device" means a device that protects against excess current by interrupting the flow of current.

(d) "Bus" means a metallic strip or bar that carries current.

(e) "Electric panel" means an enclosed box or cabinet containing a building's electric panels, including subpanels, that consists of buses, automatic overcurrent protection devices, and equipment, with or without switches to control light, heat, and power circuits. Electric panel includes a smart panel.

(f) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

(g) "Eligible applicant" means:

(1) an owner of a single-family building whose occupants have an annual household income no greater than 150 percent of the area median income; or

(2) an owner of a multifamily building in which at least 50 percent of the units are occupied by households whose annual income is no greater than 150 percent of the area median income.

(h) "Multifamily building" means a building containing two or more units.

(i) "Smart panel" means an electrical panel that may be electronically programmed to manage electricity use in a building automatically.

(j) "Unit" means a residential living space in a multifamily building occupied by an individual or a household.

(k) "Upgrade" means:

(1) for a single-family residence:

(i) the installation of equipment, devices, and wiring necessary to increase an electrical panel's capacity to a total rating:

(A) of not less than 200 amperes; or

(B) that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code adopted in Minnesota; or

(ii) the installation of a smart panel with or without additional equipment, devices, or wiring; and

(2) for a multifamily building, the installation of equipment, devices, and wiring necessary to increase the capacity of an electric panel, including feeder panels, to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code adopted in Minnesota.

Subd. 2. **Program establishment.** A residential electric panel upgrade grant program is established in the department to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade residential electric panels.

Subd. 3. **Account established.** (a) The residential electric panel upgrade grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to award electric panel upgrade grants and to reimburse the reasonable costs of the department to administer this section.

Subd. 4. **Application process.** An applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures to govern the application and grant award process. The commissioner may contract with a third party to conduct some or all of the program's operations.

Subd. 5. **Grant awards.** A grant may be awarded under this section to:

(1) an eligible applicant; or

(2) with the written permission of an eligible applicant submitted to the commissioner, a contractor performing an upgrade or a third party on behalf of the eligible applicant.

Subd. 6. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (e), a grant awarded under this section may be used to pay 100 percent of the equipment and installation costs of an upgrade.

(b) The commissioner may not award a grant to an eligible applicant under this section which, in combination with a federal grant awarded to the eligible applicant under the federal Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade, exceeds 100 percent of the equipment and installation costs of the upgrade.

(c) The maximum grant amount under this section that may be awarded to an eligible applicant who owns a single-family residence is:

(1) $3,000 for an owner whose annual household income is less than 80 percent of area median income; and

(2) $2,000 for an owner whose annual household income exceeds 80 percent but is not greater than 150 percent of area median income.

(d) The maximum grant amount that may be awarded under this section to an eligible applicant who owns a multifamily building is the sum of $5,000, plus $500 multiplied by the number of units containing a separate electric panel receiving an upgrade in the multifamily building, not to exceed $50,000 per multifamily building.

(e) The commissioner may approve a grant amount that exceeds the maximum grant amount in paragraph (c) or (d), up to 100 percent of the equipment and installation costs of the upgrade, if the commissioner determines that a larger grant amount is necessary in order to complete the upgrade.

Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this section for work conducted at the same single-family residence or multifamily building.

Subd. 8. **Outreach.** The department must publicize the availability of grants under this section to, at a minimum:

(1) income-eligible households;

(2) community action agencies and other public and private nonprofit organizations that provide weatherization and other energy services to income-eligible households; and

(3) multifamily property owners and property managers.

Subd. 9. **Contractor or subcontractor requirements.** Contractors and subcontractors performing electrical work under a grant awarded under this section:

(1) must comply with the provisions of sections 326B.31 to 326B.399;

(2) must certify that the electrical work is performed by a licensed journeyworker electrician or a registered unlicensed individual under the direct supervision of a licensed journeyworker electrician or master electrician employed by the same licensed electrical contractor; and

(3) must pay workers the prevailing wage rate, as defined in section 177.42, and are subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 10. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the department must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over climate and energy policy describing the activities and expenditures under the program established in this section. The report must include, at a minimum:

(1) the number of units in multifamily buildings and the number of single-family residences whose owners received grants;

(2) the geographic distribution of grant recipients; and

(3) the average amount of grants awarded per building in multifamily buildings and in single-family residences.

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

Sec. 46. **[216C.46] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

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

(b) "Eligible applicant" means a person who provides evidence to the commissioner's satisfaction demonstrating that the person has received or has applied for a heat pump rebate available from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

(c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

Subd. 2. **Establishment.** A residential heat pump rebate program is established in the department to provide financial assistance to eligible applicants that purchase and install a heat pump in the applicant's Minnesota residence.

Subd. 3. **Application.** (a) An application for a rebate under this section must be made to the commissioner on a form developed by the commissioner. The application must be accompanied by documentation, as required by the commissioner, demonstrating that:

(1) the applicant is an eligible applicant;

(2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

(3) the applicant has had an energy audit conducted of the residence in which the heat pump is to be installed within the last 18 months by a person with a Building Analyst Technician certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner;

(4) either:

(i) the applicant has installed in the applicant's residence, by a contractor with an Air Leakage Control Installer certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner, the amount of insulation and the air sealing measures recommended by the auditor; or

(ii) the auditor has otherwise determined that the amount of insulation and air sealing measures in the residence are sufficient to enable effective heat pump performance;

(5) the applicant has purchased a heat pump of the capacity recommended by the auditor or contractor, and has had the heat pump installed by a contractor with sufficient training and experience in installing heat pumps, as determined by the commissioner; and

(6) the total cost to purchase and install the heat pump in the applicant's residence.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

(c) The commissioner may modify program requirements under this section when necessary to align with comparable federal programs administered by the department under the federal Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser of:

(1) $4,000; or

(2) the total cost to purchase and install the heat pump in an eligible applicant's residence net of the rebate amount received for the heat pump from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 5. **Assisting applicants.** The commissioner may issue a request for proposal seeking an entity to serve as an energy coordinator to interact directly with applicants and potential applicants to:

(1) explain the technical aspects of heat pumps, energy audits, and energy conservation measures, and the energy and financial savings that can result from implementing each;

(2) identify federal, state, and utility programs available to homeowners to reduce the costs of energy audits, energy conservation, and heat pumps;

(3) explain the requirements and scheduling of the application process;

(4) provide access to certified contractors who can perform energy audits, install insulation and air sealing measures, and install heat pumps; and

(5) conduct outreach to make potential applicants aware of the program.

Subd. 6. **Contractor training and support.** The commissioner may issue a request for proposals seeking an entity to develop and organize programs to train contractors with respect to the technical aspects and installation of heat pumps in residences. The training curriculum must be at a level sufficient to provide contractors who complete training with the knowledge and skills necessary to install heat pumps to industry best practice standards, as determined by the commissioner. Training programs must: (1) be accessible in all regions of the state; and (2) provide mentoring and ongoing support, including continuing education and financial assistance, to trainees.

Subd. 7. **Account established.** (a) The residential heat pump rebate account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner for the purposes of this section and to reimburse the reasonable costs of the department to administer this section.

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

Sec. 47. **[216C.51] UTILITY DIVERSITY REPORTING.**

Subdivision 1. **Public policy.** It is the public policy of this state to encourage each utility that serves Minnesota residents to focus on and improve the diversity of the utility's workforce and suppliers.

Subd. 2. **Definition.** As used in this section, "utility" has the meaning given to the term "public utility" in section 216B.02, subdivision 4.

Subd. 3. **Annual report.** (a) Beginning March 15, 2024, and each March 15 thereafter, each utility authorized to do business in Minnesota must file an annual diversity report to the commissioner in the public eDockets system that describes:

(1) the utility's goals and efforts to increase diversity in the workplace, including current workforce representation numbers and percentages; and

(2) all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises during the previous calendar year.

(b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the total work performed by the utility submitting the report. The actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises must also be expressed as a percentage of the total work performed by the utility submitting the report.

Subd. 4. **Report elements.** Each utility required to report under this section must include the following in the annual report:

(1) an explanation of the plan to increase diversity in the utility's workforce and among the utility's suppliers during the next year;

(2) an explanation of the plan to increase the goals;

(3) an explanation of the challenges faced to increase workforce and supplier diversity, including suggestions regarding actions the department could take to help identify potential employees and vendors;

(4) a list of the certifications the company recognizes;

(5) a point of contact for a potential employee or vendor that wishes to work for or do business with the utility; and

(6) a list of successful actions taken to increase workforce and supplier diversity, to encourage other companies to emulate best practices.

Subd. 5. **State data.** Each annual report must include as much state-specific data as possible. If the submitting utility does not submit state-specific data, the utility must include any relevant national data the utility possesses, explain why the utility could not submit state-specific data, and detail how the utility intends to include state-specific data in future reports, if possible.

Subd. 6. **Publication; retention.** The department must publish an annual report on the department's website and must maintain each annual report for at least five years.

Sec. 48. Minnesota Statutes 2022, section 216E.01, is amended by adding a subdivision to read:

Subd. 3a. **Energy storage system.** "Energy storage system" means equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.

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

Sec. 49. Minnesota Statutes 2022, section 216E.01, subdivision 6, is amended to read:

Subd. 6. **Large electric power facilities.** "Large electric power facilities" means high voltage transmission lines ~~and~~, large electric power generating plants, and energy storage systems.

Sec. 50. Minnesota Statutes 2022, section 216E.03, subdivision 1, is amended to read:

Subdivision 1. **Site permit.** No person may construct a large electric generating plant or an energy storage system without a site permit from the commission. A large electric generating plant or an energy storage system may be constructed only on a site approved by the commission. The commission must incorporate into one proceeding the route selection for a high-voltage transmission line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified under section 216B.243.

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

Sec. 51. Minnesota Statutes 2022, section 216E.03, subdivision 3, is amended to read:

Subd. 3. **Application.** Any person seeking to construct a large electric power ~~generating plant or a high-voltage transmission line~~ facility must apply to the commission for a site or route permit, as applicable. The application shall contain such information as the commission may require. The applicant shall propose at least two sites for a large electric power ~~generating plant~~ facility and two routes for a high-voltage transmission line. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

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

Sec. 52. Minnesota Statutes 2022, section 216E.03, subdivision 5, as amended by Laws 2023, chapter 7, section 25, is amended to read:

Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric power ~~generating plant or high voltage transmission line~~ facility for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes, excluding any alternate site for a solar energy generating system that was not proposed by an applicant.

(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.

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

Sec. 53. Minnesota Statutes 2022, section 216E.03, subdivision 6, is amended to read:

Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application for a site or route permit for a large electric power ~~generating plant or a route permit for a high voltage transmission line~~ facility. All hearings held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

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

Sec. 54. Minnesota Statutes 2022, section 216E.03, subdivision 7, as amended by Laws 2023, chapter 7, section 26, is amended to read:

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power ~~generating plants and high voltage transmission lines~~ facilities and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation,

animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved;

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities;

(13) evaluation of the benefits of the proposed facility with respect to (i) the protection and enhancement of environmental quality, and (ii) the reliability of state and regional energy supplies;

(14) evaluation of the proposed facility's impact on socioeconomic factors; and

(15) evaluation of the proposed facility's employment and economic impacts in the vicinity of the facility site and throughout Minnesota, including the quantity and quality of construction and permanent jobs and their compensation levels. The commission must consider a facility's local employment and economic impacts, and may reject or place conditions on a site or route permit based on the local employment and economic impacts.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

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

Sec. 55. Minnesota Statutes 2022, section 216E.04, subdivision 2, as amended by Laws 2023, chapter 7, section 29, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) large electric power generating plants that are fueled by natural gas;

(3) high-voltage transmission lines of between 100 and 200 kilovolts;

(4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in length in Minnesota;

(5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;

(6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;

(7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; ~~and~~

(8) large electric power generating plants that are powered by solar energy~~.~~; and

(9) energy storage systems.

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

Sec. 56. Minnesota Statutes 2022, section 216E.05, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** Applicants may seek approval from local units of government to construct the following projects:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant;

(3) high-voltage transmission lines of between 100 and 200 kilovolts;

(4) substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;

(5) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; ~~and~~

(6) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; and

(7) energy storage systems.

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

Sec. 57. Minnesota Statutes 2022, section 216E.06, is amended to read:

216E.06 EMERGENCY PERMIT.

(a) Any utility whose electric power system requires the immediate construction of a large electric power ~~generating plant or high voltage transmission line~~ facility due to a major unforeseen event may apply to the commission for an emergency permit. The application shall provide notice in writing of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the commission's acceptance of the application and upon a finding by the commission that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 216E.03 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The commission, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

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

Sec. 58. Minnesota Statutes 2022, section 216E.07, is amended to read:

216E.07 ANNUAL HEARING.

The commission shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding any matters relating to the siting and routing of large electric ~~generating~~ power ~~plants and routing of high voltage transmission lines~~ facilities. At the meeting, the commission shall advise the public of the permits issued by the commission in the past year. The commission shall provide at least ten days but no more than 45 days' notice of the annual meeting by mailing or serving electronically, as provided in section 216.17, a notice to those persons who have requested notice and by publication in the EQB Monitor and the commission's weekly calendar.

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

Sec. 59. Minnesota Statutes 2022, section 216E.10, is amended to read:

216E.10 APPLICATION TO LOCAL REGULATION AND OTHER STATE PERMITS.

Subdivision 1. **Site or route permit prevails over local provisions.** To assure the paramount and controlling effect of the provisions herein over other state agencies, regional, county, and local governments, and special purpose government districts, the issuance of a site permit or route permit and subsequent purchase and use of such site or route locations for large electric power ~~generating plant and high voltage transmission line~~ facility purposes shall be the sole site or route approval required to be obtained by the utility. Such permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

Subd. 2. **Other state permits.** Notwithstanding anything herein to the contrary, utilities shall obtain state permits that may be required to construct and operate large electric power ~~generating plants and high voltage transmission lines~~ facilities. A state agency in processing a utility's facility permit application shall be bound to the decisions of the commission, with respect to the site or route designation, and with respect to other matters for which authority has been granted to the commission by this chapter.

Subd. 3. **State agency participation.** (a) State agencies authorized to issue permits required for construction or operation of large electric power ~~generating plants or high voltage transmission lines~~ facilities shall participate during routing and siting at public hearings and all other activities of the commission on specific site or route designations and design considerations of the commission, and shall clearly state whether the site or route being considered for designation or permit and other design matters under consideration for approval will be in compliance with state agency standards, rules, or policies.

(b) An applicant for a permit under this section or under chapter 216G shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 216G.01, subdivision 4. The commissioner may participate and advise the commission as to whether to grant a permit for the project and the best options for mitigating adverse impacts to agricultural lands if the permit is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

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

Sec. 60. Minnesota Statutes 2022, section 216G.02, subdivision 1, is amended to read:

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

(b) "Gas" means natural gas, flammable gas, carbon dioxide, gas that is toxic, or gas that is corrosive, regardless of whether the material has been compressed or cooled to a liquid or supercritical state.

(c) "Hazardous liquid" means petroleum, petroleum products, anhydrous ammonia, or a substance included in the definition of hazardous liquid under Code of Federal Regulations, title 49, section 195.2, as amended.

(d) Notwithstanding section 216G.01, subdivision 3, "pipeline" means:

(1) pipe with a nominal diameter of six inches or more that is designed to transport hazardous liquids, but does not include pipe designed to transport a hazardous liquid by gravity, and pipe designed to transport or store a hazardous liquid within a refining, storage, or manufacturing facility; or

(2) pipe designed to be operated at a pressure of more than 275 pounds per square inch and to carry gas.

Sec. 61. Minnesota Statutes 2022, section 216H.02, subdivision 1, is amended to read:

Subdivision 1. **Greenhouse gas emissions-reduction goal.** (a) It is the goal of the state to reduce statewide greenhouse gas emissions across all sectors producing ~~those~~ greenhouse gas emissions ~~to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050.~~ by at least the following amounts, compared with the level of emissions in 2005:

(1) 15 percent by 2015;

(2) 30 percent by 2025;

(3) 50 percent by 2030; and

(4) to net zero by 2050.

(b) To the maximum extent practicable, actions taken to achieve these goals must avoid causing disproportionate adverse impacts to residents of communities that are or have been incommensurately exposed to pollution affecting human health and environmental quality.

(c) The ~~levels shall~~ targets under paragraph (a) must be reviewed ~~based on the climate change action plan study~~ annually by the commissioner of the Pollution Control Agency, taking into account the latest scientific research on the impacts of climate change and strategies to reduce greenhouse gas emissions published by the Intergovernmental Panel on Climate Change. The commissioner must forward any recommended changes to the targets to the chairs and ranking minority members of legislative committees with primary jurisdiction over climate change and environmental policy.

(d) For the purposes of the subdivision, "net zero" means:

(1) statewide greenhouse gas emissions equal to zero; or

(2) when annual anthropogenic emissions of greenhouse gases to the atmosphere are balanced by removals over a specific period.

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

Sec. 62. Minnesota Statutes 2022, section 237.55, is amended to read:

237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.

The commissioner of commerce must prepare a report for presentation to the Public Utilities Commission by ~~January~~ March 31 ~~of~~ each year. Each report must review the accessibility of telecommunications services to persons who have communication disabilities, describe services provided, account for annual revenues and expenditures ~~for each aspect of the fund to date~~, and include ~~predicted program~~ anticipated future ~~operation~~ program operations.

Sec. 63. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.**

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

(b) "Private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document.

(c) "Homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community.

(d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

Subd. 2. **Applicability.** This section applies to:

(1) single-family detached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building; and

(2) multifamily attached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building.

Subd. 3. **General rule.** Except as otherwise provided in this section and notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, a private entity must not prohibit or refuse to permit the owner of a single-family dwelling to install, maintain, or use a roof-mounted solar energy system.

Subd. 4. **Allowable conditions.** (a) A private entity may require that:

(1) a licensed contractor install a solar energy system;

(2) a roof-mounted solar energy system not extend above the peak of a pitched roof or beyond the edge of the roof;

(3) the owner or installer of a solar energy system indemnify or reimburse the private entity or the private entity's members for loss or damage caused by the installation, maintenance, use, repair, or removal of a solar energy system;

(4) the owner and each successive owner of a solar energy system list the private entity as a certificate holder on the homeowner's insurance policy; or

(5) the owner and each successive owner of a solar energy system be responsible for removing the system if reasonably necessary to repair, perform maintenance, or replace common elements or limited common elements, as defined in section 515B.1-103.

(b) A private entity may impose other reasonable restrictions on installing, maintaining, or using solar energy systems, provided that the restrictions do not: (1) decrease the solar energy system's projected energy generation by more than ten percent; or (2) increase the solar energy system's cost by more than (i) 20 percent for a solar water heater, or (ii) $1,000 for a solar photovoltaic system, when compared with the solar energy system's energy generation and the cost of labor and materials originally proposed without the restrictions, as certified by the solar energy system's designer or installer. A private entity may obtain an alternative bid and design from a solar energy system designer or installer for the purposes of this paragraph.

(c) A solar energy system must meet applicable standards and requirements imposed by the state and by governmental units, as defined in section 462.384.

(d) A solar energy system for heating water must be certified by the Solar Rating Certification Corporation or an equivalent certification agency. A solar energy system for producing electricity must meet: (1) all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories, including but not limited to Underwriters Laboratories; and (2) where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(e) If approval by a private entity is required prior to installing or using a solar energy system, the application for approval (1) must be processed and approved in the same manner as an application for approval of an architectural modification to the property, and (2) must not be willfully avoided or delayed. In no event does a private entity have less than 60 days to approve or disapprove an application for a solar energy system.

(f) An application for approval must be made in writing and must contain certification that the applicant must meet any conditions required by a private entity under subdivision 4. An application must include a copy of the interconnection application submitted to the applicable electric utility.

(g) A private entity must approve or deny an application in writing. If an application is not denied in writing within 60 days of the date the application was received, the application is deemed approved unless the delay is the result of a reasonable request for additional information. If a private entity determines that additional information is needed from the applicant in order to approve or disapprove the application, the private entity must request the additional information in writing within 60 days from the date of receipt of the application. If the private entity makes a request for additional information within 15 days from the date the private entity initially received the application, the private entity shall have 60 days from the date of receipt of the additional information in which to approve or disapprove the application. If the private entity makes a written request to the applicant for additional information more than 15 days after the private entity initially received the application, the private entity has 15 days after the private entity receives the additional information requested from the applicant in which to approve or disapprove the application, but in no event does the private entity have less than 60 days from the date the private entity initially received the application in which to approve or disapprove the application.

Sec. 64. Minnesota Statutes 2022, section 515B.2-103, is amended to read:

515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

Sec. 65. Minnesota Statutes 2022, section 515B.3-102, is amended to read:

515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.

(a) Except as provided in subsections (b), (c), (d), and (e), and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) Notwithstanding subsection (a), powers exercised under this section must comply with ~~section~~ sections 500.215 and 500.216.

(d) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (d)(1) and the proxy expressly references this notice.

(e) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (d)(1) and (d)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (d) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

Sec. 66. Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9, is amended to read:

Sec. 3. **SUNSET.**

Sections 1 and 2 ~~shall~~ expire ~~on~~ June 30, ~~2023~~ 2028.

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

Sec. 67. **RULEMAKING AUTHORIZED.**

(a) The Public Utilities Commission is authorized to develop and adopt rules for siting energy storage systems and to reflect the provisions of this act.

(b) Until the Public Utilities Commission adopts rules under this section, the Public Utilities Commission shall utilize applicable provisions of Minnesota Rules, chapter 7850, to site energy storage systems, except that Minnesota Rules, part 7850.4400, subpart 4, does not apply to energy storage systems.

(c) For the purposes of this section, "energy storage system" has the meaning given in Minnesota Statutes, section 216E.01, subdivision 3a.

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

Sec. 68. **LOCAL CLIMATE ACTION GRANT PROGRAM.**

Subdivision 1. **Definitions.** For the purpose of this section, the following terms have the meanings given:

(1) "climate change" means a change in global or regional climate patterns associated with increased levels of greenhouse gas emissions entering the atmosphere largely as a result of human activity;

(2) "commissioner" means the commissioner of the Pollution Control Agency;

(3) "eligible applicant" means a political subdivision, an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, or an educational institution;

(4) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that trap heat in the atmosphere;

(5) "local jurisdiction" means the geographic area in which grant activities take place; and

(6) "political subdivision" means:

(i) a county; home rule charter or statutory city or town; regional development commission established under Minnesota Statutes, section 462.387; or any other local political subdivision; or

(ii) a Tribal government, as defined in Minnesota Statutes, section 116J.64, subdivision 4.

Subd. 2. **Establishment.** The commissioner must establish a local climate action grant program in the Pollution Control Agency. The purpose of the program is to provide grants to support local jurisdictions to address climate change by developing and implementing plans of action or creating new organizations and institutions to devise policies and programs that:

(1) enable local jurisdictions to adapt to extreme weather events and a changing climate; or

(2) reduce the local jurisdiction's contributions to the causes of climate change.

Subd. 3. **Account established.** (a) The local climate action grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the agency for the purposes of this section and to reimburse the reasonable costs of the department to administer this section.

Subd. 4. **Application.** (a) Application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop procedures for soliciting and reviewing applications and for awarding grants under this section.

(b) Eligible applicants for a grant under this section must be located in or conduct the preponderance of the applicant's work in the local jurisdiction where the proposed grant activities take place.

Subd. 5. **Awarding grants.** (a) In awarding grants under this section, the commissioner must give preference to proposals that seek to involve a broad array of community residents, organizations, and institutions in the local jurisdiction's efforts to address climate change.

(b) The commissioner shall endeavor to award grants under this section to applicants in all regions of the state.

Subd. 6. **Grant amounts.** (a) A grant awarded under this section must not exceed $50,000.

(b) A grant awarded under this section for activities taking place in a local jurisdiction whose population equals or exceeds 20,000 must be matched 50 percent with local funds.

(c) A grant awarded under this section for activities taking place in a local jurisdiction whose population is under 20,000 must be matched a minimum of five percent with local funds or equivalent in-kind services.

Subd. 7. **Contract; greenhouse gas emissions data.** The commissioner shall contract with an independent consultant to estimate the annual amount of greenhouse gas emissions generated within political subdivisions awarded a grant under this section that the commissioner determines need the data in order to carry out the proposed grant activities. The information must contain emissions data for the most recent three years available, and must conform with the ICLEI United States Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions, including, at a minimum, the Basic Emissions Generating Activities described in the protocol.

Subd. 8. **Technical assistance.** The Pollution Control Agency shall provide directly or contract with an entity outside the agency to provide technical assistance to applicants proposing to develop an action plan under this section, including greenhouse gas emissions estimates developed under subdivision 7, and examples of actions taken and plans developed by other local communities in Minnesota and elsewhere.

Subd. 9. **Eligible expenditures.** Appropriations made to support the activities of this section may be used only to:

(1) provide grants as specified in this section;

(2) pay a consultant for contracted services provided under subdivisions 7 and 8; and

(3) reimburse the reasonable expenses incurred by the Pollution Control Agency to provide technical assistance to applicants and to administer the grant program.

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

Sec. 69. **TRANSFER OF UNENCUMBERED WITHHELD FUNDS.**

Any funds withheld by the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, to provide financial assistance to schools to purchase and install solar energy systems, as required under Minnesota Statutes 2022, section 216C.376, subdivision 5, paragraph (a), that are unencumbered as of the effective date of this section must be transferred to the solar for schools program account established under Minnesota Statutes, section 216C.375, subdivision 3.

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

Sec. 70. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.**

The public utility that owns an electric generation facility powered by coal that is located within the St. Croix National Scenic Riverway and is scheduled for retirement in 2028 must develop a plan and detailed schedule of activities that it proposes to undertake to decommission and demolish the electric generation facility and to

remediate pollution at the electric generation facility site. The public utility must file the plan with the Minnesota Public Utilities Commission as part of the public utility's next resource plan filing under Minnesota Statutes, section 216B.2422, or in a separate filing by December 31, 2025, whichever is earlier. A copy of the plan and schedule must be filed on the same date with the governing body of the municipality where the electric generation facility is located.

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

Sec. 71. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy.

(b) When providing support to a Tribal advocacy council on energy, the Department of Commerce may assist the council to:

(1) assess and evaluate common Tribal energy issues, including (i) identifying and prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate solutions to energy issues, and (iii) assisting decision making with respect to resolving energy issues;

(2) develop new statewide energy policies or proposed legislation, including (i) organizing stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with policy proposal development, evaluation, and decision making, and (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted, policies or legislation approved by the council;

(3) make efforts to raise awareness and provide educational opportunities with respect to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on issues and topics the council identifies as areas of interest, and (iii) identifying topics for educational forums and helping facilitate the forum process; and

(4) identify, evaluate, and disseminate successful energy-related practices, and develop mechanisms or opportunities to implement the successful practices.

(c) Nothing in this section requires or otherwise obligates the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to participate in or implement a decision or support an effort made by an established Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section may be provided only upon request of the council and is limited to issues and areas where the Department of Commerce's expertise and assistance is requested.

Sec. 72. **ELECTRIC GRID RESILIENCE GRANTS.**

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

(b) "Carbon-free" has the meaning given in Minnesota Statutes, section 216B.1691, subdivision 1.

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

(d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section 216B.2402, subdivision 2.

(e) "Department" means the Department of Commerce.

(f) "Eligible applicant" means a consumer-owned utility or associated trade association, generation and transmission cooperative electric association, municipal power agency, or power district serving one or more consumer-owned utilities.

(g) "Resilience" means the ability of an electrical grid to prepare for, adapt to, or minimize the consequences of extreme weather or malicious physical or cyber-attacks.

(h) "Strategic electrification" has the meaning given in Minnesota Statutes, section 216B.2427, subdivision 1.

Subd. 2. **Program establishment.** An electric grid resilience grant program is established in the Department of Commerce to provide financial assistance to eligible applicants. A project awarded a grant under this section:

(1) must increase the resilience of the electric grid;

(2) may develop or improve carbon-free distributed energy resources in the state; and

(3) may improve a utility's ability to add load growth resulting from strategic electrification and electrification of transportation.

Subd. 3. **Application process.** An eligible applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner is responsible for receiving and reviewing grant applications and awarding grants under this subdivision. The commissioner must develop administrative procedures to govern the application, evaluation, and grant award process.

Subd. 4. **Grant awards.** The maximum grant award for each eligible applicant awarded a grant under this subdivision is $250,000. In awarding grants under this subdivision, the department must:

(1) give priority to projects with the greatest potential to assist an eligible applicant to comply with the standards established in Minnesota Statutes, section 216B.1691;

(2) endeavor to award grants to eligible applicants from all regions of the state; and

(3) provide technical assistance to applicants.

Subd. 5. **Account established.** An electric grid resilience grant program account is established as a separate account in the special revenue fund in the state treasury. The commissioner of commerce must credit to the account appropriations and transfers made to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner of commerce must manage the account.

Subd. 6. **Appropriation; expenditures.** Money in the account is appropriated to the commissioner of commerce and must be used only:

(1) to make grant awards under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section, including the cost of providing technical assistance to eligible applicants.

Subd. 7. **Report.** Beginning February 15, 2025, and each February 15 thereafter until the appropriation under article 10, section 2, subdivision 2, paragraph (r), has been expended, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance on the activities taken and expenditures made under this section. The report must, at a minimum, include each grant awarded in the most recent calendar year and the remaining balance of the appropriation under this section.

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

Sec. 73. **COMMUNITY SOLAR GARDEN STUDY.**

The commissioner of commerce must contract with a third party for a study of the community solar garden program operated pursuant to Minnesota Statutes, section 216B.1641, and must, by December 15, 2024, submit to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy a report on the program. The report must include:

(1) a comparison of the program with similar programs operated in other jurisdictions, including a comparison of program structure, the manner in which applications are submitted and reviewed, how related infrastructure upgrades are prioritized and funded, and how regulations and penalties are structured;

(2) an analysis of the cost to ratepayers of operating the community solar garden program and a comparison with the cost to ratepayers of other potential options for encouraging adoption of solar electricity generation in this state; and

(3) an analysis of how the community solar program impacts interconnection and infrastructure upgrade needs and challenges.

Sec. 74. **UTILITY ENERGY STORAGE SYSTEM CAPACITY STUDY.**

(a) The Department of Commerce shall conduct or contract for a study to determine the optimal capacity of energy storage systems required to be installed by electric utilities located in Minnesota by 2030, 2035, and 2040 in order to achieve the requirements established under:

(1) Minnesota Statutes, section 216B.1691, subdivision 2g, regarding the proportion of electricity sold at retail in the state that must be generated by carbon-free resources; and

(2) Minnesota Statutes, section 216B.1691, subdivision 2a, regarding the proportion of electricity sold at retail in the state that must be generated by eligible energy technologies.

(b) In determining optimal capacity amounts, the study must consider:

(1) technological advances in energy storage technology that are likely to be made by 2040, and their impact on the cost-effectiveness of deploying energy storage systems;

(2) the extent to which energy storage systems can serve as substitutes for:

(i) additional electric transmission lines and distribution system capacity; and

(ii) additional generating capacity, including peaking capacity;

(3) which electric utilities are most likely to need and benefit from the deployment of energy storage systems, given their load characteristics and other factors; and

(4) the deployment of energy storage systems in other states, including in states that have established mandatory targets for storage capacity.

(c) No later than February 15, 2024, the Department of Commerce shall submit a written report documenting the study's findings to the chairs and ranking minority members of the senate and house of representatives committees with primary responsibility over energy policy and finance.

(d) No later than February 15, 2024, the Department of Commerce shall host a meeting to solicit input from stakeholders and the public regarding recommendations for the implementation of policies and programs designed to promote the increased deployment of energy storage systems by electric utilities in order to achieve the statewide goals referenced under paragraph (a). The Department of Commerce shall, no later than March 1, 2024, submit a written summary of the recommendations made at the meeting to the members of the legislature identified in paragraph (c) and shall post the summary on the department's website.

(e) For the purposes of this section, "energy storage system" has the meaning given in Minnesota Statutes, section 216B.2422, subdivision 1.

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

Sec. 75. **PUBLIC UTILITIES COMMISSION DOCKET; INTERCONNECTION.**

No later than September 1, 2023, the commission shall open a proceeding to establish interconnection procedures that allow customer-sited distributed generation projects up to 40 kilowatts alternating current in capacity to be processed according to schedules specified in the Minnesota Distributed Energy Resources Interconnection Process, giving such projects priority over larger projects that may enjoy superior positions in the processing queue.

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

Sec. 76. **SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.**

(a) The commissioner of agriculture may award a grant under this section to a cooperative to invest in green fertilizer production facilities in order to reduce greenhouse gas emissions and increase the use of renewable energy in the agriculture sector. A grant under this section must include a long-term agreement requiring cooperative members to purchase green fertilizer from the facilities and to obtain training in best management practices in fertilizer application to minimize pollution. Renewable energy, hydrogen, and ammonia must be produced within 100 miles of the production facilities and the final production of nitrogen fertilizer must occur within Minnesota.

(b) For purposes of this section:

(1) "cooperative" includes an agricultural or rural electric cooperative organized under Minnesota Statutes, chapter 308A or 308B;

(2) "green fertilizer production facilities" means facilities that use renewable energy to produce anhydrous ammonia, urea, or hydrogen;

(3) "green hydrogen" means hydrogen produced by splitting water molecules using:

(i) grid-based electrolyzers that have matched their electricity consumption with wind or solar, on a basis determined by the commissioner; or

(ii) electrolyzers connected directly to a wind or solar facility; and

(4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

(c) The commissioner of agriculture must develop criteria and scoring procedures for evaluating and awarding grants. The maximum grant award for a cooperative is $7,000,000.

(d) Up to five percent of the amount in paragraph (a) may be used by the Department of Agriculture to administer this section.

(e) By December 15 each year, the commissioner of agriculture must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture to provide an update on the progress of projects funded by this program. Each report must include how much of the amount appropriated has been used, including the amount used for administration. The commissioner may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2031.

(f) By December 15, 2032, the commissioner of agriculture must complete a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding the uses and impacts of this program. The final report must include a list of the grants awarded, the amount of the appropriation used for administration, the amount of green fertilizer produced, and a summary of the economic and environmental impacts of this production compared to the production and purchase of conventionally produced fertilizer. The commissioner of agriculture may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2032.

Sec. 77. **REVISOR INSTRUCTION.**

The revisor of statutes shall make any necessary changes in Minnesota Rules resulting from the changes made to Minnesota Statutes, chapter 216E, in this act.

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

Sec. 78. **REPEALER.**

Minnesota Statutes 2022, section 216C.376, is repealed.

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

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment, natural resources, climate, and energy; appropriating money from environment and natural resources trust fund; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; modifying permit and environmental review requirements; modifying requirements for recreational vehicles; modifying state trail, state forest, and state park provisions; authorizing sales, conveyances, and leases of certain state lands; modifying forestry provisions;

modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; modifying and providing for fees; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; adding and modifying provisions governing Public Utilities Commission proceedings; making technical changes; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 16A.151, subdivision 2, as amended; 16B.325, subdivision 2; 16C.135, subdivision 3; 16C.137, subdivision 1; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 84.66, subdivision 7; 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; 84.90, subdivision 7; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 85.015, subdivision 10; 85.052, subdivision 6; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5; 89A.03, subdivision 5; 89A.11; 90.181, subdivision 2; 97A.015, subdivision 51, by adding a subdivision; 97A.031; 97A.045, subdivision 5; 97A.126; 97A.137, subdivisions 3, 5; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivisions 2, 5; 97A.420, subdivision 1; 97A.421, subdivision 3; 97A.465, subdivisions 3, 8; 97A.475, subdivision 41; 97B.031, subdivision 1; 97B.037; 97B.071; 97B.301, subdivisions 2, 6; 97B.668; 97C.041; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1; 115.061; 115A.03, by adding subdivisions; 115A.1415; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a, as amended; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.07, by adding a subdivision; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.27, by adding a subdivision; 171.07, by adding a subdivision; 216B.096, subdivision 11; 216B.16, subdivision 10; 216B.164, by adding a subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.1691, by adding a subdivision; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2424, subdivision 5c; 216B.2425, subdivision 3, by adding a subdivision; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216G.02, subdivision 1; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 373.475; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 9; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; Laws 2023, chapter 9, section 19; proposing coding for new law in Minnesota Statutes, chapters 16B; 18B; 21; 84; 86B; 97B; 97C; 103B; 103F; 103G; 115A; 116; 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections 35.155, subdivision 14; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900."

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

House Conferees: RICK HANSEN, PATTY ACOMB, ATHENA HOLLINS, SYDNEY JORDAN and LARRY KRAFT.

Senate Conferees: FOUNG HAWJ, NICK FRENTZ, JENNIFER MCEWEN and TOU XIONG.

Hansen, R., moved that the report of the Conference Committee on H. F. No. 2310 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2310, as amended by Conference, was read for the third time.

MOTION FOR RECONSIDERATION

Heintzeman moved that the vote whereby the report of the Conference Committee on H. F. No. 2310 was adopted earlier today be now reconsidered.

A roll call was requested and properly seconded.

Daudt moved that the House recess subject to the call of the Chair.

A roll call was requested and properly seconded.

The question was taken on the Daudt motion and the roll was called. There were 121 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hassan	Koegel	Norris	Sencer-Mura
Agbaje	Davis	Heintzeman	Kozlowski	Novotny	Skraba
Altendorf	Demuth	Hemmingsen-Jaeger	Koznick	O'Driscoll	Smith
Anderson, P. E.	Dotseth	Her	Kraft	Olson, B.	Swedzinski
Backer	Edelson	Hicks	Kresha	Olson, L.	Tabke
Bahner	Elkins	Hill	Lee, F.	O'Neill	Torkelson
Bakeberg	Engen	Hollins	Lee, K.	Pelowski	Urdahl
Baker	Feist	Hornstein	Liebling	Pérez-Vega	West
Becker-Finn	Finke	Howard	Lillie	Perryman	Wiener
Bennett	Fischer	Hudella	Lislegard	Petersburg	Wiens
Berg	Fogelman	Hudson	Long	Pfarr	Witte
Bierman	Franson	Huot	Mekeland	Pinto	Wolgamott
Bliss	Frazier	Hussein	Moller	Pryor	Xiong
Burkel	Freiberg	Igo	Mueller	Quam	Youakim
Carroll	Garofalo	Jacob	Murphy	Rehm	Zeleznikar
Cha	Gillman	Johnson	Myers	Reyer	Spk. Hortman
Clardy	Gomez	Jordan	Nadeau	Richardson	
Coulter	Greenman	Joy	Nash	Robbins	
Curran	Grossell	Keeler	Neu Brindley	Schomacker	
Daniels	Hansen, R.	Klevorn	Niska	Schultz	
Daudt	Harder	Knudsen	Noor	Scott	

Those who voted in the negative were:

Brand	Frederick	Hanson, J.	Kotyza-Witthuhn	Nelson, M.	Stephenson

The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Wolgamott.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1384.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Murphy, Abeler, and Boldon.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

THOMAS S. BOTTERN, Secretary of the Senate

Feist moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1384. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1384:

Feist, Berg and Davids.

The report of the Conference Committee on H. F. No. 2310, which was received earlier today, was again reported to the House.

MOTION FOR RECONSIDERATION

The pending Heintzeman motion that the vote whereby the report of the Conference Committee on H. F. No. 2310 was adopted earlier today be now reconsidered was again before the House.

A roll call was requested and properly seconded.

The question was taken on the Heintzeman motion and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed.

Heintzeman moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 2310 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Heintzeman motion and the roll was called. There were 60 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Harder	Kresha	O'Driscoll	Scott
Anderson, P. E.	Davis	Heintzeman	Mekeland	Olson, B.	Skraba
Backer	Demuth	Hudella	Mueller	O'Neill	Swedzinski
Bakeberg	Dotseth	Hudson	Murphy	Perryman	Torkelson
Baker	Engen	Igo	Myers	Petersburg	Urdahl
Bennett	Fogelman	Jacob	Nadeau	Pfarr	West
Bliss	Franson	Johnson	Nash	Quam	Wiener
Burkel	Garofalo	Joy	Neu Brindley	Robbins	Wiens
Daniels	Gillman	Knudsen	Niska	Schomacker	Witte
Daudt	Grossell	Koznick	Novotny	Schultz	Zeleznikar

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Wolgamott
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pinto	Youakim
Carroll	Freiberg	Howard	Liebling	Pryor	Spk. Hortman
Cha	Gomez	Huot	Lillie	Pursell	
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail.

Hansen, R., moved that the report of the Conference Committee on H. F. No. 2310 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Anderson, P. E., was excused between the hours of 2:25 p.m. and 5:05 p.m.

Speaker pro tempore Wolgamott called Vang to the Chair.

Koznick was excused between the hours of 3:25 p.m. and 7:55 p.m.

H. F. No. 2310, A bill for an act relating to state government; appropriating money for environment, natural resources, climate, and energy; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; reestablishing Legislative Water Commission; modifying Legislative-Citizen Commission on Minnesota Resources; modifying permit and environmental review requirements; modifying requirements for recreational vehicles; modifying state trail and state park provisions; establishing Lowland Conifer Carbon Reserve; modifying forestry provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; providing appointments; modifying and providing for fees; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; providing for enhanced transportation electrification; adding and modifying provisions governing Public Utilities Commission proceedings; establishing various clean and renewable energy grant programs; making technical changes; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.643, subdivision 6; 16A.151, subdivision 2; 16A.152, subdivision 2; 16B.325; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 17.118, subdivision 2; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.82, subdivision 3; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.0274, subdivision 6; 84.0276; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 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; 84.90, subdivision 7; 84.992, subdivisions 2, 5; 84D.02,

subdivision 3; 84D.10, subdivision 3; 84D.15, subdivision 2; 85.015, subdivision 10; 85.052, subdivision 6; 85.055, subdivision 1; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, subdivision 51, by adding a subdivision; 97A.031; 97A.126; 97A.137, subdivision 3; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13, 41; 97B.031, subdivision 1; 97B.071; 97B.301, subdivision 6; 97B.516; 97B.645, subdivision 9; 97B.668; 97C.087, subdivision 2; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1, by adding a subdivision; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision 6, by adding subdivisions; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.1295, subdivision 1; 168.27, by adding a subdivision; 171.07, by adding a subdivision; 216B.096, subdivision 11; 216B.1611, by adding a subdivision; 216B.164, by adding a subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2422, subdivision 7; 216B.2425, subdivision 3; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.05, subdivision 2; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 326B.106, subdivision 1; 373.475; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; proposing coding for new law in Minnesota Statutes, chapters 3; 16B; 18B; 21; 84; 86B; 88; 97A; 97B; 97C; 103B; 103E; 103F; 103G; 115A; 116; 116C; 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 84.033, subdivision 3; 84.944, subdivision 3; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97A.145, subdivision 2; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216B.16, subdivision 10; 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 72 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Acomb	Clardy	Frederick	Hicks	Klevorn	Lislegard
Agbaje	Coulter	Freiberg	Hill	Koegel	Long
Bahner	Curran	Gomez	Hollins	Kotyza-Witthuhn	Moller
Becker-Finn	Edelson	Greenman	Hornstein	Kozlowski	Myers
Berg	Elkins	Hansen, R.	Howard	Kraft	Nelson, M.
Bierman	Feist	Hanson, J.	Huot	Lee, F.	Noor
Brand	Finke	Hassan	Hussein	Lee, K.	Norris
Carroll	Fischer	Hemmingsen-Jaeger	Jordan	Liebling	Olson, L.
Cha	Frazier	Her	Keeler	Lillie	Pelowski

Pérez-Vega	Pursell	Richardson	Smith	Vang	Xiong
Pinto	Rehm	Sencer-Mura	Stephenson	Wiens	Youakim
Pryor	Reyer	Skraba	Tabke	Wolgamott	Spk. Hortman

Those who voted in the negative were:

Altendorf	Davids	Harder	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Davis	Heintzeman	Mueller	O'Neill	Torkelson
Backer	Demuth	Hudella	Murphy	Perryman	Urdahl
Bakeberg	Dotseth	Hudson	Nadeau	Petersburg	West
Baker	Engen	Igo	Nash	Pfarr	Wiener
Bennett	Fogelman	Jacob	Nelson, N.	Quam	Witte
Bliss	Franson	Johnson	Neu Brindley	Robbins	Zeleznikar
Burkel	Garofalo	Joy	Niska	Schomacker	
Daniels	Gillman	Knudsen	Novotny	Schultz	
Daudt	Grossell	Kresha	O'Driscoll	Scott	

The bill was repassed, as amended by Conference, and its title agreed to.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Wolgamott.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2, A bill for an act relating to employment; creating a family and medical benefit insurance program; requiring leave from employment under certain circumstances; allowing substitution of a private plan; prohibiting retaliation; classifying data; authorizing expedited rulemaking; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.719, by adding a subdivision; 62A.01, subdivision 1; 177.27, subdivision 4;

181.032; 256B.0659, subdivision 18; 256B.85, subdivisions 13, 13a; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 268B.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3307.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3307, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Laws 2023, chapter 5, sections 1; 2.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 100

A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, and cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses and hemp businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by

adding a subdivision; 13.871, by adding a subdivision; 34A.01, subdivision 4; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 484.014, subdivision 3; 504B.171, subdivision 1; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

May 17, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 100 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 100 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
REGULATION OF ADULT-USE CANNABIS

Section 1. **[342.01] DEFINITIONS.**

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

Subd. 2. **Adult-use cannabis concentrate.** "Adult-use cannabis concentrate" means cannabis concentrate that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis concentrate does not include any artificially derived cannabinoid.

Subd. 3. **Adult-use cannabis flower.** "Adult-use cannabis flower" means cannabis flower that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

Subd. 4. **Adult-use cannabis product.** "Adult-use cannabis product" means a cannabis product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles.

Subd. 5. **Advertisement.** "Advertisement" means any written or oral statement, illustration, or depiction that is intended to promote sales of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or sales at a specific cannabis business or hemp business and includes any newspaper, radio, internet and electronic media, or television promotion; the distribution of fliers and circulars; and the display of window and interior signs in a cannabis business. Advertisement does not include a fixed outdoor sign that meets the requirements in section 342.64, subdivision 2, paragraph (b).

Subd. 6. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" means a cannabinoid extracted from a cannabis plant, cannabis flower, 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 but does not include cannabis concentrate, cannabis products, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Batch.** "Batch" means:

(1) a specific quantity of cannabis plants that are cultivated from the same seed or plant stock, are cultivated together, are intended to be harvested together, and receive an identical propagation and cultivation treatment;

(2) a specific quantity of cannabis flower that is harvested together; is uniform and intended to meet specifications for identity, strength, purity, and composition; and receives identical sorting, drying, curing, and storage treatment; or

(3) a specific quantity of a specific cannabis product, lower-potency hemp edible, artificially derived cannabinoid, hemp-derived consumer product, or hemp-derived topical 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.

Subd. 8. **Batch number.** "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, artificially derived cannabinoid, hemp-derived consumer products, or hemp-derived topical products.

Subd. 9. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent cannabis workers.

Subd. 10. **Cannabinoid.** "Cannabinoid" means any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

Subd. 11. **Cannabinoid extraction.** "Cannabinoid extraction" means the process of extracting cannabis concentrate from cannabis plants or cannabis flower using heat, pressure, water, lipids, gases, solvents, or other chemicals or chemical processes, but does not include the process of extracting concentrate from hemp plants or hemp plant parts or the process of creating any artificially derived cannabinoid.

Subd. 12. **Cannabinoid product.** "Cannabinoid product" means a cannabis product, a hemp-derived consumer product, or a lower-potency hemp edible.

Subd. 13. **Cannabinoid profile.** "Cannabinoid profile" means the amounts of each cannabinoid that the office requires to be identified in testing and labeling, including but not limited to delta-9 tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, and cannabidiolic acid in cannabis flower, a cannabis product, a batch of artificially derived cannabinoid, a lower-potency hemp edible, a hemp-derived consumer product, or a hemp-derived topical product expressed as percentages measured by weight and, in the case of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, expressed as milligrams in each serving and package.

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;

(11) medical cannabis cultivator;

(12) medical cannabis processor;

(13) medical cannabis retailer; and

(14) medical cannabis combination business.

Subd. 15. **Cannabis concentrate.** (a) "Cannabis concentrate" means:

(1) the extracts and resins of a cannabis plant or cannabis flower;

(2) the extracts or resins of a cannabis plant or cannabis flower that are refined to increase the presence of targeted cannabinoids; or

(3) a product that is produced by refining extracts or resins of a cannabis plant or cannabis flower and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Cannabis concentrate does not include hemp concentrate, artificially derived cannabinoid, or hemp-derived consumer products.

Subd. 16. **Cannabis flower.** "Cannabis flower" means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

Subd. 17. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis flower and cannabis products and subject to regulation under this chapter.

Subd. 18. **Cannabis paraphernalia.** "Cannabis paraphernalia" means all equipment, products, and materials of any kind that are knowingly or intentionally used primarily in:

(1) manufacturing cannabis products;

(2) ingesting, inhaling, or otherwise introducing cannabis flower or cannabis products into the human body; and

(3) testing the strength, effectiveness, or purity of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

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.

Subd. 20. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or

(3) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products and medical cannabinoid products. Cannabis product does not include cannabis flower, artificially derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 21. **Cannabis prohibition.** "Cannabis prohibition" means the system of state and federal laws that prevented establishment of a legal market and instead established petty offenses and criminal offenses punishable by fines, imprisonment, or both for the cultivation, possession, and sale of all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

Subd. 22. **Cannabis seed.** "Cannabis seed" means the viable seed of the plant of the genus Cannabis that is reasonably expected to grow into a cannabis plant. Cannabis seed does not include hemp seed.

Subd. 23. **Cannabis worker.** "Cannabis worker" means any individual employed by a cannabis business and any individual who is a contractor of a cannabis business whose scope of work involves the handling of cannabis plants, cannabis flower, or cannabis products.

Subd. 24. **Child-resistant.** "Child-resistant" means packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

Subd. 25. **Cooperative.** "Cooperative" means an association conducting business on a cooperative plan that is organized or is subject to chapter 308A or 308B.

Subd. 26. **Council.** "Council" means the Cannabis Advisory Council.

Subd. 27. **Cultivation.** "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.

Subd. 28. **Division of Medical Cannabis.** "Division of Medical Cannabis" means a division housed in the Office of Cannabis Management that operates the medical cannabis program.

Subd. 29. **Division of Social Equity.** "Division of Social Equity" means a division housed in the Office of Cannabis Management that promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.

Subd. 30. **Drug.** "Drug" has the meaning given in section 151.01, subdivision 5.

Subd. 31. **Edible cannabis product.** "Edible cannabis product" means any product that is intended to be eaten or consumed as a beverage by humans; contains a cannabinoid other than an artificially derived cannabinoid in combination with food ingredients; is not a drug; and 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. Edible cannabis product does not include lower-potency hemp edibles.

Subd. 32. **Health care practitioner.** "Health care practitioner" means a Minnesota-licensed doctor of medicine, a Minnesota-licensed physician assistant acting within the scope of authorized practice, or a Minnesota-licensed advanced practice registered nurse who has an active license in good standing and the primary responsibility for the care and treatment of the qualifying medical condition of an individual diagnosed with a qualifying medical condition.

Subd. 33. **Health record.** "Health record" has the meaning given in section 144.291, subdivision 2.

Subd. 34. **Hemp business.** (a) "Hemp business" means either of the following licensed under this chapter:

(1) lower-potency hemp edible manufacturer; or

(2) lower-potency hemp edible retailer.

(b) Hemp business does not include a person or entity licensed under chapter 18K to grow industrial hemp for commercial or research purposes or to process industrial hemp for commercial purposes.

Subd. 35. **Hemp concentrate.** (a) "Hemp concentrate" means:

(1) the extracts and resins of a hemp plant or hemp plant parts;

(2) the extracts or resins of a hemp plant or hemp plant parts that are refined to increase the presence of targeted cannabinoids; or

(3) a product that is produced by refining extracts or resins of a hemp plant or hemp plant parts and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Hemp concentrate does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 36. **Hemp consumer industry.** "Hemp consumer industry" means every item, product, person, process, action, business, or other thing related to artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products and subject to regulation under this chapter.

Subd. 37. **Hemp-derived consumer product.** (a) "Hemp-derived consumer product" means a product intended for human or animal consumption, does not contain cannabis flower or cannabis concentrate, and:

(1) contains or consists of hemp plant parts; or

(2) contains hemp concentrate or artificially derived cannabinoids in combination with other ingredients.

(b) Hemp-derived consumer product does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived topical products, hemp fiber products, or hemp grain.

Subd. 38. **Hemp-derived topical product.** "Hemp-derived topical product" means a product intended for human or animal consumption that contains hemp concentrate, is intended for application externally to a part of the body of a human or animal, and does not contain cannabis flower or cannabis concentrate.

Subd. 39. **Hemp fiber product.** "Hemp fiber product" means an intermediate or finished product made from the fiber of hemp plant parts that is not intended for human or animal consumption. Hemp fiber product includes but is not limited to cordage, paper, fuel, textiles, bedding, insulation, construction materials, compost materials, and industrial materials.

Subd. 40. **Hemp grain.** "Hemp grain" means the harvested seeds of the hemp plant intended for consumption as a food or part of a food product. Hemp grain includes oils pressed or extracted from harvested hemp seeds.

Subd. 41. **Hemp plant.** "Hemp 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 no more than 0.3 percent on a dry weight basis.

Subd. 42. **Hemp plant parts.** "Hemp plant parts" means any part of the harvested hemp plant, including the flower, bud, leaves, stems, and stalk, but does not include derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers that are separated from the plant. Hemp plant parts does not include hemp fiber products, hemp grain, or hemp seed.

Subd. 43. **Hemp seed.** "Hemp seed" means the viable seed of the plant of the genus Cannabis that is intended to be planted and is reasonably expected to grow into a hemp plant. Hemp seed does not include cannabis seed or hemp grain.

Subd. 44. **Hemp worker.** "Hemp worker" means any individual employed by a hemp business and any individual who is a contractor of a hemp business whose scope of work involves the handling of artificially derived cannabinoids, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 45. **Industrial hemp.** "Industrial hemp" has the meaning given in section 18K.02, subdivision 3.

Subd. 46. **Intoxicating cannabinoid.** "Intoxicating cannabinoid" means a cannabinoid, including an artificially derived cannabinoid, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. Intoxicating cannabinoid includes but is not limited to any tetrahydrocannabinol.

Subd. 47. **Labor peace agreement.** "Labor peace agreement" means an agreement between a cannabis business and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business.

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;

(13) medical cannabis cultivator;

(14) medical cannabis processor;

(15) medical cannabis retailer; or

(16) medical cannabis combination business.

Subd. 49. **Local unit of government.** "Local unit of government" means a home rule charter or statutory city, county, town, or other political subdivision.

Subd. 50. **Lower-potency hemp edible.** "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) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and

(8) 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.

Subd. 51. **Matrix barcode.** "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.

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 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.

Subd. 53. **Medical cannabis business.** "Medical cannabis business" means an entity licensed under this chapter to engage in one or more of the following:

(1) the cultivation of cannabis plants for medical cannabis flower;

(2) the manufacture of medical cannabinoid products; and

(3) the retail sale of medical cannabis flower and medical cannabinoid products.

Subd. 54. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower 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 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.

Subd. 55. **Medical cannabis paraphernalia.** "Medical cannabis paraphernalia" means a delivery device, related supply, or educational material used by a patient enrolled in the registry program to administer medical cannabis and medical cannabinoid products.

Subd. 56. **Nonintoxicating cannabinoid.** "Nonintoxicating cannabinoid" means a cannabinoid that when introduced into the human body does not impair the central nervous system and does not impair the human audio, visual, or mental processes. Nonintoxicating cannabinoid includes but is not limited to cannabidiol and cannabigerol but does not include any artificially derived cannabinoid.

Subd. 57. **Office.** "Office" means the Office of Cannabis Management.

Subd. 58. **Outdoor advertisement.** "Outdoor advertisement" means an advertisement that is located outdoors or can be seen or heard by an individual who is outdoors and includes billboards; advertisements on benches; advertisements at transit stations or transit shelters; advertisements on the exterior or interior of buses, taxis, light rail transit, or business vehicles; and print signs that do not meet the requirements in section 342.64, subdivision 2, paragraph (b), but that are placed or located on the exterior property of a cannabis business.

Subd. 59. **Patient.** "Patient" means a Minnesota resident who has been diagnosed with a qualifying medical condition by a health care practitioner and who has met all other requirements for patients under this chapter to participate in the registry program.

Subd. 60. **Patient registry number.** "Patient registry number" means a unique identification number assigned by the Division of Medical Cannabis to a patient enrolled in the registry program.

Subd. 61. **Plant canopy.** "Plant canopy" means the surface area within a cultivation facility that is used at any time to cultivate mature, flowering cannabis plants. For multiple tier cultivation, each tier of cultivation surface area contributes to the total plant canopy calculation. Calculation of the area of the plant canopy does not include the surface area within the cultivation facility that is used to cultivate immature cannabis plants and seedlings.

Subd. 62. **Propagule.** "Propagule" means seeds, clones, transplants, and any other propagative industrial hemp material.

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.

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) has been approved by the Division of Medical Cannabis to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer and with administering medical cannabis flower and medical cannabinoid products; and

(4) is authorized by the Division of Medical Cannabis to assist a patient with the use of medical cannabis flower and medical cannabinoid products.

Subd. 65. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients authorized to obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from cannabis retailers and medical cannabis retailers and administer medical cannabis flower and medical cannabinoid products.

Subd. 66. **Registry verification.** "Registry verification" means the verification provided by the Division of Medical Cannabis 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.

Subd. 67. **Restricted area.** "Restricted area" means an area where cannabis flower or cannabis products are cultivated, manufactured, or stored by a cannabis business.

Subd. 68. **Statewide monitoring system.** "Statewide monitoring system" means the system for integrated cannabis tracking, inventory, and verification established or adopted by the office.

Subd. 69. **Synthetic cannabinoid.** "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid but is not extracted or derived from cannabis plants, cannabis flower, hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 70. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447.

Subd. 71. **Visiting patient.** "Visiting patient" means an individual who is not a Minnesota resident and who possesses a valid registration verification card or its equivalent that is issued under the laws or regulations of another state, district, commonwealth, or territory of the United States verifying that the individual is enrolled in or authorized to participate in that jurisdiction's medical cannabis or medical marijuana program.

Subd. 72. **Volatile solvent.** "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Volatile solvent includes but is not limited to butane, hexane, and propane.

Sec. 2. **[342.02] OFFICE OF CANNABIS MANAGEMENT.**

Subdivision 1. **Establishment.** The Office of Cannabis Management is created with the powers and duties established by law. In making rules, establishing policy, and exercising its regulatory authority over the cannabis industry and hemp consumer industry, the office must:

(1) promote the public health and welfare;

(2) protect public safety;

(3) eliminate the illicit market for cannabis flower and cannabis products;

(4) meet the market demand for cannabis flower and cannabis products;

(5) promote a craft industry for cannabis flower and cannabis products; and

(6) prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

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 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.

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.

Subd. 4. **Interagency agreements.** (a) The office and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabis products and lower-potency hemp edibles are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements in chapters 28A, 31, and 34A and associated rules.

(b) The office may cooperate and enter into other agreements with the commissioner of agriculture and may cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state.

Subd. 5. **Rulemaking.** The office may adopt rules to implement any provisions in this chapter. Rules for which notice is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.

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.

Subd. 7. **Employees.** (a) The office may employ other personnel in the classified service necessary to carry out the duties in this chapter.

(b) Upon request by the office, a prospective employee of the office must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the prospective employee. The bureau may exchange a prospective employee's fingerprints with the Federal Bureau of Investigation to obtain the prospective employee's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the prospective employee is disqualified under rules adopted pursuant to section 342.15.

Subd. 8. **Division of Social Equity.** The office must establish a Division of Social Equity. At a minimum, the division must:

(1) engage with the community and administer grants to communities that experienced a disproportionate, negative impact from cannabis prohibition and usage in order to promote economic development, improve social determinants of health, provide services to prevent violence, support early intervention programs for youth and families, and promote community stability and safety;

(2) act as an ombudsperson for the office to provide information, investigate complaints under this chapter, and provide or facilitate dispute resolutions; and

(3) report to the office on the status of complaints and social equity in the cannabis industry.

EFFECTIVE DATE. This section is effective July 1, 2023, except for subdivision 3, which is effective March 1, 2025.

Sec. 3. **[342.03] CANNABIS ADVISORY COUNCIL.**

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) 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) two licensed mental health professionals appointed by the governor;

(36) a veteran appointed by the governor;

(37) 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) a representative from the Local Public Health Association of Minnesota appointed by the association.

Subd. 2. **Terms; compensation; removal; vacancy; expiration.** The membership terms, compensation, removal of members appointed by the governor, and filling of vacancies of members are provided in section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire.

Subd. 3. **Officers; meetings.** (a) The director of the Office of Cannabis Management or the director's designee must chair the Cannabis Advisory Council. The advisory council must elect a vice-chair and may elect other officers as necessary.

(b) The advisory council shall meet quarterly or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

(1) reviewing national cannabis policy;

(2) examining the effectiveness of state cannabis policy;

(3) reviewing developments in the cannabis industry and hemp consumer industry;

(4) reviewing developments in the study of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;

(5) taking public testimony; and

(6) making recommendations to the Office of Cannabis Management.

(b) At its discretion, the advisory council may examine other related issues consistent with this section.

Sec. 4. **[342.04] STUDIES; REPORTS.**

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. The office shall submit the report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:

(1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;

(2) provide market stability;

(3) ensure a competitive market; and

(4) limit the sale of unregulated cannabis flower and cannabis products.

(g) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market and hemp consumer industry;

(3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;

(4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;

(5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;

(6) the status of racial and geographic diversity in the cannabis industry;

(7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes;

(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and

(9) recommendations for the levels of funding for:

(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;

(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;

(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) grants to organizations for community development in social equity communities through the CanRenew program;

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection canines; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.

Sec. 5. **[342.05] STATEWIDE MONITORING SYSTEM.**

Subdivision 1. **Statewide monitoring.** The office must contract with an outside vendor to establish a statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, and cannabis products from seed, immature plant, or creation until disposal or sale to a patient or customer.

Subd. 2. **Data submission requirements.** The monitoring system must allow cannabis businesses to submit monitoring data to the office through the use of monitoring system software commonly used within the cannabis industry and may also permit cannabis businesses to submit monitoring data through manual data entry with approval from the office.

Sec. 6. **[342.06] APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.**

(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.

Sec. 7. **[342.07] AGRICULTURAL AND FOOD SAFETY PRACTICES; RULEMAKING.**

Subdivision 1. **Plant propagation standards.** In consultation with the commissioner of agriculture, the office by rule must establish certification, testing, and labeling requirements for the methods used to grow new cannabis plants or hemp plants, including but not limited to growth from seed, clone, cutting, or tissue culture.

Subd. 2. **Agricultural best practices.** In consultation with the commissioner of agriculture and representatives from the University of Minnesota Extension Service, the office shall establish best practices for:

(1) the cultivation and preparation of cannabis plants; and

(2) the use of pesticides, fertilizers, soil amendments, and plant amendments in relation to growing cannabis plants.

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 manner provided for 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. 8. **[342.08] ESTABLISHMENT OF ENVIRONMENTAL STANDARDS.**

Subdivision 1. **Water standards.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate water standards for cannabis businesses.

Subd. 2. **Energy use.** In consultation with the commissioner of commerce, the office by rule must establish appropriate energy standards for cannabis businesses.

Subd. 3. **Solid waste.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate solid waste standards for the disposal of:

(1) cannabis flower and cannabis products;

(2) packaging;

(3) recyclable materials, including minimum requirements for the use of recyclable materials; and

(4) other solid waste.

Subd. 4. **Odor.** The office by rule must establish appropriate standards and requirements to limit odors produced by cannabis businesses.

Subd. 5. **Applicability; federal, state, and local laws.** A cannabis business must comply with all applicable federal, state, and local laws related to the subjects of subdivisions 1 to 4.

Subd. 6. **Rulemaking.** (a) The office may only adopt a rule under this section if the rule is consistent with and at least as stringent as applicable state and federal laws related to the subjects of subdivisions 1 to 4.

(b) The office must coordinate and consult with a department or agency of the state regarding the development and implementation of a rule under this section if the department or agency has expertise or a regulatory interest in the subject matter of the rule.

Sec. 9. **[342.09] PERSONAL ADULT USE OF CANNABIS.**

Subdivision 1. **Personal adult use, possession, and transportation of cannabis flower and cannabinoid products.** (a) An individual 21 years of age or older may:

(1) use, possess, or transport cannabis paraphernalia;

(2) possess or transport two ounces or less of adult-use cannabis flower in a public place;

(3) possess two pounds or less of adult-use cannabis flower in the individual's private residence;

(4) possess or transport eight grams or less of adult-use cannabis concentrate;

(5) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;

(6) give for no remuneration to an individual who is at least 21 years of age:

(i) two ounces or less of adult-use cannabis flower;

(ii) eight grams or less of adult-use cannabis concentrate; or

(iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and

(7) use adult-use cannabis flower and adult-use cannabis products in the following locations:

(i) a private residence, including the individual's curtilage or yard;

(ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(iii) on the premises of an establishment or event licensed to permit on-site consumption.

(b) Except as provided in paragraph (c), an individual may not:

(1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;

(2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;

(3) use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smoke, aerosol, or vapor at any location where smoking is prohibited under section 144.414;

(4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;

(5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;

(6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of medical cannabis flower or medical cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

Subd. 2. **Home cultivation of cannabis for personal adult use.** Up to eight cannabis plants, with no more than four being mature, flowering plants may be grown at a single residence, including the curtilage or yard, without a license to cultivate cannabis issued under this chapter provided that cultivation takes place at the primary residence of an individual 21 years of age or older and in an enclosed, locked space that is not open to public view.

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, or lower-potency hemp edible manufacturer license issued under this chapter.

Subd. 4. **Sale of cannabis flower and products prohibited.** No person may sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale.

Subd. 5. **Importation of hemp-derived products.** No person may import lower-potency hemp edibles or hemp-derived consumer products that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the edibles or products to consumers within the state or to any other person or business that intends to sell the edibles or products to consumers within the state without a license issued under this chapter that authorizes the importation of such edibles or products. This subdivision does not apply to edibles or products lawfully purchased for personal use.

Subd. 6. **Violations; penalties.** (a) In addition to penalties listed in this subdivision, a person who violates the provisions of this chapter is subject to any applicable criminal penalty.

(b) The office may assess the following civil penalties on a person who sells cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale:

(1) if the person sells up to two ounces of cannabis flower, up to $3,000 or three times the retail market value of the cannabis flower, whichever is greater;

(2) if the person sells more than two ounces but not more than eight ounces of cannabis flower, up to $10,000 or three times the retail market value of the cannabis flower, whichever is greater;

(3) if the person sells more than eight ounces but not more than one pound of cannabis flower, up to $25,000 or three times the retail market value of the cannabis flower, whichever is greater;

(4) if the person sells more than one pound but not more than five pounds of cannabis flower, up to $50,000 or three times the retail market value of the cannabis flower, whichever is greater;

(5) if the person sells more than five pounds but not more than 25 pounds of cannabis flower, up to $100,000 or three times the retail market value of the cannabis flower, whichever is greater;

(6) if the person sells more than 25 pounds but not more than 50 pounds of cannabis flower, up to $250,000 or three times the retail market value of the cannabis flower, whichever is greater; and

(7) if the person sells more than 50 pounds of cannabis flower, up to $1,000,000 or three times the retail market value of the cannabis flower, whichever is greater.

(c) The office may assess the following civil penalties on a person who sells cannabis concentrate without a license issued under this chapter that authorizes the sale:

(1) if the person sells up to eight grams of cannabis concentrate, up to $3,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(2) if the person sells more than eight grams but not more than 40 grams of cannabis concentrate, up to $10,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(3) if the person sells more than 40 grams but not more than 80 grams of cannabis concentrate, up to $25,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(4) if the person sells more than 80 grams but not more than 400 grams of cannabis concentrate, up to $50,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(5) if the person sells more than 400 grams but not more than two kilograms of cannabis concentrate, up to $100,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(6) if the person sells more than two kilograms but not more than four kilograms of cannabis concentrate, up to $250,000 or three times the retail market value of the cannabis concentrate, whichever is greater; and

(7) if the person sells more than four kilograms of cannabis concentrate, up to $1,000,000 or three times the retail market value of the cannabis concentrate, whichever is greater.

(d) The office may assess the following civil penalties on a person who imports or sells products infused with tetrahydrocannabinol without a license issued under this chapter that authorizes the importation or sale:

(1) if the person imports or sells products infused with up to 800 milligrams of tetrahydrocannabinol, up to $3,000 or three times the retail market value of the infused product, whichever is greater;

(2) if the person imports or sells products infused with a total of more than 800 milligrams but not more than four grams of tetrahydrocannabinol, up to $10,000 or three times the retail market value of the infused product, whichever is greater;

(3) if the person imports or sells products infused with a total of more than four grams but not more than eight grams of tetrahydrocannabinol, up to $25,000 or three times the retail market value of the infused product, whichever is greater;

(4) if the person imports or sells products infused with a total of more than eight grams but not more than 40 grams of tetrahydrocannabinol, up to $50,000 or three times the retail market value of the infused product, whichever is greater;

(5) if the person imports or sells products infused with a total of more than 40 grams but not more than 200 grams of tetrahydrocannabinol, up to $100,000 or three times the retail market value of the infused product, whichever is greater;

(6) if the person imports or sells products infused with a total of more than 200 grams but not more than 400 grams of tetrahydrocannabinol, up to $250,000 or three times the retail market value of the infused product, whichever is greater; and

(7) if the person imports or sells products infused with a total of more than 400 grams of tetrahydrocannabinol, up to $1,000,000 or three times the retail market value of the infused product, whichever is greater.

(e) The office may assess a civil penalty of up to $500 for each plant grown in excess of the limit on a person who grows more than eight cannabis plants or more than four mature, flowering plants, without a license to cultivate cannabis issued under this chapter.

Sec. 10. **[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;

(13) medical cannabis cultivator;

(14) medical cannabis processor;

(15) medical cannabis retailer; or

(16) medical cannabis combination business.

Sec. 11. **[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;

(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) 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. 12. **[342.12] LICENSES; TRANSFERS; ADJUSTMENTS.**

(a) Licenses issued under this chapter 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. 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.

(c) Licenses must be renewed annually.

(d) License holders may petition the office to adjust the tier of a license issued within a license category provided that the license holder meets all applicable requirements.

(e) The office by rule may permit relocation of a licensed cannabis business, 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. 13. **[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 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 if a 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) 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. 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 with a retail operations endorsement, cannabis mezzobusiness, lower-potency hemp edible

retailer, medical cannabis retailer, or medical cannabis combination business 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.

(i) A local government unit that issues 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.

(j) 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.

(k) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (i).

(l) 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. 14. **[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 licenses issued under this chapter. At a minimum, any application to obtain or renew a cannabis license shall include the following information, if applicable:

(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;

(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) 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.

Sec. 15. **[342.15] ADULT-USE CANNABIS BUSINESS; CRIMINAL HISTORY CHECK AND DISQUALIFICATIONS.**

Subdivision 1. **Criminal history check.** (a) Upon request by the office, every license applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, for a cannabis business license, or in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, and prospective cannabis worker must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant or prospective cannabis worker. The bureau may exchange a license applicant's or prospective cannabis worker's fingerprints with the Federal Bureau of Investigation to obtain the license applicant's or prospective cannabis worker's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the office to determine if the license applicant or prospective cannabis worker is disqualified under rules adopted pursuant to this section.

(b) The office may, by rule, establish exceptions to the requirement under paragraph (a) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 2. **Criminal offenses; disqualifications.** The office may by rule determine whether any felony convictions shall disqualify a person from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify a person for a violation of section 152.025.

Subd. 3. **Risk of harm; set aside.** The office may set aside a disqualification under subdivision 2 if the office finds that the person has submitted sufficient information to demonstrate that the person does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

Subd. 4. **Exception.** The background check requirements and disqualifications under this section do not apply to an applicant for a hemp business license or to hemp workers.

Sec. 16. **[342.16] CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.**

(a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

(1) be at least 21 years of age;

(2) have completed an application for licensure or application for renewal;

(3) have paid the applicable application fee and license fee;

(4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;

(5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;

(6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(7) never have had a license previously issued under this chapter revoked;

(8) have filed any previously required tax returns for a cannabis business;

(9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;

(10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;

(11) not be disqualified under section 342.15;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter; and

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

Sec. 17. **[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 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 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; 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 of the business entity.

Sec. 18. **[342.18] LICENSE SELECTION CRITERIA.**

Subdivision 1. **Market stability.** The office shall issue the necessary number of licenses in order to ensure the sufficient supply of cannabis flower and cannabis products to meet demand, provide market stability, ensure a competitive market, and limit the sale of unregulated cannabis flower and cannabis products.

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 the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

Subd. 3. **Application score; license priority.** (a) The office shall award points to 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) security and record keeping;

(4) employee training plan;

(5) business plan and financial situation;

(6) labor and employment practices;

(7) knowledge and experience; and

(8) 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) The office shall establish policies and guidelines, which must be made available to the public, regarding the number of points available 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.

(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. 19. **[342.19] INSPECTION; LICENSE VIOLATIONS; PENALTIES.**

Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter, the office, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

(1) enter any cannabis business or hemp business without delay and at reasonable times;

(2) inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein; and

(3) question privately any employer, owner, operator, agent, or employee of a cannabis business or hemp business.

(b) An employer, owner, operator, agent, or employee must not refuse the office entry or otherwise deter or prohibit the office from taking action under paragraph (a).

Subd. 2. **Powers of office.** (a) In making inspections and investigations under this chapter, the office shall have the power to administer oaths, certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the office, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

(b) If the office finds probable cause to believe that any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is being distributed in violation of this chapter or rules adopted under this chapter, the office shall 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, 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 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 is a separate violation of this section.

(c) If any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been found by the office to be in violation of this chapter, the office shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.

(d) If the court finds that the detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product may be destroyed at the expense of the claimant under the supervision of the office, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product or the claimant's agent; and

(2) if the violation can be corrected by proper labeling or processing of the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product be delivered to the claimant for proper

labeling or processing under the supervision of the office. The office's supervision expenses must be paid by the claimant. The cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be returned to the claimant and the bond must be discharged on representation to the court by the office that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is no longer in violation and that the office's supervision expenses have been paid.

(e) If the office finds in any room, building, piece of equipment, vehicle of transportation, or other structure any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the office shall condemn or destroy the item or in any other manner render the item as unsalable, and no one has any cause of action against the office on account of the office's action.

(f) The office may enter into an agreement with the commissioner of agriculture to analyze and examine samples or other articles furnished by the office for the purpose of determining whether the sample or article violates this chapter or rules adopted under this chapter. A copy of the examination or analysis report for any such article, duly authenticated under oath by the laboratory analyst making the determination or examination, shall be prima facie evidence in all courts of the matters and facts contained in the report.

Subd. 3. **Aiding of inspection.** Subject to rules issued by the office, a representative of a cannabis business or hemp business shall be given an opportunity to accompany the office during the physical inspection of any cannabis business or hemp business for the purpose of aiding such inspection.

Subd. 4. **Complaints and reports; priority of inspection.** (a) The office may conduct inspections of any licensed cannabis business or hemp business at any time to ensure compliance with the ownership and operation requirements of this chapter.

(b) Any person may report a suspected violation of a safety or health standard. If upon receipt of such notification the office determines that there are reasonable grounds to believe that such violation or danger exists, the office shall make a special inspection as soon as practicable to determine if such danger or violation exists.

(c) The office shall prioritize inspections of cannabis businesses and hemp businesses where there are reasonable grounds to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

(d) The office shall promptly inspect cannabis businesses and hemp businesses that are the subject of complaint by a local unit of government.

Subd. 5. **Violations; administrative orders and penalties.** (a) The office may issue an administrative order to any licensed cannabis business or hemp business that the office determines has committed a violation of this chapter or rules adopted pursuant to this chapter. The administrative order may require the business to correct the violation or to cease and desist from committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected. If the business believes that the information in the administrative order is in error, the business may ask the office to consider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the office by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The office must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the correction order unless the office issues a supplemental order granting additional time. The office's disposition of a request for reconsideration is final.

(b) For each violation of this chapter or rules adopted pursuant to this chapter, the office may issue to each cannabis business or hemp business a monetary penalty of up to $10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

(c) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

(d) In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.

Sec. 20. **[342.20] DATA PRACTICES.**

Subdivision 1. **Not public data.** The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license or hemp business license, other than the data listed in subdivision 2;

(2) the identity of a complainant who has made a report concerning a license holder or an applicant that appears in inactive investigative data unless the complainant consents to the disclosure;

(3) data identifying retail or wholesale customers of a cannabis business or hemp business; and

(4) data identifying cannabis workers or hemp workers.

Subd. 2. **Public data on license applicants.** (a) The following application data submitted by an applicant for a cannabis business license or hemp business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing whether volatile chemicals will be used in any methods of extraction or concentration;

(6) environmental plans;

(7) the type and number of other cannabis business licenses or hemp business licenses held by the applicant; and

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place.

(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license or hemp business license are public data.

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license or hemp business license becomes a license holder, all of the application data that the license holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

(1) data identifying retail or wholesale customers of a cannabis business or hemp business;

(2) data identifying cannabis workers or hemp workers;

(3) tax returns, bank account statements, and other financial account information;

(4) business plans; and

(5) data classified as nonpublic data or private data on individuals by chapter 13 or other applicable law.

Subd. 4. **Civil investigative data.** Data collected or maintained by the office as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or that are retained in anticipation of a pending civil legal action, must be subject to section 13.39.

Subd. 5. **Data practices administration.** (a) The office must establish written procedures to ensure that only individuals authorized by law may enter, update, or access data maintained by the office and classified as nonpublic or private data on individuals. An authorized individual's ability to enter, update, or access not public data must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

(b) The office must not share data classified as nonpublic or private data on individuals under this section or other data identifying an individual applicant or license holder with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

(c) The office must arrange for an independent audit to verify compliance with this section. The audit must be completed annually for the first two years following establishment of the office and biennially thereafter. The results of the audit are public. No later than 30 days following completion of the audit, the office must provide a report summarizing the audit results to the chairs and ranking minority members of the committees and divisions of the house of representatives and the senate with jurisdiction over commerce and data practices, and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

Sec. 21. **[342.21] LICENSE SUSPENSION OR REVOCATION; HEARING.**

Subdivision 1. **License revocation and nonrenewal.** The office may revoke or not renew a license when the office has cause to believe that a cannabis business or hemp business has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter. The office must notify the license holder in writing, specifying the grounds for revocation or nonrenewal and fixing a time of at least 20 days thereafter for a hearing on the matter.

Subd. 2. **Hearing; written findings.** (a) Before the office revokes or does not renew a license, the office must provide the license holder with a statement of the complaints made against the license holder, and the office must hold a hearing to determine whether the office should revoke the license or deny renewal of the license. The license holder shall receive notice at least 20 days before the date of the hearing and notice may be served either by certified

mail addressed to the address of the license holder as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for the hearing, the office, or any office employee or agent authorized by the office to conduct the hearing, shall receive evidence, administer oaths, and examine witnesses.

(b) After the hearing held pursuant to paragraph (a), or upon the failure of the license holder to appear at the hearing, the office must take action as is deemed advisable and issue written findings that the office must mail to the license holder. An action of the office under this paragraph is subject to judicial review pursuant to chapter 14.

Subd. 3. **Temporary suspension.** The office may temporarily, without hearing, suspend the license and operating privilege of any business licensed under this chapter for up to 90 days if continuing the operation of the business would threaten the health or safety of any person. The office may extend the period for an additional 90 days if the office notified the business that the office intends to revoke or not renew a license and the hearing required under subdivision 2 has not taken place.

Sec. 22. **[342.22] RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.**

Subdivision 1. **Registration required.** Before 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) 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, or lower-potency hemp edible retailer that:

(1) has a valid license 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 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.

(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 shall assess compliance with age verification requirements, the 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.

(b) The local unit of government must conduct unannounced age verification compliance checks 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 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. A local unit of government may impose a civil penalty of up to $2,000 for each violation of this paragraph.

Sec. 23. **[342.23] CANNABIS BUSINESSES AND HEMP BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS.**

Subdivision 1. **Records.** (a) Cannabis businesses and hemp businesses must retain financial records for the current and previous tax years at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business or hemp business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business or hemp business.

Subd. 2. **Diversity report.** Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 3. **Disposal; loss documentation.** (a) Cannabis businesses and hemp businesses must dispose of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposal of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and hemp-derived consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

(d) Loss or theft of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement and a business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Subd. 4. **Sale of approved products.** Cannabis businesses and hemp businesses may only sell cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are a product category approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 5. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a retailer, including preferential placement on the retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

(c) This prohibition does not apply to free samples of usable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(d) This prohibition does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

Subd. 6. **Customer privacy.** Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 24. **[342.24] CANNABIS BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS AND PROHIBITIONS.**

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 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.

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.

(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.

Subd. 3. **Restricted access.** (a) Except as otherwise provided in this subdivision, a cannabis business may not permit any individual to enter a restricted area unless the cannabis business records the individual's name, time of entry, time of exit, and authorization to enter the restricted area through the use of an electronic or manual entry log and the individual:

(1) is a cannabis worker employed by or contracted with the cannabis business;

(2) is an employee of the office or another enforcement agency;

(3) is a contractor of the cannabis business, including but not limited to an electrician, a plumber, an engineer, or an alarm technician, whose scope of work will not involve the handling of cannabis flower, cannabis products, or hemp-derived consumer products and, if the individual is working in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business; or

(4) has explicit authorization from the office to enter a restricted area and, if the individual is in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business.

(b) A cannabis business shall ensure that all areas of entry to restricted areas within its licensed premises are conspicuously marked and cannot be entered without recording the individual's name, time of entry, time of exit, and authorization to enter the restricted area.

Subd. 4. **Ventilation and filtration.** A cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by the office.

Subd. 5. **Use of statewide monitoring system.** (a) A cannabis business must use the statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products the cannabis business has in its possession to the point of disposal, transfer, or sale.

(b) For the purposes of this subdivision, a cannabis business possesses the cannabis plants and cannabis flower that the business cultivates from seed or immature plant, if applicable, or receives from another cannabis business, and possesses the cannabis products and hemp-derived consumer products that the business manufactures or receives from another cannabis business.

(c) Sale and transfer of cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products must be recorded in the statewide monitoring system within the time established by rule.

Subd. 6. **Security.** A cannabis business must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products; unauthorized entry into the cannabis business; and the theft of currency.

Subd. 7. **Remuneration.** A cannabis business is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Subd. 8. **Exclusions.** The requirements under this section do not apply to hemp businesses.

Subd. 9. **Exclusive contracts.** A cannabis business may not directly or indirectly make an agreement with a cannabis retailer that binds the cannabis retailer to purchase the products of one cannabis cultivator or cannabis manufacturer to the exclusion of the products of other cannabis cultivators or cannabis manufacturers. A cannabis retailer who is a party to a violation of this section or who receives the benefits of a violation is equally guilty of a violation.

Sec. 25. **[342.25] CULTIVATION OF CANNABIS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the cultivation of cannabis must comply with the requirements of this section.

Subd. 2. **Cultivation records.** A business licensed or authorized to cultivate cannabis must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. The cultivation record must include the quantity and timing, where applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. The cannabis business must present cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Subd. 3. **Agricultural chemicals and other inputs.** A business licensed or authorized to cultivate cannabis is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Subd. 4. **Cultivation plan.** A business licensed or authorized to cultivate cannabis must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business licensed or authorized to cultivate cannabis must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business licensed or authorized to cultivate cannabis must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Subd. 6. **Adulteration prohibited.** A business licensed or authorized to cultivate cannabis must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A business licensed or authorized to cultivate cannabis may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Subd. 8. **Exception.** Nothing in this section applies to the cultivation of hemp plants.

Sec. 26. **[342.26] MANUFACTURE OF CANNABIS PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section.

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products, except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business licensed or authorized to manufacture cannabis products must comply with all applicable packaging, labeling, and health and safety requirements.

Subd. 3. **Extraction and concentration.** (a) A business licensed or authorized to manufacture cannabis products that creates cannabis concentrate, hemp concentrate, or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture cannabis products may not use a method of conversion or a catalyst without approval by the office.

(d) A business licensed or authorized to manufacture cannabis products must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) A business licensed or authorized to manufacture cannabis products that manufactures cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

(f) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. **Production of consumer products.** (a) A business licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must obtain an endorsement from the office to produce:

(1) cannabis products other than edible cannabis products; or

(2) hemp-derived consumer products other than lower-potency hemp edibles.

(c) All areas within the licensed premises of a business licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must meet the sanitary standards specified in rules adopted by the office.

(d) A business licensed or authorized to manufacture cannabis products may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or artificially derived cannabinoids.

(e) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(f) A business licensed or authorized to manufacture cannabis products shall not add any cannabis flower, cannabis concentrate, artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product where the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a

component or as part of a recipe and where the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer.

Sec. 27. **[342.27] RETAIL SALE OF CANNABIS FLOWER AND PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must comply with the requirements of this section.

Subd. 2. **Sale of cannabis and cannabinoid products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible adult-use cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

Subd. 3. **Sale of other products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the home to prevent access by individuals under 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell hemp-derived topical products.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell the following products that do not contain cannabis flower, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or tetrahydrocannabinol:

(1) drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale;

(2) books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids;

(3) magazines and other publications published primarily for information and education on cannabis plants, cannabis flower, and products that contain cannabinoids;

(4) multiple-use bags designed to carry purchased items;

(5) clothing marked with the specific name, brand, or identifying logo of the retailer;

(6) hemp fiber products and products that contain hemp grain; and

(7) products that detect the presence of fentanyl or a fentanyl analog.

Subd. 4. **Age verification.** (a) Prior to initiating a sale, an employee of a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must verify that the customer is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis flower or adult-use cannabis products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A retailer may seize a form of identification listed under paragraph (b) if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 5. **Display of cannabis flower and products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in the secure storage area.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may display one sample of each type of cannabis flower or cannabis product available for sale. Samples of cannabis flower and 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 cannabis flower and cannabis products sold to customers. A sample may not contain 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 cannabis flower or cannabis product before purchase.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower or cannabis products used as a sample for display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Subd. 6. **Posting of notices.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must post all notices as required by the office, including but not limited to:

(1) information about any product recall;

(2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal; and

(3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least 21 years of age.

Subd. 7. **Hours of operation.** (a) Except as provided by paragraph (b), a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday nor between 2:00 a.m. and 10:00 a.m. on Sunday.

(b) A city or county may adopt an ordinance to prohibit sales for any period between 9:00 p.m. and 2:00 a.m. the following day or between 8:00 a.m. and 10:00 a.m. on the days of Monday through Saturday.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not be open to the public or sell any other products at times when the cannabis business is prohibited from selling cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 8. **Building conditions.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 9. **Security.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with security requirements established by the office, including but not limited to requirements for maintaining video surveillance records, using specific locking mechanisms, establishing secure entries, and the number of employees working at all times.

Subd. 10. **Lighting.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must keep all lighting outside and inside the dispensary in good working order and sufficient wattage for security cameras.

Subd. 11. **Deliveries.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only accept deliveries of cannabis flower, cannabis products, and hemp-derived consumer products in a limited access area. Deliveries may not be accepted through the public access areas unless otherwise approved by the office.

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; or

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

Subd. 13. **Adult-use and medical cannabis; colocation.** (a) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products that is also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of the business's premises.

(b) The premises must provide an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with a patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Subd. 14. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible retailer.

Sec. 28. **[342.28] CANNABIS MICROBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, 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 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 adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) 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;

(12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(13) perform other actions approved by the office.

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 upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(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 consistent with the goals identified in section 342.02, subdivision 1.

(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.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis microbusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Exception.** The requirement of an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement is not required as part of an application for a cannabis microbusiness license.

Subd. 5. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis microbusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis microbusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis microbusiness 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.

Subd. 6. **Cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 7. **Extraction and concentration endorsement.** A cannabis microbusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 8. **Production of customer products endorsement.** A cannabis microbusiness that manufacturers edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 9. **Retail operations endorsement.** A cannabis microbusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 10. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabinoid products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment, provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under 21 years of age;

(2) permit an individual who is under 21 years of age to enter the premises;

(3) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(4) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(5) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, that contain cannabis flower or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or artificially derived cannabinoids;

(6) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(7) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(8) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 29. **[342.29] CANNABIS MEZZOBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, 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 cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

(2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;

(3) make cannabis concentrate;

(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 artificially derived cannabinoids;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) process medical cannabinoid products;

(8) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(9) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

(11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(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 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

(14) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis at an indoor facility may cultivate up to 15,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis mezzobusiness that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than three acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis mezzobusiness 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 15,000 square feet in a year but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis mezzobusiness with the appropriate endorsement may operate up to three retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building code and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

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.

(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.

Subd. 5. **Cultivation endorsement.** A cannabis mezzobusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis mezzobusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis mezzobusiness that manufacturers edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis mezzobusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **Medical cannabis endorsement.** A cannabis mezzobusiness that cultivates cannabis plants for use as medical cannabis flower or for use in medical cannabinoid products, processes medical cannabinoid products, or both, must comply with sections 342.49, paragraph (d); 342.50, paragraph (c), and any additional requirements established by the office.

Sec. 30. **[342.30] CANNABIS CULTIVATOR LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis cultivator license 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 immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis cultivator that cultivates cannabis at an indoor facility may cultivate up to 30,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis cultivator that cultivates cannabis at an outdoor location may cultivate up to two acres of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than four acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis cultivator license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

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.

Subd. 5. **Cultivation operations.** A cannabis cultivator must comply with the requirements in section 342.25.

Sec. 31. **[342.31] CANNABIS MANUFACTURER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase cannabis flower, cannabis products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, another cannabis manufacturer, or a cannabis wholesaler;

(2) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) accept cannabis flower from unlicensed persons who are at least 21 years of age provided that the cannabis manufacturer does not accept more than two ounces from an individual on a single occasion;

(5) make cannabis concentrate;

(6) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(7) manufacture artificially derived cannabinoids;

(8) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(9) package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(10) sell cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses; and

(11) perform other actions approved by the office.

Subd. 2. **Size limitations.** The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis manufacturer may perform.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis manufacturer license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

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.

Subd. 5. **Manufacturing operations.** A cannabis manufacturer must comply with the requirements in section 342.26.

Sec. 32. **[342.32] CANNABIS RETAILER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis retailer license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis wholesalers;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer;

(3) 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 customers; and

(4) perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis retailer may operate up to five retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail license must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

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.

Subd. 5. **Municipal or county cannabis store.** A city or county may establish, own, and operate a municipal cannabis store subject to the restrictions in this chapter.

Sec. 33. **[342.33] CANNABIS WHOLESALER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis wholesaler license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis microbusinesses;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers;

(5) sell lower-potency hemp edibles to lower-potency hemp edible retailers;

(6) import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids that are derived from hemp plants or hemp plant parts; and

(7) perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis wholesaler license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed cannabis businesses; and

(2) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis wholesaler license may also hold a cannabis transporter license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis wholesaler license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis wholesaler licenses a person 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. 34. **[342.34] CANNABIS WHOLESALER OPERATIONS.**

Subdivision 1. **Separation of products.** A cannabis wholesaler must ensure that cannabis plants, cannabis flower, and cannabis products are physically separated from all other products, including but not limited to lower-potency hemp edibles and hemp-derived consumer products, in a manner that prevents any cross-contamination.

Subd. 2. **Records and labels.** A cannabis wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 3. **Building conditions.** (a) A cannabis wholesaler shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis wholesaler shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 4. **Sale of other products.** A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a license or authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under 21 years of age.

Subd. 5. **Importation of hemp-derived products.** (a) A cannabis wholesaler that imports lower-potency hemp edibles or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer must obtain a hemp-derived product importer endorsement from the office.

(b) A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the cannabis wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or criminal action that a licensed wholesaler relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Sec. 35. **[342.35] CANNABIS TRANSPORTER LICENSING.**

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.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis transporter license must submit the following information in a form approved by the office:

(1) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than $300,000, for loss of or damage to cargo;

(2) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than $1,000,000, for injury to one or more persons in any one accident and, if an accident has resulted in injury to or destruction of property, of not less than $100,000 because of such injury to or destruction of property of others in any one accident;

(3) the number and type of equipment the business will use 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;

(4) a loading, transporting, and unloading plan;

(5) a description of the applicant's experience in the distribution or security business; and

(6) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis transporter license may also hold a cannabis wholesaler license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis transporter license may own or operate any other cannabis business.

(c) The office by rule may limit the number of cannabis transporter licenses a person or business may hold.

(d) For purposes of this subdivision, restrictions on the number or type of license a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 36. **[342.36] CANNABIS TRANSPORTER OPERATIONS.**

Subdivision 1. **Manifest required.** Before transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products, a cannabis transporter shall obtain a shipping manifest on a form established by the office. The manifest must be kept with the products at all times and the cannabis transporter must maintain a copy of the manifest in its records.

Subd. 2. **Records of transportation.** Records of transportation must be kept for a minimum of three years at the cannabis transporter's place of business and are subject to inspection upon request by the office or law enforcement agency. Records of transportation include the following:

(1) copies of transportation manifests for all deliveries;

(2) a transportation log documenting the chain of custody for each delivery, including every employee and vehicle used during transportation; and

(3) financial records showing payment for transportation services.

Subd. 3. **Storage compartment.** 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 must be transported in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad. Items being transported may not be visible from outside the motor vehicle.

Subd. 4. **Identifying logos or business names prohibited.** No vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the vehicle is used in transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 5. **Randomized deliveries.** A cannabis transporter shall ensure that all delivery times and routes are randomized.

Subd. 6. **Multiple employees.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be staffed with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis transporter and who is at least 21 years of age may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a vehicle must be cannabis workers employed by or contracted with the cannabis transporter.

Subd. 8. **Drivers license required.** All drivers must carry a valid driver's license with the proper endorsements when operating a vehicle transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 9. **Vehicles subject to inspection.** Any vehicle assigned for the purposes of transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 37. **[342.37] CANNABIS TESTING FACILITY LICENSING.**

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.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis testing facility license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed businesses;

(2) proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis testing facility license may not own or operate, or be employed by, any other cannabis business or hemp business.

(b) The office by rule may limit the number of cannabis testing facility licenses a person or business may hold.

(c) For purposes of this subdivision, a restriction on the number of licenses a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 38. **[342.38] CANNABIS TESTING FACILITY OPERATIONS.**

Subdivision 1. **Testing services.** A cannabis testing facility shall provide some or all testing services required under section 342.61 and rules adopted pursuant to that section.

Subd. 2. **Testing protocols.** A cannabis testing facility shall follow all testing protocols, standards, and criteria adopted by rule by the office for the testing of different forms of cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids; determining batch size; sampling; testing validity; and approval and disapproval of tested items.

Subd. 3. **Records.** Records of all business transactions and testing results; records required to be maintained pursuant to any applicable standards for accreditation; and records relevant to testing protocols, standards, and criteria adopted by the office must be kept for a minimum of three years at the cannabis testing facility's place of business and are subject to inspection upon request by the office or law enforcement agency.

Subd. 4. **Disposal of cannabis flower and products.** A testing facility shall dispose of or destroy used, unused, and waste cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids pursuant to rules adopted by the office.

Sec. 39. **[342.39] CANNABIS EVENT ORGANIZER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days.

Subd. 2. **Additional information required.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis event organizer license must submit the following information in a form approved by the office:

(1) the type and number of any other cannabis business license held by the applicant;

(2) the address and location where the temporary cannabis event will take place;

(3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds, all entrances and exits that will be used by participants during the event, all cannabis consumption areas, all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;

(6) the dates and hours during which the cannabis event will take place;

(7) proof of local approval for the cannabis event; and

(8) evidence that the business will comply with the applicable operation requirements for the license being sought.

(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license, a lower-potency hemp edible manufacturer license, or a lower-potency hemp edible retailer license.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

(c) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 40. **[342.40] CANNABIS EVENT ORGANIZER OPERATIONS.**

Subdivision 1. **Local approval.** A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government, before holding a cannabis event.

Subd. 2. **Charging fees.** (a) A cannabis event organizer may charge an entrance fee to a cannabis event.

(b) A cannabis event organizer may charge a fee to a cannabis business or hemp business in exchange for space to display and sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. Any fee paid for participation in a cannabis event shall not be based on or tied to the sale of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 3. **Security.** A cannabis event organizer must hire or contract for licensed security personnel to provide security services at the cannabis event. All security personnel hired or contracted for shall be at least 21 years of age and present on the licensed event premises at all times that cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products are available for sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed. The security personnel shall not consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for at least 24 hours before the event or during the event.

Subd. 4. **Limited access to event.** A cannabis event organizer shall ensure that access to an event is limited to individuals who are at least 21 years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign shall be not less than one inch in height.

Subd. 5. **Cannabis waste.** A cannabis event organizer shall ensure that all used, unused, and waste cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that are not removed by a customer, cannabis business, or hemp business are disposed of in a manner approved by the office.

Subd. 6. **Transportation of cannabis plants, flower, and products.** All transportation of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products intended for display or sale and all such items used for display or not sold during the cannabis event must be transported to and from the cannabis event by a licensed cannabis transporter.

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, 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.

Subd. 8. **Cannabis event on-site consumption.** (a) If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

(b) Access to areas where consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed shall be restricted to individuals who are at least 21 years of age.

(c) The cannabis event organizer shall ensure that consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place.

(d) The cannabis event organizer shall not permit consumption of alcohol or tobacco.

(e) The cannabis event organizer shall not permit smoking, according to section 144.413, of adult-use cannabis flower or cannabis products at any location where smoking is not permitted under sections 144.413 to 144.417. Nothing in this section prohibits a statutory or home rule charter city or county from enacting and enforcing more stringent measures to protect individuals from secondhand smoke or involuntary exposure to aerosol or vapor from electronic delivery devices.

Sec. 41. **[342.41] CANNABIS DELIVERY SERVICE LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis retailers, and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis delivery service license must submit the following information in a form approved by the office:

(1) a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including:

(i) the vehicle make, model, and color;

(ii) the vehicle identification number; and

(iii) the license plate number;

(2) proof of insurance for each vehicle;

(3) a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under 21 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle; and

(4) evidence that the business will comply with the applicable operation requirements for the license being sought.

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, 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. 42. **[342.42] CANNABIS DELIVERY SERVICE OPERATIONS.**

Subdivision 1. **Age or registry verification.** Prior to completing a delivery, a cannabis delivery service shall verify that the customer is at least 21 years of age or is enrolled in the registry program. Section 342.27, subdivision 4, applies to the verification of a customer's age. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Subd. 2. **Records.** The office by rule shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least 21 years of age or enrolled in the registry program.

Subd. 3. **Amount to be transported.** The office by rule shall establish limits on the amount of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that a cannabis delivery service may transport.

Subd. 4. **Statewide monitoring system.** Receipt of cannabis flower and cannabis products by the cannabis delivery service and a delivery to a customer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 5. **Storage compartment.** Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products may not be visible from outside the cannabis delivery service vehicle.

Subd. 6. **Identifying logos or business names prohibited.** No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the cannabis delivery service vehicle is used for transporting cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis delivery service and who is at least 21 years of age may transport cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. All passengers in a cannabis delivery service vehicle must be cannabis workers employed by or contracted with the cannabis delivery service.

Subd. 8. **Vehicles subject to inspection.** Any cannabis delivery service vehicle is subject to inspection at any time.

Sec. 43. **[342.43] HEMP BUSINESS LICENSE TYPES; MULTIPLE LICENSES.**

Subdivision 1. **License types.** The office shall issue the following types of hemp business licenses:

(1) lower-potency hemp edible manufacturer; and

(2) lower-potency hemp edible retailer.

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold both a lower-potency hemp edible manufacturer and lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, may not hold a cannabis business license.

Sec. 44. **[342.44] HEMP BUSINESS LICENSES; APPLICATIONS AND ISSUANCE.**

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office, by rule, shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) 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

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

(d) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11;

(4) is not employed by the office or any state agency with regulatory authority over this chapter; and

(5) does not hold any cannabis business license.

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 45. **[342.45] LOWER-POTENCY HEMP EDIBLE MANUFACTURER.**

Subdivision 1. **Authorized actions.** A lower-potency hemp edible manufacturer license entitles the license holder to:

(1) purchase hemp plant parts, hemp concentrate, and artificially derived cannabinoids from cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis wholesalers, and lower-potency hemp edible manufacturers;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) make hemp concentrate;

(5) manufacture artificially derived cannabinoids;

(6) manufacture lower-potency hemp edibles for public consumption;

(7) package and label lower-potency hemp edibles for sale to customers;

(8) sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; and

(9) perform other actions approved by the office.

Subd. 2. **All manufacturer operations.** (a) All hemp manufacturing must take place in a facility and on equipment that meets the applicable health and safety requirements established by the office, including requirements for cleaning and testing machinery between production of different products.

(b) A lower-potency hemp edible manufacturer must comply with all applicable packaging, labeling, and testing requirements.

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer that creates hemp concentrate or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A lower-potency hemp edible manufacturer seeking an endorsement to create hemp concentrate must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer seeking an endorsement to create artificially derived cannabinoids must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture lower-potency hemp edibles may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or artificially derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals involved in that method.

Subd. 4. **Production of consumer products.** (a) A lower-potency hemp edible manufacturer that produces lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) All areas within the premises of a lower-potency hemp edible manufacturer used for producing lower-potency hemp edibles must meet the sanitary standards specified in rules adopted by the office.

(c) A lower-potency hemp edible manufacturer may only add chemicals or compounds approved by the office to hemp concentrate or artificially derived cannabinoids.

(d) Upon the sale of any lower-potency hemp edible to a cannabis business or hemp business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(e) A lower-potency hemp edible manufacturer shall not add any artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product if the manufacturer of the product holds a trademark to the product's name, except that a lower-potency hemp edible manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and if the lower-potency hemp edible manufacturer does not state or advertise to the customer that the final retail lower-potency hemp edible contains a trademarked food product.

(f) A lower-potency hemp edible manufacturer shall not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to a product.

Subd. 5. **Transportation of hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles.** (a) A lower-potency hemp edible manufacturer may transport hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles on public roadways provided:

(1) the artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles are in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad;

(2) the artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible manufacturer has a shipping manifest in the lower-potency hemp edible manufacturer's possession that describes the contents of all tamper-evident containers;

(4) all departures, arrivals, and stops are appropriately documented;

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles; and

(6) the lower-potency hemp edible manufacturer complies with any other rules adopted by the office.

(b) Any vehicle assigned for the purposes of transporting artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles is subject to inspection at any time.

Sec. 46. **[342.46] LOWER-POTENCY HEMP EDIBLE RETAILER.**

Subdivision 1. **Sale of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least 21 years of age.

(b) A lower-potency hemp edible retailer may sell lower-potency hemp edibles that:

(1) are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer; and

(2) meet all applicable packaging and labeling requirements.

Subd. 2. **Sale of other products.** A lower-potency hemp edible retailer may sell other products or items for which the lower-potency hemp edible retailer has a license or authorization or that do not require a license or authorization.

Subd. 3. **Age verification.** Prior to initiating a sale, an employee of the lower-potency hemp edible retailer must verify that the customer is at least 21 years of age. Section 342.27, subdivision 4, applies to the verification of a customer's age.

Subd. 4. **Display and storage of lower-potency hemp edibles.** A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles, other than lower-potency hemp edibles that are intended to be consumed as a beverage, are displayed behind a checkout counter where the public is not permitted or in a locked case. All lower-potency hemp edibles that are not displayed must be stored in a secure area.

Subd. 5. **Transportation of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may transport lower-potency hemp edibles on public roadways provided:

(1) the lower-potency hemp edibles are in final packaging;

(2) the lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible retailer has a shipping manifest in the lower-potency hemp edible retailer's possession that describes the contents of all tamper-evident containers;

(4) all departures, arrivals, and stops are appropriately documented;

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting lower-potency hemp edibles; and

(6) the lower-potency hemp edible retailer complies with any other rules adopted by the office.

(b) Any vehicle assigned for the purposes of transporting lower-potency hemp edibles is subject to inspection at any time.

Subd. 6. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amount and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, no more than 25 milligrams of cannabidiol, no more than 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

(3) do not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

Subd. 7. **Prohibitions.** A lower-potency hemp edible retailer may not:

(1) sell lower-potency hemp edibles to an individual who is under 21 years of age;

(2) sell a lower-potency hemp edible to a person who is visibly intoxicated;

(3) sell cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

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 packaging provided that 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 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 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 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;

(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.

Subd. 9. **Posting of notices.** A lower-potency hemp edible retailer must post all notices as provided in section 342.27, subdivision 6.

Subd. 10. **Building conditions.** (a) A lower-potency hemp edible retailer shall maintain compliance with state and local building, fire, and zoning codes, requirements, or regulations.

(b) A lower-potency hemp edible retailer shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 11. **Enforcement.** The office shall inspect lower-potency hemp edible retailers and take enforcement action as provided in sections 342.19 and 342.21.

Sec. 47. **[342.47] MEDICAL CANNABIS BUSINESS LICENSES.**

Subdivision 1. **License types.** (a) The office shall issue the following types of medical cannabis business licenses:

(1) medical cannabis cultivator;

(2) medical cannabis processor;

(3) medical cannabis retailer; and

(4) medical cannabis combination business license.

(b) The Division of Medical Cannabis may oversee the licensing and regulation of medical cannabis businesses.

Subd. 2. **Multiple licenses; limits.** (a) Except as provided in subdivision 3, a person, cooperative, or business holding:

(1) a medical cannabis cultivator license may also hold a medical cannabis processor license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses;

(2) a medical cannabis processor license may also hold a medical cannabis cultivator license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses; or

(3) a medical cannabis retailer license may also hold a cannabis mezzobusiness license, a cannabis retailer license, a cannabis delivery service license, and a cannabis event organizer 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 medical cannabis license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of medical cannabis business licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number of licenses or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a medical cannabis business.

Subd. 3. **Medical cannabis combination business license.** (a) A person, cooperative, or business holding a medical cannabis combination license is prohibited from owning or operating any other cannabis business or hemp business.

(b) A person or business may only hold one medical cannabis combination license.

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

Sec. 48. **[342.48] MEDICAL CANNABIS BUSINESS APPLICATIONS.**

In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a medical cannabis business license must submit the following information in a form approved by the office:

(1) for medical cannabis cultivator license applicants:

(i) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation for medical cannabis, including the total amount of plant canopy; and

(iii) evidence that the business will comply with the applicable operation requirements for the license being sought;

(2) for medical cannabis processor license applicants:

(i) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) all methods of extraction and concentration that the applicant intends to use and the volatile chemicals, if any, that are involved in extraction or concentration;

(iii) if the applicant is seeking an endorsement to manufacture products infused with cannabinoids for consumption by patients enrolled in the registry program, proof of an edible cannabinoid product handler endorsement from the office; and

(iv) evidence that the applicant will comply with the applicable operation requirements for the license being sought;

(3) for medical cannabis retailer license applicants:

(i) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(ii) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems, policies to avoid sales to individuals who are not authorized to receive the distribution of medical cannabis flower or medical cannabinoid products, identification of a restricted area for storage, and plans to prevent the visibility of cannabis flower and cannabinoid products; and

(iii) evidence that the applicant will comply with the applicable operation requirements for the license being sought; or

(4) for medical cannabis combination license applicants:

(i) the information required under clauses (1) to (3); and

(ii) any additional information required under sections 342.30, subdivision 3; 342.31, subdivision 3; and 342.32, subdivision 3.

Sec. 49. **[342.49] MEDICAL CANNABIS CULTIVATORS.**

(a) A medical cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space up to 60,000 square feet of plant canopy 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 medical cannabis processors and medical cannabis retailers, transport medical cannabis flower to a medical cannabis processor located on the same premises, and perform other actions approved by the office.

(b) A medical cannabis cultivator license holder must comply with all requirements of section 342.25.

(c) A medical cannabis cultivator license holder must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

(d) A medical cannabis cultivator may exceed the limit of 60,000 square feet of plant canopy if it was legally cultivating medical cannabis with a greater plant canopy as of April 1, 2023.

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

Sec. 50. **[342.50] MEDICAL CANNABIS PROCESSORS.**

(a) A medical cannabis processor license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators and other medical cannabis processors;

(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 other medical cannabis processors and to medical cannabis retailers; and

(7) perform other actions approved by the office.

(b) A medical cannabis processor license holder must comply with all requirements of section 342.26, including requirements to obtain specific license endorsements.

(c) A medical cannabis processor license holder must verify that every batch of medical cannabinoid product has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabinoid products before the medical cannabis processor may package, label, or sell the medical cannabinoid product to any other entity.

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

Sec. 51. **[342.51] MEDICAL CANNABIS RETAILERS.**

Subdivision 1. **Authorized actions.** (a) A medical cannabis retailer license entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) A medical cannabis retailer license holder 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 may distribute the medical cannabis flower or medical cannabinoid product to any person authorized to receive medical cannabis flower or medical cannabinoid products.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, a medical cannabis retailer licensee must:

(1) review and confirm the patient's registry verification;

(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;

(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and

(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.

(b) A medical cannabis retailer may not deliver medical cannabis flower or medical cannabinoid products unless the medical cannabis retailer also holds a cannabis delivery service license. 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 medical cannabis retailer and who is licensed as a pharmacist pursuant to chapter 151 shall be 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 employed by the medical cannabis retailer must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia and proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product. 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 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 medical cannabis retailer may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient who is at a dispensary location but remains in a motor vehicle, provided that:

(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 medical cannabis retailer 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 medical cannabis retailer 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 has arrived in the designated zone;

(4) the payment and distribution of medical cannabis flower and medical cannabinoid products take place only after a pharmacist consultation takes place, if required under subdivision 3;

(5) immediately following distribution of medical cannabis flower or medical cannabinoid products, staff enter the transaction in the statewide monitoring system; and

(6) immediately following distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

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

Sec. 52. **[342.515] MEDICAL CANNABIS COMBINATION BUSINESSES.**

Subdivision 1. **Authorized actions.** 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 and medical cannabinoid products for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled 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.

Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy.

(b) A medical cannabis combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).

(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.

Subd. 3. **Manufacturing; size limitations.** The office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate.

Subd. 4. **Retail locations.** A medical cannabis combination business may operate up to one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a medical cannabis combination business license if the office determines that the business is no longer actively participating in the medical cannabis market. The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.

Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.

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

Sec. 53. **[342.52] PATIENT REGISTRY PROGRAM.**

Subdivision 1. **Administration.** The Division of Medical Cannabis must administer the medical cannabis registry program.

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis 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.

(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 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 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 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.

Subd. 3. **Application procedure for veterans.** (a) The Division of Medical Cannabis 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.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit to the Division of Medical Cannabis 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.

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 must approve or deny a patient's enrollment in the registry program. If the Division of Medical Cannabis 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) A patient's enrollment in the registry program must only be denied 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;

(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 denies a patient's enrollment in the registry program, the Division of Medical Cannabis 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) 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.

If 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.

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the Division of Medical Cannabis 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 must also make the registry verification available to medical cannabis retailers. 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.

Subd. 6. **Conditions of continued enrollment.** As conditions of continued enrollment, a patient must:

(1) continue to receive regularly scheduled treatment for the patient's qualifying medical condition from the patient's health care practitioner; and

(2) report changes in the patient's qualifying medical condition to the patient's health care practitioner.

Subd. 7. **Enrollment period.** Enrollment in the registry program is valid for three years. To re-enroll, a patient must submit the information required in subdivision 2 and a patient who is also a veteran must submit the information required in subdivision 3.

Subd. 8. **Allowable delivery methods.** A patient in the registry program may receive medical cannabis flower and medical cannabinoid products. The office may approve additional delivery methods to expand the types of products that qualify as medical cannabinoid products.

Subd. 9. **Registered designated caregiver.** (a) The Division of Medical Cannabis 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 medical cannabis retailer.

(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) 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.

Subd. 10. **Parents, legal guardians, spouses.** A parent, legal guardian, or spouse of a patient may act as the caregiver for a patient. The parent, legal guardian, or spouse who is acting as a caregiver must follow all requirements for parents, legal guardians, and spouses under this chapter. Nothing in this section limits any legal authority that a parent, legal guardian, or spouse may have for the patient under any other law.

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the Division of Medical Cannabis 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 March 1, 2025.

Sec. 54. **[342.53] DUTIES OF OFFICE OF CANNABIS MANAGEMENT; 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 March 1, 2025.

Sec. 55. **[342.54] DUTIES OF DIVISION OF MEDICAL CANNABIS; REGISTRY PROGRAM.**

Subdivision 1. **Duties related to health care practitioners.** The Division of Medical Cannabis 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 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 website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each medical cannabis retailer.

Subd. 3. **Research.** (a) The Division of Medical Cannabis 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

contracts with a third party for research and studies, the third party must provide the division with access to all research and study results. The division must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the division 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 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 March 1, 2025.

Sec. 56. **[342.55] DUTIES OF HEALTH CARE PRACTITIONERS; REGISTRY PROGRAM.**

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, 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 Tennessen 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.

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the Division of Medical Cannabis 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;

(2) report to the Division of Medical Cannabis 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.

Subd. 3. **Participation not required.** Nothing in this section requires a health care practitioner to participate in the registry program.

Subd. 4. **Data.** Data on patients collected by a health care practitioner and reported to the registry program, including data on patients who are veterans who receive care from the United States Department of Veterans Affairs, are health records under section 144.291 and are private data on individuals under section 13.02 but may be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research conducted under section 342.54 or in the creation of summary data, as defined in section 13.02, subdivision 19.

Subd. 5. **Exception.** The requirements of this section do not apply to a patient who is a veteran who receives care from the United States Department of Veterans Affairs or a health care practitioner employed by the United States Department of Veterans Affairs. Such a patient must meet the certification requirements developed pursuant to section 342.52, subdivision 3, before the patient's enrollment in the registry program.

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

Sec. 57. **[342.56] LIMITATIONS.**

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections 342.47 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.

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 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 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.

Subd. 3. **Child care facilities.** A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of medical cannabis on the premises, outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians.

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

Sec. 58. **[342.57] PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.**

Subdivision 1. **Presumption.** There is a presumption that a patient enrolled in the registry program is engaged in the authorized use 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 was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

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 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 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 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 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 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 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.

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll a patient as a pupil or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

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 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.

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.47 to 342.60, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient injured by the violation for the greater of the person's actual damages or a civil penalty of $100 and reasonable attorney fees.

Subd. 8. **Sanctions restricted for those on parole, supervised release, or conditional release.** (a) This subdivision applies to an individual placed on parole, supervised release, or conditional release.

(b) The commissioner of corrections may not:

(1) prohibit an individual from participating in the registry program as a condition of release; or

(2) revoke an individual's parole, supervised release, or conditional release or otherwise sanction an individual solely:

(i) for participating in the registry program; or

(ii) for a positive drug test for cannabis components or metabolites.

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

Sec. 59. **[342.58] VIOLATION BY HEALTH CARE PRACTITIONER; CRIMINAL PENALTY.**

A health care practitioner who knowingly refers patients to a medical cannabis business or to a designated caregiver, who advertises as a retailer or producer of medical cannabis flower or medical cannabinoid products, or who issues certifications while holding a financial interest in a cannabis retailer or medical cannabis business is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of not more than $1,000, or both.

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

Sec. 60. **[342.59] DATA PRACTICES.**

Subdivision 1. **Data classification.** Patient health records maintained by the Office of Cannabis Management or the Division of Medical Cannabis and government data in patient health records maintained by a health care practitioner are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Allowable use; prohibited use.** Data specified in subdivision 1 may be used to comply with chapter 13, to comply with a request from the legislative auditor or the state auditor in the performance of official duties, and for purposes specified in sections 342.47 to 342.60. Data specified in subdivision 1 and maintained by the Office of Cannabis Management or Division of Medical Cannabis must not be used for any purpose not specified in sections 342.47 to 342.60 and must not be combined or linked in any manner with any other list, dataset, or database. Data specified in subdivision 1 must not be shared with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

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

Sec. 61. **[342.60] APPLIED RESEARCH.**

The Division of Medical Cannabis 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 March 1, 2025.

Sec. 62. **[342.61] TESTING.**

Subdivision 1. **Testing required.** 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; 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.

Subd. 2. **Procedures and standards established by office.** (a) The office shall by rule establish procedures governing the sampling, handling, testing, storage, and transportation of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products tested under this section; the contaminants for which cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products must be tested; standards for potency and homogeneity testing; and procedures applicable to cannabis businesses, hemp businesses, and cannabis testing facilities regarding cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products that fail to meet the standards for allowable levels of contaminants established by the office, that fail to meet the potency limits in this chapter, or that do not conform with the content of the cannabinoid profile listed on the label.

(b) All testing required under this section must be performed in a manner that is consistent with general requirements for testing and calibration activities.

Subd. 3. **Standards established by Office of Cannabis Management.** The office shall by rule establish standards for allowable levels of contaminants in cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products, and growing media. Contaminants for which the office must establish allowable levels must include but are not limited to residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins.

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.

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. 63. **[342.62] PACKAGING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be packaged as required by this section and rules adopted under this chapter.

Subd. 2. **Packaging requirements.** (a) Except as provided in paragraph (b), all cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be:

(1) prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque; or

(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.

(b) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

(c) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size. If the item is a lower-potency hemp edible, serving indicators must meet the requirements of section 342.46, subdivision 6, paragraph (b).

(d) Edible cannabis products and lower-potency hemp edibles containing more than a single serving must be prepackaged or placed at the final point of sale in packaging or a container that is resealable.

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to persons under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food.

Sec. 64. **[342.63] LABELING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be labeled as required by this section and rules adopted under this chapter.

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, 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;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

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, 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, 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 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;

(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 those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Subd. 4. **Additional content of label; medical cannabis flower and medical cannabinoid products.** In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

(1) the patient's name and date of birth;

(2) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse, if applicable; and

(3) the patient's registry identification number.

Subd. 5. **Content of label; hemp-derived topical products.** (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that contains at least the following information:

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) The information required in paragraph (a), clauses (1), (2), and (5), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.

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 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. 65. **[342.64] ADVERTISEMENT.**

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, 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) does not contain a warning as specified by the office regarding impairment and health risks.

Subd. 2. **Outdoor advertisements; cannabis business signs.** (a) Except as provided in paragraph (c), an outdoor advertisement of a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product is prohibited.

(b) Cannabis businesses and hemp businesses may erect up to two fixed outdoor signs on the exterior of the building or property of the cannabis business or hemp business.

(c) The prohibition under paragraph (a) does not apply to an outdoor advertisement for a hemp business, or the goods or services the business offers, that is not related to the manufacture or sale of lower-potency hemp edibles and does not include an image, description, or any reference to the manufacture or sale of lower-potency hemp edibles.

Subd. 3. **Audience under 21 years of age.** Except as provided in subdivision 2, a cannabis business, hemp business, or other person 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 any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under 21 years of age, as determined by reliable, current audience composition data.

Subd. 4. **Certain unsolicited advertising.** A cannabis business, hemp business, or another person shall not utilize unsolicited pop-up advertisements on the internet to advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Subd. 5. **Advertising using direct, individualized communication or dialogue.** Before a cannabis business, hemp business, or another person may advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product through direct, individualized communication or dialogue controlled by the cannabis business, hemp business, or other person, the cannabis business, hemp business, or other person must use a method of age affirmation to verify that the recipient of the direct, individualized communication or dialogue is 21 years of age or older. For purposes of this subdivision, the method of age affirmation may include user confirmation, birth date disclosure, or another similar registration method.

Subd. 6. **Advertising using location-based devices.** A cannabis business, hemp business, or another person shall not advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product with advertising directed toward location-based devices, including but not limited to cellular telephones, unless the owner of the device is 21 years of age or older.

Subd. 7. **Advertising restrictions for health care practitioners under the medical cannabis program.** (a) A health care practitioner shall not publish or cause to be published an advertisement that:

(1) contains false or misleading statements about the registry program;

(2) uses colloquial terms to refer to medical cannabis flower or medical cannabinoid products, such as pot, weed, or grass;

(3) states or implies that the health care practitioner is endorsed by the office, the Division of Medical Cannabis, or the registry program;

(4) includes images of cannabis flower, hemp plant parts, or images of paraphernalia commonly used to smoke cannabis flower;

(5) contains medical symbols that could reasonably be confused with symbols of established medical associations or groups; or

(6) does not contain a warning as specified by the office regarding impairment and health risks.

(b) A health care practitioner found by the office to have violated this subdivision is prohibited from certifying that patients have a qualifying medical condition for purposes of patient participation in the registry program. A decision by the office that a health care practitioner has violated this subdivision is a final decision and is not subject to the contested case procedures in chapter 14.

Sec. 66. **[342.65] INDUSTRIAL HEMP.**

Nothing in this chapter shall limit the ability of a person licensed under chapter 18K to grow industrial hemp for commercial or research purposes, process industrial hemp for commercial purposes, sell hemp fiber products and hemp grain, manufacture hemp-derived topical products, or perform any other actions authorized by the commissioner of agriculture. For purposes of this section, "processing" has the meaning given in section 18K.02, subdivision 5, and does not include the process of creating artificially derived cannabinoids.

Sec. 67. **[342.66] HEMP-DERIVED TOPICAL PRODUCTS.**

Subdivision 1. **Scope.** This section applies to the manufacture, marketing, distribution, and sale of hemp-derived topical products.

Subd. 2. **License; not required.** No license is required to manufacture, market, distribute, or sell hemp-derived topical products.

Subd. 3. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid, other than any tetrahydrocannabinol, and authorize its use in manufacturing, marketing, distribution, and sales under this section if the office determines that the cannabinoid is a nonintoxicating cannabinoid.

(c) A product manufactured, marketed, distributed, and sold under this section may contain cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are naturally occurring in hemp plants or hemp plant parts and the total of all other cannabinoids present in a product does not exceed one milligram per package.

Subd. 4. **Approved products.** Products sold to consumers under this section may only be manufactured, marketed, distributed, intended, or generally expected to be used by applying the product externally to a part of the body of a human or animal.

Subd. 5. **Labeling.** Hemp-derived topical products must meet the labeling requirements in section 342.63, subdivision 5.

Subd. 6. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

Subd. 7. **Enforcement.** The office may enforce this section under the relevant provisions of section 342.19, including but not limited to issuing administrative orders, embargoing products, and imposing civil penalties.

Sec. 68. **[342.67] LEGAL ASSISTANCE TO CANNABIS BUSINESSES AND HEMP BUSINESSES.**

An attorney must not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or licensed cannabis businesses or hemp businesses, or others for activities that do not violate this chapter or chapter 152.

Sec. 69. **[342.70] CANNABIS INDUSTRY COMMUNITY RENEWAL GRANTS.**

Subdivision 1. **Establishment.** The Office of Cannabis Management shall establish CanRenew, a program to award grants to eligible organizations for investments in communities where long-term residents are eligible to be social equity applicants.

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

(b) "Community investment" means a project or program designed to improve community-wide outcomes or experiences and may include efforts targeting economic development, improving social determinants of health, violence prevention, youth development, or civil legal aid, among others.

(c) "Eligible community" means a community where long-term residents are eligible to be social equity applicants.

(d) "Eligible organization" means any organization able to make an investment in a community where long-term residents are eligible to be social equity applicants and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(e) "Program" means the CanRenew grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) The Division of Social Equity must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

(1) an analysis of the community's need for the proposed investment;

(2) a description of the positive impact that the proposed investment is expected to generate for that community;

(3) any evidence of the organization's ability to successfully achieve that positive impact;

(4) any evidence of the organization's past success in making similar community investments;

(5) an estimate of the cost of the proposed investment;

(6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; and

(7) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. The office shall also give weight to applications where there is demonstrated community support for the proposed investment. The office shall fund investments in eligible communities throughout the state.

Subd. 4. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in eligible communities.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over community development that details awards given through the CanRenew program and the use of grant money, including any measures of successful community impact from the grants.

Sec. 70. **[342.72] SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.**

Subdivision 1. **Account established; appropriation.** A substance use treatment, recovery, and prevention grant account is created in the special revenue fund. Money in the account, including interest earned, is appropriated to the office for the purposes specified in this section. Of the amount transferred from the general fund to the account, the office may use up to five percent for administrative expenses.

Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016, the office may accept money contributed by individuals and may apply for grants from charitable foundations to be used for the purposes identified in this section. The money accepted under this section must be deposited in the substance use treatment, recovery, and prevention grant account created under subdivision 1.

Subd. 3. **Disposition of money; grants.** (a) Money in the substance use treatment, recovery, and prevention grant account must be distributed as follows:

(1) at least 75 percent of the money is for grants for substance use disorder and mental health recovery and prevention programs. Funds must be used for recovery and prevention activities and supplies that assist individuals and families to initiate, stabilize, and maintain long-term recovery from substance use disorders and co-occurring mental health conditions. Recovery and prevention activities may include prevention education, school-linked behavioral health, school-based peer programs, peer supports, self-care and wellness, culturally specific healing, community public awareness, mutual aid networks, telephone recovery checkups, mental health warmlines, harm reduction, recovery community organization development, first episode psychosis programs, and recovery housing; and

(2) up to 25 percent of the money is for substance use disorder treatment programs as defined in chapter 245G and may be used to implement, strengthen, or expand supportive services and activities that are not covered by medical assistance under chapter 256B, MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B. Services and activities may include adoption or expansion of evidence-based practices; competency-based training; continuing education; culturally specific and culturally responsive services; sober recreational activities; developing referral relationships; family preservation and healing; and start-up or capacity funding for programs that specialize in adolescent, culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family treatment services.

(b) The office shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and the commissioner of health to develop an appropriate application process, establish grant requirements, determine what organizations are eligible to receive grants, and establish reporting requirements for grant recipients.

Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that details grants awarded from the substance use treatment, recovery, and prevention grant account, including the total amount awarded, total number of recipients, and geographic distribution of those recipients.

Sec. 71. **[342.73] CANNABIS GROWER GRANTS.**

Subdivision 1. **Establishment.** The office, in consultation with the commissioner of agriculture, shall establish CanGrow, a program to award grants to (1) eligible organizations to help farmers navigate the regulatory structure of the legal cannabis industry, and (2) nonprofit corporations to fund loans to farmers for expansion into the legal cannabis industry.

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

(b) "Eligible organization" means any organization capable of helping farmers navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "Program" means the CanGrow grant program.

(e) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing such technical assistance or navigation services to farmers.

(b) The office must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the organization's ability to assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly farmers facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of farmers targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to farmers, particularly farmers who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that farmers will be charged to receive assistance; and

(5) any additional information requested by the office.

(e) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for farmers facing barriers to education or employment. The office shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. The office shall fund technical assistance to farmers throughout the state.

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 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).

Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) A loan must be used to support a farmer in entering the legal cannabis industry. Priority must be given to loans to businesses owned by farmers who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is $2,500 and the maximum is either:

(1) $50,000; or

(2) $150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the office for approval. The office must give final approval for each loan made by the nonprofit corporation under the program.

(f) If the borrower has met lender criteria, including being current with all payments for a minimum of three years, the office may approve either full or partial forgiveness of interest or principal amounts.

Subd. 6. **Revolving loan account administration.** (a) The office shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the office for deposit in the CanGrow revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the office enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses that the office may agree to pay under the grant agreement.

Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in areas where long-term residents are eligible to be social equity applicants.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives a grant under subdivision 4 shall:

(1) submit an annual report to the office by January 15 of each year that the nonprofit corporation participates in the program that includes a description of agricultural businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on farmers' ability to expand into the legal cannabis industry, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the office.

(b) By February 15, 2024, and each February 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over agriculture that details awards given through the CanGrow program and the use of grant money, including any measures of success toward helping farmers enter the legal cannabis industry. The report must include geographic information regarding the issuance of grants and loans under this section, the repayment rate of loans issued under subdivision 5, and a summary of the amount of loans forgiven.

Sec. 72. **[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, 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. 73. **[342.81] CIVIL ACTIONS.**

Subdivision 1. **Right of action.** A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or selling edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f), for on-site consumption. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Subd. 2. **Actions.** All suits for damages under this section must be by civil action in a court of this state having jurisdiction.

Subd. 3. **Comparative negligence.** Actions under this section are governed by section 604.01.

Subd. 4. **Defense.** It is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age in selling, bartering, furnishing, or giving the cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products.

Subd. 5. **Common law claims.** Nothing in this chapter precludes common law tort claims against any person 21 years old or older who knowingly provides or furnishes cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products to a person under the age of 21 years.

Sec. 74. **[342.82] NUISANCE; ACTION.**

Subdivision 1. **Nuisance.** Any use of adult-use cannabis flower which is injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property so as to interfere with the comfortable enjoyment of life or property is a nuisance.

Subd. 2. **Actions; landlord; association.** (a) A person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 may bring an action for injunctive relief and the greater of the person's actual damages or a civil penalty of $250.

(b) If a landlord, as defined in section 504B.001, subdivision 7, or an association, as defined in section 515B.1-103, clause (4), fails to enforce the terms of a lease, governing document, or policy related to the use of adult-use cannabis flower on the premises or property, a person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 as a result of the failure to enforce the terms may bring an action against the landlord or association seeking injunctive relief and the greater of the person's actual damages or a civil penalty of $500.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to causes of actions accruing on or after that date.

Sec. 75. **EFFECTIVE DATE.**

Except as otherwise provided, each section of this article is effective July 1, 2023.

ARTICLE 2
TAXES

Section 1. Minnesota Statutes 2022, section 270B.12, is amended by adding a subdivision to read:

Subd. 4a. **Office of Cannabis Management.** The commissioner may disclose return information to the Office of Cannabis Management for the purpose of and to the extent necessary to administer section 270C.726.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 2. Minnesota Statutes 2022, section 270C.19, is amended by adding a subdivision to read:

Subd. 6. **Cannabis sales.** (a) The commissioner is authorized to enter into a tax agreement with the governing body of any federally recognized Indian Tribe in Minnesota that provides for the state and the Tribal government to share state and local sales tax and gross receipts tax imposed on the sale of cannabis at retail by a Tribally owned business at a location off the reservation.

(b) Any payment to the Tribe under this subdivision must be limited to an approximation of the expenses borne by the Tribe in regulating the production and supplying of cannabis products to the off-reservation retail business and to taxes paid by members of the Tribe at that business location.

(c) Authority under this subdivision applies only to Tribal governments that have a compact under section 3.9228.

(d) There is annually appropriated from the general fund to the commissioner the amount necessary to make the payments provided in this subdivision.

Sec. 3. **[270C.726] POSTING OF TAX DELINQUENCY; SALE OF CANNABIS.**

Subdivision 1. **Posting; notice.** (a) Pursuant to the authority to disclose under section 270B.12, subdivision 4a, the commissioner shall, by the 15th of each month, submit to the Office of Cannabis Management a list of all taxpayers subject to the tax imposed by section 295.81 that are required to pay, withhold, or collect the tax imposed by section 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, 295.81, or 297A.62; or a local sales and use tax payable to, or administered and collected by, the commissioner, and who are ten days or more delinquent in either filing a tax return or paying the tax.

(b) The commissioner is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the Office of Cannabis Management, the commissioner shall notify the taxpayer of the intended action.

(c) The Office of Cannabis Management shall post the list required by this section on the Office of Cannabis Management website. The list must prominently show the date of posting. If a previously listed taxpayer files all returns and pays all taxes specified in this subdivision then due, the commissioner shall notify the Office of Cannabis Management within two business days.

Subd. 2. **Sales prohibited.** Beginning the third business day after the list is posted, no cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 may sell or deliver any product to a taxpayer included on the posted list.

Subd. 3. **Penalty.** A cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 who violates subdivision 2 of this section is subject to the penalties provided in sections 342.19 and 342.21.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 4. Minnesota Statutes 2022, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first $150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "cannabis plant" has the meaning given in section 342.01, subdivision 19, "cannabis flower" has the meaning given in section 342.01, subdivision 16, and "cannabis product" has the meaning given in section 342.01, subdivision 20.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 5. Minnesota Statutes 2022, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first $150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~, (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first $150,000 of market value.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 6. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL RULES.**

(a) Upon the request of any cannabis business as defined by section 342.01, subdivision 14, required to collect and remit taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner shall waive the requirement that payment of tax must be made electronically if the failure to pay electronically is because the cannabis business is unable to secure banking services and the inability to secure the services is due to its engagement in cannabis-related business allowed under Minnesota law.

(b) If, in consultation with the commissioner of commerce, the commissioner determines that the inability to find banking services is widespread and enforcement of the electronic payment requirement will significantly impede the ability of cannabis businesses to timely pay taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner may publish notice on the department website that waives the requirement to pay the tax electronically. If such notice is published, a cannabis business must file returns and pay taxes lawfully due in the form and manner prescribed by the commissioner.

(c) Nothing in this section relieves a cannabis business from timely filing and paying taxes.

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

Sec. 7. Minnesota Statutes 2022, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; ~~medical~~ cannabis ~~manufacturers~~ licensees.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 53, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. Minnesota Statutes 2022, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; ~~medical~~ cannabis ~~manufacturers~~ licensees.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 53, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 9. **[295.81] CANNABIS GROSS RECEIPTS TAX.**

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

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(f) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.29.

(g) "Cannabis microbusiness" means a cannabis business licensed under section 342.28.

(h) "Cannabis retailer" means a cannabis business licensed under section 342.32.

(i) "Commissioner" means the commissioner of revenue.

(j) "Gross receipts" means the total amount received in money or by barter or exchange for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.43, subdivision 1, clause (2).

(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 55.

(q) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(r) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar item.

(s) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product, and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 2. **Gross receipts tax imposed.** (a) A tax equal to ten percent of gross receipts from retail sales in Minnesota of taxable cannabis products is imposed on any taxable cannabis product retailer that sells these products to customers. A taxable cannabis product retailer may but is not required to collect the tax imposed by this section from the purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document given to the purchaser.

(b) If a product subject to the tax imposed under this section is included in a bundled transaction, the entire sales price of the bundled transaction is subject to the tax imposed under this section.

(c) The tax imposed under this section is in addition to any other tax imposed on the sale or use of taxable cannabis products.

Subd. 3. **Use tax imposed; credit for taxes paid.** (a) A person that receives taxable cannabis products for use or storage in Minnesota, other than from a taxable cannabis product retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the taxable cannabis product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 4. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of $100 or less, and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical items purchased by or for a patient enrolled in the registry program, including medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

(d) The tax imposed under this section does not apply to:

(1) sales made in Indian country as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f); or

(2) use tax owed on taxable cannabis products purchased on Tribally regulated land as defined in section 3.9228, subdivision 1, from a cannabis business licensed by a Minnesota Tribal government as defined in section 3.9228, subdivision 1, paragraph (f).

Subd. 5. **Tax collection required.** A taxable cannabis product retailer with nexus in Minnesota that is not subject to tax under subdivision 2 is required to collect the tax imposed under subdivision 4 from the purchaser of the taxable cannabis product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

Subd. 6. **Taxes paid to another state or any subdivision thereof; credit.** A taxable cannabis product retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 7. **Sourcing of sales.** Section 297A.668 applies to the taxes imposed by this section.

Subd. 8. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically if authorized under section 289A.33, apply to the tax imposed under this section.

Subd. 9. **Returns; payment of tax.** (a) A taxable cannabis product retailer must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 10. **Deposit 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 local government cannabis aid account in the special revenue fund.

(b) The local government cannabis aid account is established in the special revenue fund.

Subd. 11. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for gross receipts received after June 30, 2023.

Sec. 10. **[295.82] CANNABIS LOCAL TAX PROHIBITED.**

A political subdivision of this state is prohibited from imposing a tax solely on the sale of taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r).

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

Sec. 11. Minnesota Statutes 2022, section 297A.61, subdivision 3, is amended to read:

Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision. In applying the provisions of this chapter, the terms "tangible personal property" and "retail sale" include the taxable services listed in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" means those entities that would be classified as members of an affiliated group as defined under United States Code, title 26, section 1504, disregarding the exclusions in section 1504(b).

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

(1) prepared food sold by the retailer;

(2) soft drinks;

(3) candy; and

(4) dietary supplements.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice and including accommodations intermediary services provided in connection with other services provided under this clause;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials by a third party, excluding delivery of aggregate material used in road construction; and delivery of concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the concrete block. For purposes of this clause, "road construction" means construction of:

(i) public roads;

(ii) cartways; and

(iii) private roads in townships located outside of the seven-county metropolitan area up to the point of the emergency response location sign; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting services and pest control and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization or any organization at the direction of a county for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, ancillary services associated with telecommunication services, and pay television services. Telecommunication services include, but are not limited to, the following services, as defined in section 297A.669: air-to-ground radiotelephone service, mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid wireless calling service, and private communication services. The services in this paragraph are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

(n) A sale and purchase includes the transfer for consideration of a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 12. Minnesota Statutes 2022, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages ~~and~~, tobacco, taxable cannabis products, medical cannabis flower, and medical cannabinoid products. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (r), "medical cannabis flower" has the meaning given in section 342.01, subdivision 54, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 52. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 13. Minnesota Statutes 2022, section 297A.67, subdivision 7, is amended to read:

Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices for human use are exempt:

(1) drugs, including over-the-counter drugs;

(2) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

(4) prosthetic devices;

(5) durable medical equipment for home use only;

(6) mobility enhancing equipment;

(7) prescription corrective eyeglasses; and

(8) kidney dialysis equipment, including repair and replacement parts.

(b) Items purchased in transactions covered by:

(1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or

(2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.

(c) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, including single-patient use items, but not including mobility enhancing equipment, that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

For purposes of this clause, "repair and replacement parts" includes all components or attachments used in conjunction with the durable medical equipment, including repair and replacement parts which are for single patient use only.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

(i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;

(ii) is not generally used by persons with normal mobility; and

(iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

(i) artificially replace a missing portion of the body;

(ii) prevent or correct physical deformity or malfunction; or

(iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

(7) "Kidney dialysis equipment" means equipment that:

(i) is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own; and

(ii) can withstand repeated use, including multiple use by a single patient, notwithstanding the provisions of clause (2).

(8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the item purchased in the transaction is paid for or reimbursed by the federal government or the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance company administering the Medicare or Medicaid program on behalf of the federal government or the state of Minnesota, or by a managed care organization for the benefit of a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional Medicare or Medicaid coverage pursuant to agreement with the federal government or the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 14. Minnesota Statutes 2022, section 297A.67, is amended by adding a subdivision to read:

Subd. 39. **Reservation sales of taxable cannabis products.** The sale of a taxable cannabis product, as defined in section 295.81, subdivision 1, paragraph (r), that is made in Indian country, as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f), is exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 15. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), except for lodging, prepared food, candy, soft drinks, ~~and~~ alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 16. Minnesota Statutes 2022, section 297A.70, subdivision 4, is amended to read:

Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b), to the following "nonprofit organizations" are exempt:

(1) a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the item purchased is used in the performance of charitable, religious, or educational functions;

(2) any senior citizen group or association of groups that:

(i) in general limits membership to persons who are either age 55 or older, or persons with a physical disability;

(ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, not including housing, no part of the net earnings of which inures to the benefit of any private shareholders; and

(iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

(3) an organization that qualifies for an exemption for memberships under subdivision 12 if the item is purchased and used in the performance of the organization's mission.

For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), and alcoholic beverages as defined in section 297A.67, subdivision 2, except wine purchased by an established religious organization for sacramental purposes or as allowed under subdivision 9a; and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 17. Minnesota Statutes 2022, section 297A.70, subdivision 18, is amended to read:

Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act are exempt if the facility:

(1) is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; and

(2) is certified to participate in the medical assistance program under title 19 of the Social Security Act, or certifies to the commissioner that it does not discharge residents due to the inability to pay.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or residents of the nursing home or boarding care home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 18. Minnesota Statutes 2022, section 297A.85, is amended to read:

297A.85 CANCELLATION OF PERMITS.

The commissioner may cancel a permit if one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for at least one year;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for at least two years;

(3) the permit holder requests cancellation of the permit;

(4) the permit is subject to cancellation under section 270C.722, subdivision 2, paragraph (a); ~~or~~

(5) the permit is subject to cancellation under section 297A.84.~~;~~ or

(6) the permit holder is a taxable cannabis product retailer as defined in section 295.81, subdivision 1, paragraph (s), other than a lower-potency hemp edible retailer as licensed under section 342.43, subdivision 1, and its license to sell a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), has been revoked by the Office of Cannabis Management.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 19. Minnesota Statutes 2022, section 297D.01, is amended to read:

297D.01 DEFINITIONS.

Subdivision 1. ~~**Marijuana**~~ **Illegal cannabis.** ~~"Marijuana"~~ "Illegal cannabis" means any ~~marijuana~~ taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), whether real or counterfeit, ~~as defined in section 152.01, subdivision 9,~~ that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include ~~marijuana~~ illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of ~~marijuana~~ illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of ~~marijuana~~ illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 20. Minnesota Statutes 2022, section 297D.04, is amended to read:

297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.

No tax obligor may possess any ~~marijuana~~ illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance as evidenced by a stamp or other official indicia.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 21. Minnesota Statutes 2022, section 297D.06, is amended to read:

297D.06 PHARMACEUTICALS.

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of ~~marijuana~~ illegal cannabis or a controlled substance to pay the tax required under this chapter.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 22. Minnesota Statutes 2022, section 297D.07, is amended to read:

297D.07 MEASUREMENT.

For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 23. Minnesota Statutes 2022, section 297D.08, is amended to read:

297D.08 TAX RATE.

A tax is imposed on ~~marijuana~~ illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

(1) on each gram of ~~marijuana~~ illegal cannabis, or each portion of a gram, $3.50; and

(2) on each gram of controlled substance, or portion of a gram, $200; or

(3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, $400.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 24. Minnesota Statutes 2022, section 297D.085, is amended to read:

297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.

If another state or local unit of government has previously assessed an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or

greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances has been paid to another state or local unit of government.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 25. Minnesota Statutes 2022, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing ~~marijuana~~ illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $14,000, or both.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 26. Minnesota Statutes 2022, section 297D.10, is amended to read:

297D.10 STAMP PRICE.

Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 27. Minnesota Statutes 2022, section 297D.11, is amended to read:

297D.11 PAYMENT DUE.

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state ~~marijuana~~ illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the ~~marijuana~~ illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 28. **[477A.31] LOCAL GOVERNMENT CANNABIS AID.**

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

(1) "city" means a statutory or home rule charter city; and

(2) "director" means the director of the Office of Cannabis Management under section 342.02.

Subd. 2. **Certification to commissioner of revenue.** (a) By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balance of the local government cannabis aid account in the special revenue fund as of the immediately preceding June 30.

(b) By June 1, 2024, and annually thereafter, the director must certify to the commissioner of revenue the number of cannabis businesses, as defined under section 342.01, subdivision 14, licensed under chapter 342 as of the previous January 1, disaggregated by county and city.

Subd. 3. **Aid to counties.** (a) Beginning for aid payable in 2024, the amount available for aid to counties under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 2, paragraph (a).

(b) Twenty percent of the amount under paragraph (a) must be distributed equally among all counties.

(c) Eighty percent of the amount under paragraph (a) must be distributed proportionally to each county according to the number of cannabis businesses located in the county as compared to the number of cannabis businesses in all counties as of the most recent certification under subdivision 2, paragraph (b).

Subd. 4. **Aid to cities.** (a) Beginning for aid payable in 2024, the amount available for aid to cities under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 2, paragraph (a).

(b) The amount under paragraph (a) must be distributed proportionally to each city according to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities as of the most recent certification under subdivision 2, paragraph (b).

Subd. 5. **Payment.** The commissioner of revenue must compute the amount of aid payable to each county and city under this section. On or before September 1 of each year, the commissioner must certify the amount to be paid to each county and city in that year. The commissioner must pay the full amount of the aid on December 26 annually.

Subd. 6. **Appropriation.** Beginning in fiscal year 2025 and annually thereafter, the amount in the local government cannabis aid account in the special revenue fund is annually appropriated to the commissioner of revenue to make the aid payments required under this section.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 3
BUSINESS DEVELOPMENT

Section 1. **[116J.659] CANNABIS INDUSTRY STARTUP FINANCING GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanStartup, a program to award grants to nonprofit corporations to fund loans to new cannabis microbusinesses and to support job creation in communities where long-term residents are eligible to be social equity applicants.

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

(b) "Cannabis microbusiness" means a cannabis business that meets the requirements of section 342.28.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "New business" means a legal cannabis business that has been in existence for three years or less.

(f) "Program" means the CanStartup grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants.** (a) The CanStartup revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commissioner to make grants under the CanStartup program.

(b) The commissioner 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 commissioner using a form developed by the commissioner.

(d) In awarding grants under this subdivision, the commissioner shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes citizens experienced in business and community development, new business enterprises, and creating jobs for people facing barriers to education or employment;

(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;

(6) can work with job referral networks that assist people facing barriers to education or employment; and

(7) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The commissioner shall make grants that will assist new cannabis microbusinesses.

(e) A nonprofit corporation that receives a grant under the program must:

(1) establish a commissioner-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the commissioner that the commissioner shall fund loans that the nonprofit corporation makes to new cannabis microbusinesses. The commissioner 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 commissioner shall consider, among other criteria, the criteria in paragraph (d).

Subd. 4. **Loans to businesses.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be used to support a new cannabis microbusiness in the legal cannabis industry. Priority must be given to loans to businesses owned by individuals who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to cannabis microbusinesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is $2,500 and the maximum is either:

(1) $50,000; or

(2) $150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the commissioner for approval. The commissioner must give final approval for each loan made by the nonprofit corporation under the program.

(f) A cannabis microbusiness that receives a loan may apply to renew the loan. Renewal applications must be made on an annual basis and a cannabis microbusiness may receive loans for up to six consecutive years. A nonprofit corporation may renew a loan to a cannabis microbusiness that is no longer a new business provided the business would otherwise qualify for an initial loan and is in good standing with the nonprofit corporation and the commissioner. A nonprofit corporation may adjust the amount of a renewed loan, or not renew a loan, if the nonprofit corporation determines that the cannabis microbusiness is financially stable and is substantially likely to continue the project for which the loan renewal is sought.

(g) If a borrower has met lender criteria, including being current with all payments for a minimum of three years, the commissioner may approve either full or partial forgiveness of interest or principal amounts.

Subd. 5. **Revolving loan account administration.** (a) The commissioner shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the commissioner for deposit in the CanStartup revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the commissioner enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses the commissioner may agree to pay under the grant agreement.

Subd. 6. **Program outreach.** The commissioner shall make extensive efforts to publicize this program, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation that receives a grant shall:

(1) submit an annual report to the commissioner by February 1 of each year that the nonprofit corporation participates in the program that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on business creation and job creation, particularly in communities where long-term residents are eligible to be social equity applicants, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

(b) By March 1, 2024, and each March 1 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanStartup program and the use of grant money, including any measures of success toward financing new cannabis microbusinesses and creating jobs in communities where long-term residents are eligible to be social equity applicants.

Sec. 2. **[116J.6595] CANNABIS INDUSTRY NAVIGATION GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanNavigate, a program to award grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry.

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Eligible organization" means any organization capable of helping individuals navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "Program" means the CanNavigate grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing technical assistance or navigation services to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to assist individuals in navigating the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of individuals targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to individuals, particularly individuals who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate money or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to receive assistance; and

(5) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. To the extent practicable, the commissioner shall fund technical assistance for a variety of sectors in the legal cannabis industry, including both processing and retail sectors.

Subd. 4. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.

Sec. 3. **[116L.90] CANNABIS INDUSTRY TRAINING GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanTrain, a program to award grants to (1) eligible organizations to train people for work in the legal cannabis industry, and (2) eligible individuals to acquire such training.

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Eligible organization" means any organization capable of providing training relevant to the legal cannabis industry, particularly for individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, labor organizations that represent cannabis workers in the state, or partnerships between different types of organizations.

(d) "Eligible individual" means a Minnesota resident who is 21 years old or older.

(e) "Industry" means the legal cannabis industry in Minnesota.

(f) "Program" means the CanTrain grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing a training program relevant to the legal cannabis industry and for providing such training to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed training;

(2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

(3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

(4) an estimate of the cost of providing the proposed training;

(5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

(6) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

(1) result in an industry-relevant credential; or

(2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Subd. 4. **Grants to individuals.** (a) The commissioner shall award grants of up to $20,000 to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry.

(b) To receive grant money, an eligible individual must submit a written application to the commissioner, using a form developed by the commissioner, identifying a training program relevant to the legal cannabis industry and the estimated cost of completing that training. The application must also indicate whether:

(1) the applicant is eligible to be a social equity applicant;

(2) the proposed training program results in an industry-relevant credential; and

(3) the proposed training program includes opportunities for hands-on or on-site experience in the industry.

The commissioner shall attempt to make the application process simple for individuals to complete, such as by publishing lists of industry-relevant training programs along with the training program's estimated cost of completing the training programs and whether the training programs will result in an industry-relevant credential or include opportunities for hands-on or on-site experience in the legal cannabis industry.

(c) The commissioner must award grants to eligible individuals through a lottery process. Applicants who have filed complete applications by the deadline set by the commissioner shall receive one entry in the lottery, plus one additional entry for each of the following:

(1) being eligible to be a social equity applicant;

(2) seeking to enroll in a training program that results in an industry-relevant credential; and

(3) seeking to enroll in a training program that includes opportunities for hands-on or on-site experience in the industry.

(d) Grant money awarded to eligible individuals shall be used to pay the costs of enrolling in a training program relevant to the legal cannabis industry, including tuition, fees, and materials costs. Grant money may also be used to remove external barriers to attending such a training program, such as the cost of child care, transportation, or other expenses approved by the commissioner.

Subd. 5. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 6. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that describes awards given through the CanTrain program and the use of grant money, including any measures of success toward training people for successful careers in the legal cannabis industry.

ARTICLE 4
CRIMINAL PENALTIES

Section 1. Minnesota Statutes 2022, section 97B.065, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) A person may not take wild animals with a firearm or by archery:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(3) when the person is under the influence of a combination of any two or more of the elements in clauses (1) ~~and~~, (2), and (7);

(4) when the person's alcohol concentration is 0.08 or more;

(5) when the person's alcohol concentration as measured within two hours of the time of taking is 0.08 or more; ~~or~~

(6) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment; or

(7) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

(b) An owner or other person having charge or control of a firearm or bow may not authorize or permit an individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance, as provided under paragraph (a), to possess the firearm or bow in this state or on a boundary water of this state.

(c) A person may not possess a loaded or uncased firearm or an uncased bow afield under any of the conditions in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 25. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

Sec. 3. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 26. **Cannabis concentrate.** "Cannabis concentrate" has the meaning given in section 342.01, subdivision 15.

Sec. 4. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 27. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

Sec. 5. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 28. **Cannabis plant.** "Cannabis plant" has the meaning given in section 342.01, subdivision 19.

Sec. 6. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 29. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 20.

Sec. 7. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 30. **Edible cannabis product.** "Edible cannabis product" has the meaning given in section 342.01, subdivision 31.

Sec. 8. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 31. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 9. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 32. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 10. Minnesota Statutes 2022, section 152.021, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 17 grams or more containing cocaine or methamphetamine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine; or

(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units~~; or~~.

~~(6) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses ~~one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 500 or more marijuana plants.~~:

(i) 50 kilograms or more of cannabis flower;

(ii) ten kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than one kilogram of tetrahydrocannabinols.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2022, section 152.022, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

~~(6)~~ (5) the person unlawfully sells any amount of a Schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

~~(7)~~ (6) the person unlawfully sells any of the following in a school zone, a park zone, a public housing zone, or a drug treatment facility:

(i) any amount of a Schedule I or II narcotic drug, lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine; or

(ii) one or more mixtures containing methamphetamine or amphetamine~~; or.~~

~~(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses ~~one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 100 or more marijuana plants.~~:

(i) 25 kilograms or more of cannabis flower;

(ii) five kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 500 grams of tetrahydrocannabinols.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2022, section 152.023, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, cannabis flower, or cannabinoid products to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug~~; or~~, cannabis flower, or cannabinoid products.

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2022, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing heroin;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses ~~one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols~~:

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2022, section 152.024, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV or V to a person under the age of 18; or

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in Schedule IV or V~~; or~~.

~~(4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, a public housing zone, or a drug treatment facility, except a small amount for no remuneration.~~

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2022, section 152.025, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of a controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if~~:~~

~~(1) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or~~

~~(2)~~ the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2022, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except ~~a small amount of marijuana~~ cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 19. **[152.0263] CANNABIS POSSESSION CRIMES.**

Subdivision 1. **Possession of cannabis in the first degree.** A person is guilty of cannabis possession in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person unlawfully possesses any of the following:

(1) more than two pounds but not more than ten kilograms of cannabis flower;

(2) more than 160 grams but not more than two kilograms of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 16 grams but not more than 200 grams of tetrahydrocannabinol.

Subd. 2. **Possession of cannabis in the second degree.** A person is guilty of cannabis possession in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the person unlawfully possesses any of the following:

(1) more than one pound but not more than two pounds of cannabis flower in any place other than the person's residence;

(2) more than 80 grams but not more than 160 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than eight grams but not more than 16 grams of tetrahydrocannabinol.

Subd. 3. **Possession of cannabis in the third degree.** A person is guilty of cannabis possession in the third degree and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both, if the person unlawfully possesses any of the following:

(1) more than four ounces but not more than one pound of cannabis flower in any place other than the person's residence;

(2) more than 16 grams but not more than 80 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 1,600 milligrams but not more than eight grams of tetrahydrocannabinol.

Subd. 4. **Possession of cannabis in the fourth degree.** A person is guilty of a petty misdemeanor if the person unlawfully possesses any of the following:

(1) more than two ounces but not more than four ounces of cannabis flower in any place other than the person's residence;

(2) more than eight grams but not more than 16 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams but not more than 1,600 milligrams of tetrahydrocannabinol.

Subd. 5. **Use of cannabis in public.** A local unit of government may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place provided that the definition of public place does not include the following:

(1) a private residence, including the person's curtilage or yard;

(2) private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(3) the premises of an establishment or event licensed to permit on-site consumption.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 20. **[152.0264] CANNABIS SALE CRIMES.**

Subdivision 1. **Sale of cannabis in the first degree.** An adult is guilty of the sale of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the adult unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(1) to a minor and the defendant is more than 36 months older than the minor;

(2) within ten years of two or more convictions under subdivision 2 or 3; or

(3) within ten years of a conviction under this subdivision.

Subd. 2. **Sale of cannabis in the second degree.** An adult is guilty of sale of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the adult:

(1) unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(i) in a school zone, a park zone, or a drug treatment facility; or

(ii) within ten years of a conviction under subdivision 1, 2, or 3; or

(2) unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a minor.

Subd. 3. **Sale of cannabis in the third degree.** An adult is guilty of sale of cannabis in the third degree and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both, if the adult unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

Subd. 4. **Sale of cannabis in the fourth degree.** (a) An adult is guilty of a petty misdemeanor if the adult unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not an unlawful sale under this subdivision.

Subd. 5. **Sale of cannabis by a minor.** (a) A minor is guilty of a petty misdemeanor if the minor unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A minor is guilty of a misdemeanor if the minor unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 21. **[152.0265] CANNABIS CULTIVATION CRIMES.**

Subdivision 1. **Cultivation of cannabis in the first degree.** A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.

Subd. 2. **Cultivation of cannabis in the second degree.** A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2022, section 152.11, subdivision 2, is amended to read:

Subd. 2. **Prescription requirements for Schedule III or IV controlled substances.** (a) Except as provided in paragraph (b), no person may dispense a controlled substance included in Schedule III or IV of section 152.02 without a prescription issued, as permitted under subdivision 1, by a doctor of medicine, a doctor of osteopathic medicine licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, a doctor of optometry limited to Schedule IV, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state or from a practitioner licensed to prescribe controlled substances by the state in which the prescription is issued, and having a current federal drug enforcement administration registration number. Such prescription may not be dispensed or refilled except with the documented consent of the prescriber, and in no event more than six months after the date on which such prescription was issued and no such prescription may be refilled more than five times.

(b) This subdivision does not apply to cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products sold or transferred in compliance with chapter 342.

Sec. 23. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3a. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

Sec. 24. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3b. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

Sec. 25. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3c. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 20.

Sec. 26. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 10a. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 27. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 11b. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 28. Minnesota Statutes 2022, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime; motor vehicle.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15, within this state or on any boundary water of this state when:

(1) the person is under the influence of alcohol;

(2) the person is under the influence of a controlled substance;

(3) the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3) or (8);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;

(6) the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; ~~or~~

(7) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols; or

(8) the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 29. Minnesota Statutes 2022, section 169A.31, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for any person to drive, operate, or be in physical control of any class of school bus or Head Start bus within this state when there is physical evidence present in the person's body of the consumption of any alcohol, cannabis flower, a cannabis product, an artificially derived cannabinoid, or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 30. **[169A.36] OPEN PACKAGE LAW.**

Subdivision 1. **Definitions.** As used in this section:

(1) "motor vehicle" does not include motorboats in operation or off-road recreational vehicles except while operated on a roadway or shoulder of a roadway that is not part of a grant-in-aid trail or trail designated for that vehicle by the commissioner of natural resources; and

(2) "possession" means either that the person had actual possession of the package or that the person consciously exercised dominion and control over the package.

Subd. 2. **Use; crime described.** It is a crime for a person to use cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

Subd. 3. **Possession; crime described.** It is a crime for a person to have in possession, while in a private motor vehicle on a street or highway, any cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 4. **Liability of nonpresent owner; crime described.** It is a crime for the owner of any private motor vehicle or the driver, if the owner is not present in the motor vehicle, to keep or allow to be kept in a motor vehicle when the vehicle is on a street or highway any cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 5. **Criminal penalty.** A person who violates subdivision 2, 3, or 4 is guilty of a misdemeanor.

Subd. 6. **Exceptions.** (a) This section does not prohibit the possession or consumption of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid by passengers in:

(1) a bus that is operated by a motor carrier of passengers as defined in section 221.012, subdivision 26;

(2) a vehicle that is operated for commercial purposes in a manner similar to a bicycle as defined in section 169.011, subdivision 4, with five or more passengers who provide pedal power to the drive train of the vehicle; or

(3) a vehicle providing limousine service as defined in section 221.84, subdivision 1.

(b) Subdivisions 3 and 4 do not apply to: (1) a package that is in the trunk of the vehicle if the vehicle is equipped with a trunk; or (2) a package that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 31. Minnesota Statutes 2022, section 169A.51, subdivision 1, is amended to read:

Subdivision 1. **Implied consent; conditions; election of test.** (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or on any boundary water of this state consents, subject to the provisions of sections 169A.50 to 169A.53 (implied consent law), and section 169A.20 (driving while impaired), to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol~~,~~; a controlled substance or its metabolite~~,~~; cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or an intoxicating substance. The test must be administered at the direction of a peace officer.

(b) The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169A.20 or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169A.41 (preliminary screening test); or

(4) the screening test was administered and indicated an alcohol concentration of 0.08 or more.

(c) The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol.

Sec. 32. Minnesota Statutes 2022, section 169A.51, subdivision 4, is amended to read:

Subd. 4. **Requirement of urine or blood test.** A blood or urine test may be required pursuant to a search warrant under sections 626.04 to 626.18 even after a breath test has been administered if there is probable cause to believe that:

(1) there is impairment by a controlled substance ~~or~~; an intoxicating substance; or cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols that is not subject to testing by a breath test;

(2) a controlled substance listed in Schedule I or II or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body; or

(3) the person is unconscious or incapacitated to the point that the peace officer providing a breath test advisory, administering a breath test, or serving the search warrant has a good-faith belief that the person is mentally or physically unable to comprehend the breath test advisory or otherwise voluntarily submit to chemical tests.

Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered. This limitation does not apply to an unconscious person under the circumstances described in clause (3).

Sec. 33. Minnesota Statutes 2022, section 169A.72, is amended to read:

169A.72 DRIVER EDUCATION PROGRAMS.

Driver training courses offered through the public schools and driver training courses offered by private or commercial schools or institutes shall include instruction which must encompass at least:

(1) information on the effects of consumption of beverage alcohol products and the use of illegal drugs, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, artificially derived cannabinoids, tetrahydrocannabinol derived from any source, prescription drugs, and nonprescription drugs on the ability of a person to operate a motor vehicle;

(2) the hazards of driving while under the influence of alcohol, a controlled substance, or ~~drugs~~ an intoxicating substance; and

(3) the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol, a controlled substance, or ~~drugs~~ an intoxicating substance.

Sec. 34. Minnesota Statutes 2022, section 244.05, subdivision 2, is amended to read:

Subd. 2. **Rules.** (a) The commissioner of corrections shall adopt by rule standards and procedures for the establishment of conditions of release and the revocation of supervised or conditional release, and shall specify the period of revocation for each violation of release. Procedures for the revocation of release shall provide due process of law for the inmate.

(b) The commissioner may prohibit an inmate placed on parole, supervised release, or conditional release from using adult-use cannabis flower as defined in section 342.01, subdivision 3, or adult-use cannabis products as defined in section 342.01, subdivision 3, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48, if the inmate undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4.

(c) The commissioner of corrections shall not prohibit an inmate placed on parole, supervised release, or conditional release from participating in the registry program as defined in section 342.01, subdivision 61, as a condition of release or revoke a patient's parole, supervised release, or conditional release or otherwise sanction a patient on parole, supervised release, or conditional release solely for participating in the registry program or for a positive drug test for cannabis components or metabolites.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to supervised release granted on or after that date.

Sec. 35. Minnesota Statutes 2022, section 192A.555, is amended to read:

192A.555 DRIVING WHILE UNDER THE INFLUENCE OR RECKLESS DRIVING.

Any person subject to this code who drives, operates or is in physical control of any motor vehicle or aircraft while under the influence of an alcoholic beverage ~~or~~; controlled substance; cannabis flower, cannabis product, lower-potency hemp edible, hemp-derived consumer product, artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01, or a combination thereof or whose blood contains 0.08 percent or more by weight of alcohol or who operates said motor vehicle or aircraft in a reckless or wanton manner, shall be punished as a court-martial may direct.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 36. Minnesota Statutes 2022, section 360.0752, subdivision 2, is amended to read:

Subd. 2. **Crime; acts prohibited.** (a) It is a crime for any person to operate or attempt to operate an aircraft on or over land or water within this state or over any boundary water of this state under any of the following conditions:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance;

(3) when the person is under the influence of a combination of any two or more of the elements named in clauses (1), (2), ~~and~~ (6), and (9);

(4) when the person's alcohol concentration is 0.04 or more;

(5) when the person's alcohol concentration as measured within two hours of the time of operation or attempted operation is 0.04 or more;

(6) when the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(7) when the person's body contains any amount of a controlled substance listed in Schedule I or II, other than marijuana or tetrahydrocannabinols; ~~or~~

(8) within eight hours of having consumed any alcoholic beverage or used any controlled substance; or

(9) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

(b) If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of paragraph (a), clause (7), that the defendant used the controlled substance according to the terms of a prescription issued for the defendant in accordance with sections 152.11 and 152.12.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 37. Minnesota Statutes 2022, section 609.135, subdivision 1, is amended to read:

Subdivision 1. **Terms and conditions.** (a) Except when a sentence of life imprisonment is required by law, or when a mandatory minimum sentence is required by section 609.11, any court may stay imposition or execution of sentence and:

(1) may order intermediate sanctions without placing the defendant on probation; or

(2) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. Unless the court directs otherwise, state parole and probation agents and probation officers may impose community work service or probation violation sanctions, consistent with section 243.05, subdivision 1; sections 244.196 to 244.199; or 401.02, subdivision 5.

No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them.

(b) For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, work service in a restorative justice program, work in lieu of or to work off fines and, with the victim's consent, work in lieu of or to work off restitution.

(c) A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169A.20.

(d) If the court orders a fine, day-fine, or restitution as an intermediate sanction, payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

(e) The court may prohibit a defendant from using adult-use cannabis flower as defined in section 342.01, subdivision 4, or adult-use cannabis products as defined in section 342.01, subdivision 2, if the defendant undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4. The assessment must be conducted by an assessor qualified under section 245G.11, subdivisions 1 and 5.

(f) A court shall not impose an intermediate sanction that has the effect of prohibiting a person from participating in the registry program as defined in section 342.01, subdivision 63.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to sentences ordered on or after that date.

Sec. 38. Minnesota Statutes 2022, section 609.2111, is amended to read:

609.2111 DEFINITIONS.

(a) For purposes of sections 609.2111 to 609.2114, the terms defined in this subdivision have the meanings given them.

(b) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(c) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(d) "Intoxicating substance" has the meaning given in section 169A.03, subdivision 11a.

(e) "Qualified prior driving offense" includes a prior conviction:

(1) for a violation of section 169A.20 under the circumstances described in section 169A.24 or 169A.25;

(2) under section 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); 609.2113, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); or 3, clauses (2) to (6); or 609.2114, subdivision 1, paragraph (a), clauses (2) to (6); or 2, clauses (2) to (6);

(3) under Minnesota Statutes 2012, section 609.21, subdivision 1, clauses (2) to (6); or

(4) under Minnesota Statutes 2006, section 609.21, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); 2a, clauses (2) to (6); 2b, clauses (2) to (6); 3, clauses (2) to (6); or 4, clauses (2) to (6).

(f) "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

(g) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(h) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(i) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(j) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 39. Minnesota Statutes 2022, section 609.2112, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular homicide and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if the person causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the collision leaves the scene of the collision in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the death was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 40. Minnesota Statutes 2022, section 609.2113, subdivision 1, is amended to read:

Subdivision 1. **Great bodily harm.** A person is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person causes great bodily harm to another not constituting attempted murder or assault as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 41. Minnesota Statutes 2022, section 609.2113, subdivision 2, is amended to read:

Subd. 2. **Substantial bodily harm.** A person is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $10,000, or both, if the person causes substantial bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 42. Minnesota Statutes 2022, section 609.2113, subdivision 3, is amended to read:

Subd. 3. **Bodily harm.** A person is guilty of criminal vehicular operation resulting in bodily harm and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the person causes bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 43. Minnesota Statutes 2022, section 609.2114, subdivision 1, is amended to read:

Subdivision 1. **Death to an unborn child.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if the person causes the death of an unborn child as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 44. Minnesota Statutes 2022, section 609.2114, subdivision 2, is amended to read:

Subd. 2. **Injury to an unborn child.** A person is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person causes the great bodily harm to an unborn child subsequently born alive as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 45. Minnesota Statutes 2022, section 609.5311, subdivision 1, is amended to read:

Subdivision 1. **Controlled substances.** All controlled substances that were manufactured, distributed, dispensed, or acquired in violation of chapter 152 or 342 are subject to forfeiture under this section, except as provided in subdivision 3 and section 609.5316.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 46. Minnesota Statutes 2022, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. **Property subject to administrative forfeiture.** (a) The following are subject to administrative forfeiture under this section:

(1) all money totaling $1,500 or more, precious metals, and precious stones that there is probable cause to believe represent the proceeds of a controlled substance offense;

(2) all money found in proximity to controlled substances when there is probable cause to believe that the money was exchanged for the purchase of a controlled substance;

(3) all conveyance devices containing controlled substances with a retail value of $100 or more if there is probable cause to believe that the conveyance device was used in the transportation or exchange of a controlled substance intended for distribution or sale; and

(4) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) The Department of Corrections Fugitive Apprehension Unit shall not seize items listed in paragraph (a), clauses (3) and (4), for the purposes of forfeiture.

(c) Money is the property of an appropriate agency and may be seized and recovered by the appropriate agency if:

(1) the money is used by an appropriate agency, or furnished to a person operating on behalf of an appropriate agency, to purchase or attempt to purchase a controlled substance; and

(2) the appropriate agency records the serial number or otherwise marks the money for identification.

(d) As used in this section, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

(e) As used in this section, "controlled substance" does not include cannabis flower as defined in section 342.01, subdivision 15, cannabis products as defined in section 342.01, subdivision 19, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 47. Minnesota Statutes 2022, section 609.5316, subdivision 2, is amended to read:

Subd. 2. **Controlled substances.** (a) Controlled substances listed in Schedule I that are possessed, transferred, sold, or offered for sale in violation of chapter 152 or 342, are contraband and must be seized and summarily forfeited. Controlled substances listed in Schedule I that are seized or come into the possession of peace officers, the owners of which are unknown, are contraband and must be summarily forfeited.

(b) Species of plants from which controlled substances in Schedules I and II may be derived that have been planted or cultivated in violation of chapter 152 or of which the owners or cultivators are unknown, or that are wild growths, may be seized and summarily forfeited to the state. The appropriate agency or its authorized agent may seize the plants if the person in occupancy or in control of land or premises where the plants are growing or being stored fails to produce an appropriate registration or proof that the person is the holder of appropriate registration.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 48. Minnesota Statutes 2022, section 624.7142, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** A person may not carry a pistol on or about the person's clothes or person in a public place:

(1) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(2) when the person is under the influence of a combination of any two or more of the elements named in clauses (1) ~~and~~, (4), and (7);

(3) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment;

(4) when the person is under the influence of alcohol;

(5) when the person's alcohol concentration is 0.10 or more; ~~or~~

(6) when the person's alcohol concentration is less than 0.10, but more than 0.04; or

(7) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 49. **DWI CONTROLLED SUBSTANCE ROADSIDE TESTING INSTRUMENT PILOT PROJECT; REPORT REQUIRED.**

(a) The commissioner of public safety must design, plan, and implement a pilot project to study oral fluid roadside testing instruments to determine the presence of a controlled substance or intoxicating substance in individuals stopped or arrested for driving while impaired offenses. The pilot project must determine the practicality, accuracy, and efficacy of these testing instruments and determine and make recommendations on the best instrument or instruments to pursue in the future.

(b) The pilot project must begin on September 1, 2023, and continue until August 31, 2024.

(c) The commissioner must consult with law enforcement officials, prosecutors, criminal defense attorneys, and other interested and knowledgeable parties when designing, implementing, and evaluating the pilot project.

(d) All oral fluid samples obtained for the purpose of this pilot project must be obtained by a certified drug recognition evaluator and may only be collected with the express voluntary consent of the person stopped or arrested for suspicion of driving while impaired. Results of tests conducted under the pilot project are to be used for the purpose of analyzing the practicality, accuracy, and efficacy of the instrument. Results may not be used to decide whether an arrest should be made and are not admissible in any legal proceeding.

(e) By February 1, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety on the results of the pilot project. At a minimum, the report must include information on how accurate the instruments were when tested against laboratory results, how often participants were found to have controlled substances or intoxicating substances in their systems, how often there was commingling of controlled substances or intoxicating substances with alcohol, the types of controlled substances or intoxicating substances found in participants' systems and which types were most common, and the number of participants in the project. In addition, the report must assess the practicality and reliability of using the instruments in the field and make recommendations on continuing the project permanently.

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

ARTICLE 5
EXPUNGEMENT

Section 1. Minnesota Statutes 2022, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where a petition is authorized under section 609A.02, subdivision 3; expungement is automatic under section 609A.055; expungement is considered by a panel under section 609A.06; or other applicable law. The remedy available is limited to a court order sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 2. **[609A.055] AUTOMATIC EXPUNGEMENT OF CERTAIN CANNABIS OFFENSES.**

Subdivision 1. **Eligibility; dismissal, exoneration, or conviction of nonfelony cannabis offenses.** (a) A person is eligible for expungement:

(1) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027;

(2) if the person was convicted of or received a stayed sentence for a violation of section 152.027, subdivision 3 or 4;

(3) if the person was arrested and all charges were dismissed prior to a determination of probable cause for charges under section 152.021, subdivision 2, paragraph (a), clause (6); 152.022, subdivision 2, paragraph (a), clause (6); 152.023, subdivision 2, paragraph (a), clause (5); 152.024, subdivision 2, clause (2); 152.025, subdivision 2, clause (1); or 152.027, subdivision 3 or 4; or

(4) if all pending actions or proceedings were resolved in favor of the person for charges under section 152.021, subdivision 2, paragraph (a), clause (6); 152.022, subdivision 2, paragraph (a), clause (6); 152.023, subdivision 2, paragraph (a), clause (5); 152.024, subdivision 2, clause (2); 152.025, subdivision 2, clause (1); or 152.027, subdivision 3 or 4.

(b) For purposes of this section:

(1) a verdict of not guilty by reason of mental illness is not a resolution in favor of the person; and

(2) an action or proceeding is resolved in favor of the person if the person received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. **Bureau of Criminal Apprehension to identify eligible individuals.** (a) The Bureau of Criminal Apprehension shall identify bureau records that qualify for expungement pursuant to subdivision 1.

(b) The Bureau of Criminal Apprehension shall notify the judicial branch of:

(1) the name and date of birth of each person whose case is eligible for an order of expungement; and

(2) the court file number of the eligible case.

Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means. Upon receiving notification of an expungement, an agency or office shall seal all records related to the expungement, including the records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case.

(e) The bureau shall provide information on its publicly facing website clearly stating that persons who are noncitizens may need copies of records affected by a grant of expungement relief for immigration purposes, explaining how they can obtain these copies after expungement or other granted relief, and stating that a noncitizen should consult with an immigration attorney.

(f) Data on a person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (d), are private data on individuals as defined in section 13.02, subdivision 12.

(g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing the record of proceedings under section 152.18.

(h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply to an order issued under this section.

(i) The subject whose record qualifies for expungement shall be given access to copies of the records of arrest, conviction, or incarceration for any purposes, including immigration purposes.

(j) Relief granted under this subdivision shall not impact the ability of a petitioner to file for relief under section 590.01.

Subd. 4. **Immunity from civil liability.** The Department of Public Safety, commissioner of public safety, Bureau of Criminal Apprehension, superintendent of the Bureau of Criminal Apprehension, and all employees of the Bureau of Criminal Apprehension shall not be held civilly liable when acting in good faith to exercise the powers granted by this section or for acts or omissions occurring within the scope of the performance of their duties under this section.

Subd. 5. **Report.** The Bureau of Criminal Apprehension shall issue a report to the legislative committees and divisions with jurisdiction over public safety policy and finance upon completion of the work required under subdivision 2. The report shall contain summary data and must include the total number of expungements granted by the Bureau of Criminal Apprehension.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 3. **[609A.06] EXPUNGEMENT AND RESENTENCING OF FELONY CANNABIS OFFENSES.**

Subdivision 1. **Cannabis Expungement Board.** (a) The Cannabis Expungement Board is created with the powers and duties established by law.

(b) The Cannabis Expungement Board is composed of the following members:

(1) the chief justice of the supreme court or a designee;

(2) the attorney general or a designee;

(3) one public defender, appointed by the governor upon recommendation of the state public defender;

(4) the commissioner of corrections or a designee; and

(5) one public member with relevant experience, appointed by the governor.

(c) In appointing the public member described in paragraph (b), clause (5), the governor shall prioritize appointment of an individual with experience as an advocate for victim's rights.

(d) Subject to the notice requirements in section 15.0575, subdivision 4, a member may be removed by the appointing authority at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. Vacancies shall be filled by the appointing authority.

(e) Members are eligible for compensation pursuant to section 15.0575, subdivision 3.

(f) The Cannabis Expungement Board shall have the following powers and duties:

(1) to obtain and review the records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge, which relate to a charge for sale or possession of a controlled substance;

(2) to determine whether a person committed an act involving the sale or possession of cannabis flower or cannabinoid products that would either be a lesser offense or no longer be a crime after August 1, 2023;

(3) to determine whether a person's conviction should be vacated, charges should be dismissed, and records should be expunged, or whether the person should be resentenced to a lesser offense;

(4) to identify violations of section 152.027, subdivisions 3 and 4, that were not automatically expunged pursuant to section 609A.055; and

(5) to notify the judicial branch of individuals eligible for an expungement or resentencing to a lesser offense.

(g) The Cannabis Expungement Board shall determine when it has completed its work.

Subd. 2. **Executive director.** (a) The governor must appoint the initial executive director of the Cannabis Expungement Board. The executive director must be knowledgeable about expungement law and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee. Any vacancy shall be filled by the board.

(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.

(c) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the board's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the classified service.

(d) At the direction of the board, the executive director may enter into interagency agreements with the Department of Corrections or any other agency to obtain material and personnel support necessary to carry out the board's mandates, policies, activities, and objectives.

Subd. 3. **Eligibility; cannabis offense.** (a) A person is eligible for an expungement or resentencing to a lesser offense if:

(1) the person was convicted of, or adjudication was stayed for, a violation of any of the following involving the sale or possession of marijuana or tetrahydrocannabinols:

(i) section 152.021, subdivision 1, clause (6);

(ii) section 152.021, subdivision 2, clause (6);

(iii) section 152.022, subdivision 1, clause (5), or clause (7), item (iii);

(iv) section 152.022, subdivision 2, clause (6);

(v) section 152.023, subdivision 1, clause (5);

(vi) section 152.023, subdivision 2, clause (5);

(vii) section 152.024, subdivision (4); or

(viii) section 152.025, subdivision 2, clause (1);

(2) the offense did not involve a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(3) the act on which the charge was based would either be a lesser offense or no longer be a crime after August 1, 2023; and

(4) the person did not appeal the conviction, any appeal was denied, or the deadline to file an appeal has expired.

(b) For purposes of this subdivision, a "lesser offense" means a nonfelony offense if the person was charged with a felony.

Subd. 4. **Bureau of Criminal Apprehension to identify eligible records.** (a) The Bureau of Criminal Apprehension shall identify convictions and sentences where adjudication was stayed that qualify for review under subdivision 3, paragraph (a), clause (1).

(b) The Bureau of Criminal Apprehension shall notify the Cannabis Expungement Board of:

(1) the name and date of birth of a person whose record is eligible for review; and

(2) the court file number of the eligible conviction or stay of adjudication.

(c) For the purposes of identifying background studies records that may be expunged or resentenced, the Bureau of Criminal Apprehension shall share the information provided to the Cannabis Expungement Board under paragraph (b) with the Department of Human Services. The Bureau of Criminal Apprehension and the Department of Human Services shall consult about the form and manner of information sharing.

Subd. 5. **Access to records.** Notwithstanding chapter 13 or any law to the contrary, the Cannabis Expungement Board shall have free access to records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge that relate to a charge and conviction or stay of adjudication for sale or possession of a controlled substance held by law enforcement agencies, prosecuting authorities, and court administrators. The Cannabis Expungement Board may issue subpoenas for and compel the production of books, records, accounts, documents, and papers. If any person fails or refuses to produce any books, records, accounts, documents, or papers material in the matter under consideration after having been lawfully required by order or subpoena, any judge of the district court in any county of the state where the order or subpoena was made returnable, on application of the commissioner of management and budget or commissioner of administration, as the case may be, shall compel obedience or punish disobedience as for contempt, as in the case of disobedience of a similar order or subpoena issued by such court.

Subd. 6. **Meetings; anonymous identifier.** (a) The Cannabis Expungement Board shall hold meetings at least monthly and shall hold a meeting whenever the board takes formal action on a review of a conviction or stay of adjudication for an offense involving the sale or possession of marijuana or tetrahydrocannabinols. All board meetings shall be open to the public and subject to chapter 13D.

(b) Any victim of a crime being reviewed and any law enforcement agency may submit an oral or written statement at the meeting, giving a recommendation on whether a person's record should be expunged or the person should be resentenced to a lesser offense. The board must consider the victim's and the law enforcement agency's statement when making the board's decision.

(c) Section 13D.05 governs the board's treatment of not public data, as defined by section 13.02, subdivision 8a, discussed at open meetings of the board. Notwithstanding section 13.03, subdivision 11, the board shall assign an anonymous, unique identifier to each victim of a crime and person whose conviction or stay of adjudication the board reviews. The identifier shall be used in any discussion in a meeting open to the public and on any records available to the public to protect the identity of the person whose records are being considered.

Subd. 7. **Review and determination.** (a) The Cannabis Expungement Board shall review all available records to determine whether the conviction or stay of adjudication is eligible for an expungement or resentencing to a lesser offense. An expungement under this section is presumed to be in the public interest unless there is clear and convincing evidence that an expungement or resentencing to a lesser offense would create a risk to public safety.

(b) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether a person's conviction should be vacated and charges should be dismissed.

(c) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 5a, apply.

(d) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply.

(e) If the Cannabis Expungement Board determines that an expungement is not in the public interest, the board shall determine whether the person is eligible for resentencing to a lesser offense.

(f) In making a determination under this subdivision, the Cannabis Expungement Board shall consider:

(1) the nature and severity of the underlying crime, including but not limited to the total amount of marijuana or tetrahydrocannabinols possessed by the person and whether the offense involved a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(2) whether an expungement or resentencing the person a lesser offense would increase the risk, if any, the person poses to other individuals or society;

(3) if the person is under sentence, whether an expungement or resentencing to a lesser offense would result in the release of the person and whether release earlier than the date that the person would be released under the sentence currently being served would present a danger to the public or would be compatible with the welfare of society;

(4) aggravating or mitigating factors relating to the underlying crime, including the person's level of participation and the context and circumstances of the underlying crime;

(5) statements from victims and law enforcement, if any;

(6) if an expungement or resentencing the person to a lesser offense is considered, whether there is good cause to restore the person's right to possess firearms and ammunition;

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background check required under section 122A.18, subdivision 8; and

(8) other factors deemed relevant by the Cannabis Expungement Board.

(g) In making a determination under this subdivision, the Cannabis Expungement Board shall not consider the impact the expungement would have on the offender based on any records held by the Department of Health or Human Services.

(h) The affirmative vote of three members is required for action taken at any meeting.

Subd. 8. **Identification of eligible misdemeanor and petty misdemeanor records.** The board shall identify violations of section 152.027, subdivisions 3 and 4, that were not automatically expunged pursuant to section 609A.055. Pursuant to subdivision 10, the board shall notify the judicial branch that any identified records are eligible for expungement.

Subd. 9. **Annual report.** Until the board completes its work, the board shall issue a report by January 15 of each year to the legislative committees and divisions with jurisdiction over public safety policy and finance on the board's work. The report shall contain summary data and must include:

(1) the total number of cases reviewed in the previous year;

(2) the total number of cases in which the board determined that an expungement is in the public interest;

(3) the total number of cases in which the board determined that resentencing to a lesser offense is appropriate, the original sentence in those cases, and the lesser offense recommended by the board;

(4) the total number of cases in which the board determined that no change to the original sentence was appropriate; and

(5) the total number of cases remaining to be reviewed.

Subd. 10. **Notice to judicial branch and offenders.** (a) The Cannabis Expungement Board shall identify any conviction or stay of adjudication that qualifies for an order of expungement or resentencing to a lesser offense and notify the judicial branch of:

(1) the name and date of birth of a person whose conviction or stay of adjudication is eligible for an order of expungement or resentencing to a lesser offense;

(2) the court file number of the eligible conviction or stay of adjudication;

(3) whether the person is eligible for an expungement;

(4) if the person is eligible for an expungement, whether the person's conviction should be vacated and charges should be dismissed;

(5) if the person is eligible for an expungement, whether there is good cause to restore the offender's right to possess firearms and ammunition;

(6) if the person is eligible for an expungement, whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply; and

(7) if the person is eligible for resentencing to a lesser offense, the lesser sentence to be imposed.

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

Subd. 11. **Data classification.** All data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board in which each victim of a crime and person whose conviction or stay of adjudication that the Cannabis Expungement Board reviews is or can be identified as the subject of the data is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 12. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 3. The courts shall not order the Department of Health or Human Services to seal records under this section. If the Cannabis Expungement Board determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

(b) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall issue an order pursuant to section 609.165, subdivision 1d.

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background check required under section 122A.18, subdivision 8, the court shall direct the order specifically to the Professional Educator Licensing and Standards Board.

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

(e) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who received an expungement under this section.

(f) Data on the person whose offense has been expunged in a letter sent under this subdivision are private data on individuals as defined in section 13.02, subdivision 12.

Subd. 13. **Resentencing.** (a) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person is currently under sentence, the court shall proceed as if the appellate court directed a reduction of the conviction to an offense of lesser degree pursuant to rule 28.02, subdivision 12, of the Rules of Criminal Procedure.

(b) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person completed or has been discharged from the sentence, the court may issue an order amending the conviction to an offense of lesser degree without holding a hearing.

(c) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall, as necessary, issue an order pursuant to section 609.165, subdivision 1d.

(d) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who was resentenced under this section.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 4. **PROCUREMENT.**

To the extent practicable, the commissioner of public safety must comply with the requirements of Minnesota Statutes, chapter 16C. The commissioner of administration may waive the application of any provision of Minnesota Statutes, chapter 16C, on a case by case basis if the commissioner of public safety demonstrates that full compliance with that chapter would be impractical given the effective date or other deadlines established by this act related to the responsibilities established under Minnesota Statutes, section 609A.055.

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

Sec. 5. **TRANSITION PERIOD.**

Beginning August 1, 2023, through March 1, 2024, the Department of Corrections must provide the Cannabis Expungement Board with administrative assistance, technical assistance, office space, and other assistance necessary for the board to carry out its duties under Minnesota Statutes, section 609A.06. The Cannabis Expungement Board shall reimburse the Department of Corrections for the services and space provided.

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

ARTICLE 6
MISCELLANEOUS PROVISIONS

Section 1. **[3.9224] MEDICAL CANNABIS; COMPACTS TO BE NEGOTIATED.**

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.

(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 (d), 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.

Subd. 2. **Acknowledgment and purpose; negotiations authorized.** (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the medical cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the medical cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated medical cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or his designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such a compact regulating medical cannabis flower and medical cannabis products.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to the medical cannabis industry, including medical cannabis flower, medical cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the medical cannabis industry, or engage in medical cannabis businesses or activities on Tribally regulated land or participate as a licensee in the state's legal medical cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by a medical cannabis business licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of a medical cannabis business on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government or any medical cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of medical cannabis flower and medical cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(d) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal medical cannabis business, or Tribal members, of medical cannabis flower and cannabis products grown, produced, or processed as provided for in said compacts; or, (ii) for activities of Tribal medical cannabis businesses.

Subd. 4. **Civil and criminal immunities.** (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal medical cannabis business or an employee in the course of their employment for a Tribal medical cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of medical cannabis flower, and the extraction, processing, or manufacture of medical cannabis and artificially derived cannabinoid products, extracts, or concentrates;

(2) the possession, purchase, and receipt of medical cannabis seed, flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of medical cannabis seed, flower, and medical cannabis products as authorized under a compact entered into pursuant to this section and that takes place on or, originates from, the premises of a Tribal medical cannabis business on Tribally regulated land, to any person eligible to participate in a medical cannabis program.

(b) The following acts, when performed by a patron of a Tribal medical cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of medical cannabis seed, flower, and medical cannabis products as authorized under a compact entered into pursuant to this section.

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal medical cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal medical cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed medical cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable medical cannabis business license if undertaken with another state-licensed medical cannabis business, are permitted under the state license conditions when undertaken with a Tribal medical cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of medical cannabis, seed, flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal medical cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal medical cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), of medical cannabis flower, seed, and medical cannabis products from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal medical cannabis business, and the possession or transport of cannabis flower or cannabis products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 2. **[3.9228] ADULT-USE CANNABIS; COMPACTS TO BE NEGOTIATED.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Adult-use cannabis flower" means cannabis flower approved for sale to adults under the law of a Minnesota Tribal government or under a compact entered under this section.

(c) "Adult-use cannabis product" means cannabis product approved for sale to adults under the law of a Minnesota Tribal government or under a compact entered under this section.

(d) "Cannabis business" means a cannabis cultivator, manufacturer, retailer, wholesaler, transporter, testing facility, microbusiness, mezzobusiness, event organizer, delivery service, or lower potency hemp edible manufacturer or retailer.

(e) "Cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to cannabis flower or cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered under this section.

(f) "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.

(g) "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.

(h) "Tribal cannabis business" means a cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (d), as well as any others that may be provided under the law of a Minnesota Tribal government.

(i) "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.

Subd. 2. **Acknowledgment and purpose; negotiations authorized.** (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or his designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such compact regulating adult-use cannabis flower and adult-use cannabis products.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to the cannabis industry including adult-use cannabis flower, adult-use cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the cannabis industry, or engage in cannabis businesses or activities on Tribally regulated lands; or participate as a licensee in the state's legal cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by cannabis businesses licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes imposed under section 295.81 or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of cannabis businesses on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government, or any cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section, to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of adult-use cannabis flower and adult-use cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(d) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal cannabis business, or Tribal members, of cannabis flower and adult use cannabis products grown, produced, or processed as provided for in said compacts; or, (ii) for activities of Tribal cannabis businesses.

Subd. 4. **Civil and criminal immunities.** (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal cannabis business or an employee in the course of their employment for a Tribal cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of cannabis flower, and the extraction, processing, or manufacture of adult-use cannabis and artificially derived cannabinoid products, extracts, or concentrates;

(2) the possession, purchase, and receipt of adult-use cannabis seed, flower, and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of adult-use cannabis seed, flower, and adult-use cannabis products as authorized under a compact entered into pursuant to this section and that takes place on, or originates from, the premises of a Tribal cannabis business on Tribally regulated land, to any person 21 years of age or older.

(b) The following acts, when performed by a patron of a Tribal cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of adult-use cannabis seed, flower, and adult-use cannabis products as authorized under a compact entered into pursuant to this section.

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable cannabis business license if undertaken with another state-licensed cannabis business, are permitted under the state license conditions when undertaken with a Tribal cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of adult-use cannabis, seed, flower, and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), of adult-use cannabis flower, seed, or adult-use cannabis product from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal cannabis business, and the possession or transport of cannabis flower or cannabis products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 3. Minnesota Statutes 2022, section 13.411, is amended by adding a subdivision to read:

Subd. 12. **Cannabis businesses.** Data submitted to the Office of Cannabis Management for a cannabis business license or a hemp business license and data relating to investigations and disciplinary proceedings involving cannabis businesses and hemp businesses licensed by the Office of Cannabis Management are classified under section 342.20.

Sec. 4. Minnesota Statutes 2022, section 13.871, is amended by adding a subdivision to read:

Subd. 15. **Cannabis Expungement Board records.** Data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board are classified under section 609A.06, subdivision 11.

Sec. 5. Minnesota Statutes 2022, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting. Processing does not include the production of artificially derived cannabinoids as defined in section 342.01, subdivision 6.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible ~~cannabinoid~~ cannabis products, as defined in section ~~151.72, subdivision 1, paragraph (c)~~ 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products, as defined in section 342.01, subdivision 37, that are intended to be eaten or consumed as a beverage are not food.

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

Sec. 7. **[120B.215] EDUCATION ON CANNABIS USE AND SUBSTANCE USE.**

Subdivision 1. **Model program.** The commissioner of education, in consultation with the commissioners of health and human services, local district and school health education specialists, and other qualified experts, shall identify one or more model programs that may be used to educate middle school and high school students on the health effects on children and adolescents of cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, consistent with local standards as required in section 120B.021, subdivision 1, paragraph (a), clause (6), for elementary and secondary school students. The commissioner must publish a list of model programs that include written materials, resources, and training for instructors by June 1, 2025. A model program identified by the commissioner must be medically accurate, age and developmentally appropriate, culturally inclusive, and grounded in science, and must address:

(1) the physical and mental health effects of cannabis use and substance use by children, adolescents, and persons under 25 years of age, including effects on the developing brains of children, adolescents, and persons under 25 years of age;

(2) unsafe or unhealthy behaviors associated with cannabis use and substance use;

(3) signs of substance use disorders;

(4) treatment options; and

(5) healthy coping strategies for children and adolescents.

Subd. 2. **School programs.** (a) Starting in the 2026-2027 school year, a school district or charter school must implement a comprehensive education program on cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, for students in middle school and high school. The program must include instruction on the topics listed in subdivision 1 and must:

(1) respect community values and encourage students to communicate with parents, guardians, and other trusted adults about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl; and

(2) refer students to local resources where students may obtain medically accurate information about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and treatment for a substance use disorder.

(b) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10 and 120B.11.

Subd. 3. **Parental review.** Notwithstanding any law to the contrary, each school district shall have a procedure for a parent, a guardian, or an adult student 18 years of age or older to review the content of the instructional materials to be provided to a minor child or to an adult student pursuant to this section. The district or charter school must allow a parent or adult student to opt out of instruction under this section with no academic or other penalty for the student and must inform parents and adult students of this right to opt out.

Subd. 4. **Youth council.** A school district or charter school may establish one or more youth councils in which student members of the council receive education and training on cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and provide peer-to-peer education on these topics.

Sec. 8. **[144.196] CANNABIS DATA COLLECTION AND BIENNIAL REPORTS.**

Subdivision 1. **General.** The commissioner of health shall engage in research and data collection activities to measure the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state by persons under 21 years of age and by persons 21 years of age or older, and the trends in hospital-treated cannabis poisoning and adverse events. In order to collect data, the commissioner may modify existing data collection tools used by the department or other state agencies or may establish one or more new data collection tools.

Subd. 2. **Statewide assessment; baseline data; updates.** (a) The commissioner shall conduct a statewide assessment to establish a baseline for the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state, and the trends in hospital-treated cannabis poisoning and adverse events broken out by:

(1) the current age of the customer;

(2) the age at which the customer began consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(3) whether the customer consumes cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, and by type of product that the customer consumes, if applicable;

(4) the amount of cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product typically consumed at one time;

(5) the typical frequency of consumption; and

(6) other criteria specified by the commissioner.

(b) The initial assessment must be completed by July 1, 2024. The commissioner shall collect updated data under this subdivision at least every two years thereafter.

Subd. 3. **Reports.** Beginning January 1, 2025, and January 1 every two years thereafter, the commissioner shall issue a public report on the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state by persons under age 21 and by persons age 21 or older. The report may include recommendations from the commissioner for changes to this chapter that would discourage or prevent personal use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 21, that would discourage personal use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by pregnant or breastfeeding individuals, that would prevent access to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by young children, or that would otherwise promote public health.

Sec. 9. **[144.197] CANNABIS EDUCATION PROGRAMS.**

Subdivision 1. **Youth education.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments, shall conduct a long-term, coordinated education program to raise public awareness about and address the top three adverse health effects, as determined by the commissioner, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 25. In conducting this education program, the commissioner shall engage and consult with youth around the state on program content and on methods to effectively disseminate program information to youth around the state.

Subd. 2. **Education for pregnant and breastfeeding individuals; individuals who may become pregnant.** The commissioner of health, in consultation with the commissioners of human services and education, shall conduct a long-term, coordinated program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of prenatal exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and on the adverse health effects experienced by infants and children who are exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by ingesting cannabinoid products. This education program must also educate individuals on what constitutes a substance use disorder, signs of a substance use disorder, and treatment options for persons with a substance use disorder.

Subd. 3. **Home visiting programs.** The commissioner of health shall provide training, technical assistance, and education materials to local public health home visiting programs and Tribal home visiting programs and child welfare workers regarding the safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in homes with infants and young children. Training, technical assistance, and education materials shall address substance use, the signs of a substance use disorder, treatment options for persons with a substance use disorder, the dangers of driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, how to safely consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in homes with infants and young children, and how to prevent infants and young children from being exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by ingesting cannabinoid products or through secondhand smoke.

Subd. 4. **Local and Tribal health departments.** The commissioner of health shall distribute grants to local health departments and Tribal health departments for these departments to create and disseminate educational materials on cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and to provide safe use and prevention training, education, technical assistance, and community engagement regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Sec. 10. Minnesota Statutes 2022, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; ~~152.22 to 152.37;~~ 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

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

Sec. 11. Minnesota Statutes 2022, section 144A.4791, subdivision 14, is amended to read:

Subd. 14. **Application of other law.** Home care providers may exercise the authority and are subject to the protections in section ~~152.34~~ 342.57, subdivision 2.

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

Sec. 12. Minnesota Statutes 2022, section 152.01, subdivision 9, is amended to read:

Subd. 9. **Marijuana.** (a) "Marijuana" means ~~all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall~~:

(1) cannabis plants;

(2) cannabis flower;

(3) cannabis concentrate;

(4) cannabis products;

(5) cannabis seed; or

(6) a mixture containing any tetrahydrocannabinol or artificially derived cannabinoid in a concentration that exceeds 0.3 percent as measured by weight.

(b) Marijuana does not include:

(1) the mature stalks of ~~such~~ a cannabis plant~~,~~;

(2) fiber from such stalks~~,~~;

(3) any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake;

(4) oil or cake made from the seeds of ~~such~~ a cannabis plant~~, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or~~;

(5) the sterilized seed of ~~such~~ a cannabis plant which is incapable of germination~~. Marijuana does not include~~; or

(6) industrial hemp as defined in section ~~152.22, subdivision 5a~~ 18K.02, subdivision 3.

Sec. 13. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota, title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

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

Sec. 14. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

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

Sec. 15. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

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

Sec. 16. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program manufacturer.** "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

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

Sec. 17. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 18. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal Nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal Nation's Tribal medical cannabis program.

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

Sec. 18. Minnesota Statutes 2022, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the commissioner on a monthly basis the following information on each individual patient for the month prior to the report:

(1) the amount and dosages of medical cannabis distributed;

(2) the chemical composition of the medical cannabis; and

(3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the commissioner on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

(1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;

(2) the amount and dosages of medical cannabis distributed;

(3) the chemical composition of the medical cannabis distributed; and

(4) the tracking number assigned to the medical cannabis distributed.

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

Sec. 19. Minnesota Statutes 2022, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

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

Sec. 20. **[152.291] TRIBAL MEDICAL CANNABIS PROGRAM MANUFACTURER TRANSPORTATION.**

(a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

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

Sec. 21. Minnesota Statutes 2022, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

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

Sec. 22. Minnesota Statutes 2022, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM OR TRIBAL MEDICAL CANNABIS PROGRAM PARTICIPATION.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient is engaged in the authorized use of medical cannabis.

(b) The presumption may be rebutted by evidence that:

(1) a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.; or

(2) a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program, or; possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a Tribal medical cannabis program manufacturer, employees of a Tribal medical cannabis program manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, members of a Tribal medical cannabis board, the commissioner's or Tribal medical cannabis board's staff, the commissioner's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for the participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 or from a Tribal medical cannabis program patient may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program or a Tribal medical cannabis program manufacturer.

(j) ~~Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does~~ The following do not constitute probable cause or reasonable suspicion, ~~nor~~ and shall ~~it~~ not be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency~~.~~:

(1) possession of a registry verification or application for enrollment in the registry program by a person entitled to possess a registry verification or apply for enrollment in the registry program; or

(2) possession of a verification or equivalent issued by a Tribal medical cannabis program or application for enrollment in a Tribal medical cannabis program by a person entitled to possess such a verification or application.

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician, advanced practice registered nurse, or physician assistant and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37, or on the person's status as a Tribal medical cannabis program patient. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

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

Sec. 23. Minnesota Statutes 2022, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a Tribal medical cannabis program patient, a registered designated caregiver or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than $3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37.

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

Sec. 24. Minnesota Statutes 2022, section 152.35, is amended to read:

152.35 FEES; DEPOSIT OF REVENUE.

~~(a) The commissioner shall collect an enrollment fee of $200 from patients enrolled under this section. If the patient provides evidence of receiving Social Security disability insurance (SSDI), Supplemental Security Income (SSI), veterans disability, or railroad disability payments, or being enrolled in medical assistance or MinnesotaCare, then the fee shall be $50. For purposes of this section:~~

~~(1) a patient is considered to receive SSDI if the patient was receiving SSDI at the time the patient was transitioned to retirement benefits by the United States Social Security Administration; and~~

~~(2) veterans disability payments include VA dependency and indemnity compensation.~~

~~Unless a patient provides evidence of receiving payments from or participating in one of the programs specifically listed in this paragraph, the commissioner of health must collect the $200 enrollment fee from a patient to enroll the patient in the registry program. The fees shall be payable annually and are due on the anniversary date of the patient's enrollment. The fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.~~

~~(b)~~ (a) The commissioner shall collect an application fee of $20,000 from each entity submitting an application for registration as a medical cannabis manufacturer. Revenue from the fee shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(c)~~ (b) The commissioner shall establish and collect an annual fee from a medical cannabis manufacturer equal to the cost of regulating and inspecting the manufacturer in that year. Revenue from the fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(d)~~ (c) A medical cannabis manufacturer may charge patients enrolled in the registry program a reasonable fee for costs associated with the operations of the manufacturer. The manufacturer may establish a sliding scale of patient fees based upon a patient's household income and may accept private donations to reduce patient fees.

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

Sec. 25. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, and the legal cannabis industry. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 26. Minnesota Statutes 2022, section 181.938, subdivision 2, is amended to read:

Subd. 2. **Prohibited practice.** (a) An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and includes food, alcoholic or nonalcoholic beverages, ~~and~~ tobacco, cannabis flower, as defined in section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.

(b) Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are lawful consumable products for the purpose of Minnesota law, regardless of whether federal or other state law considers cannabis use, possession, impairment, sale, or transfer to be unlawful. Nothing in this section shall be construed to limit an employer's ability to discipline or discharge an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer during working hours, on work premises, or while operating an employer's vehicle, machinery, or equipment, or if a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Sec. 27. Minnesota Statutes 2022, section 181.950, subdivision 2, is amended to read:

Subd. 2. **Confirmatory test; confirmatory retest.** "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test or cannabis test that uses a method of analysis allowed under one of the programs listed in section 181.953, subdivision 1.

Sec. 28. Minnesota Statutes 2022, section 181.950, subdivision 4, is amended to read:

Subd. 4. **Drug.** "Drug" means a controlled substance as defined in section 152.01, subdivision 4, but does not include marijuana, tetrahydrocannabinols, cannabis flower as defined in section 342.01, subdivision 16, cannabis products as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.

Sec. 29. Minnesota Statutes 2022, section 181.950, subdivision 5, is amended to read:

Subd. 5. **Drug and alcohol testing.** "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.

Sec. 30. Minnesota Statutes 2022, section 181.950, is amended by adding a subdivision to read:

Subd. 5a. **Cannabis testing.** "Cannabis testing" means the analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of cannabis flower, as defined in section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, hemp-derived consumer products as defined in section 342.01, subdivision 37, or cannabis metabolites in the sample tested. The definitions in this section apply to cannabis testing unless stated otherwise.

Sec. 31. Minnesota Statutes 2022, section 181.950, subdivision 8, is amended to read:

Subd. 8. **Initial screening test.** "Initial screening test" means a drug or alcohol test or cannabis test which uses a method of analysis under one of the programs listed in section 181.953, subdivision 1.

Sec. 32. Minnesota Statutes 2022, section 181.950, subdivision 13, is amended to read:

Subd. 13. **Safety-sensitive position.** "Safety-sensitive position" means a job, including any supervisory or management position, in which an impairment caused by drug ~~or,~~ alcohol, or cannabis usage would threaten the health or safety of any person.

Sec. 33. Minnesota Statutes 2022, 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 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. 34. Minnesota Statutes 2022, 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 or alcohol;

(2) has violated the employer's written work rules prohibiting the use, possession, 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 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. 35. Minnesota Statutes 2022, section 181.951, subdivision 6, is amended to read:

Subd. 6. **Treatment program testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employee has been referred by the employer for substance use disorder treatment or evaluation or is participating in a substance use disorder treatment program under an employee benefit plan, in which case the employee may be requested or required to undergo cannabis testing and drug or alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed substance use disorder treatment program.

Sec. 36. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision 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) must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

Sec. 37. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 9. **Cannabis testing exceptions.** For the following positions, cannabis and its metabolites are considered a drug and subject to the drug and alcohol testing provisions in sections 181.950 to 181.957:

(1) a safety-sensitive position, as defined in section 181.950, subdivision 13;

(2) a peace officer position, as defined in section 626.84, subdivision 1;

(3) a firefighter position, as defined in section 299N.01, subdivision 3;

(4) a position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:

(i) children;

(ii) vulnerable adults, as defined in section 626.5572, subdivision 21; or

(iii) patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition;

(5) a position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;

(6) a position of employment funded by a federal grant; or

(7) any other position for which state or federal law requires testing of a job applicant or an employee for cannabis.

Sec. 38. Minnesota Statutes 2022, section 181.952, is amended by adding a subdivision to read:

Subd. 3. **Cannabis policy.** (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. 39. Minnesota Statutes 2022, section 181.953, is amended to read:

181.953 RELIABILITY AND FAIRNESS SAFEGUARDS.

Subdivision 1. **Use of licensed, accredited, or certified laboratory required.** (a) 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.

Subd. 3. **Laboratory testing, reporting, and sample retention requirements.** 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, ~~or~~ 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.

Subd. 4. **Prohibitions on employers.** An employer may not conduct drug or alcohol testing or cannabis testing of its own employees and job applicants using a testing laboratory owned and operated by the employer; except that, one agency of the state may test the employees of another agency of the state. Except as provided in subdivision 9, an employer may not request or require an employee or job applicant to contribute to, or pay the cost of, drug or alcohol testing or cannabis testing under sections 181.950 to 181.954.

Subd. 5. **Employer chain-of-custody procedures.** An employer shall establish its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested. The procedures must require the following:

(1) possession of a sample must be traceable to the employee from whom the sample is collected, from the time the sample is collected through the time the sample is delivered to the laboratory;

(2) the sample must always be in the possession of, must always be in view of, or must be placed in a secured area by a person authorized to handle the sample;

(3) a sample must be accompanied by a written chain-of-custody record; and

(4) individuals relinquishing or accepting possession of the sample must record the time the possession of the sample was transferred and must sign and date the chain-of-custody record at the time of transfer.

Subd. 6. **Rights of employees and job applicants.** (a) Before requesting an employee or job applicant to undergo drug or alcohol testing or requesting cannabis testing, an employer shall provide the employee or job applicant with a form, developed by the employer, on which to acknowledge that the employee or job applicant has seen the employer's drug and alcohol testing or cannabis testing policy.

(b) If an employee or job applicant tests positive for drug use, the employee must be given written notice of the right to explain the positive test and the employer may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.

(c) Within three working days after notice of a positive test result on a confirmatory test, the employee or job applicant may submit information to the employer, in addition to any information already submitted under paragraph (b), to explain that result, or may request a confirmatory retest of the original sample at the employee's or job applicant's own expense as provided under subdivision 9.

Subd. 7. **Notice of test results.** Within three working days after receipt of a test result report from the testing laboratory, an employer shall inform in writing an employee or job applicant who has undergone drug or alcohol testing or cannabis testing of (1) a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test and (2) the right provided in subdivision 8. In the case of a positive test result on a confirmatory test, the employer shall also, at the time of this notice, inform the employee or job applicant in writing of the rights provided in subdivisions 6, paragraph (b), 9, and either subdivision 10 or 11, whichever applies.

Subd. 8. **Right to test result report.** An employee or job applicant has the right to request and receive from the employer a copy of the test result report on any drug or alcohol test or cannabis test.

Subd. 9. **Confirmatory retests.** An employee or job applicant may request a confirmatory retest of the original sample at the employee's or job applicant's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the employee or job applicant shall notify the employer in writing of the employee's or job applicant's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the employer shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed under subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that the chain-of-custody procedures in subdivision 3 are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug ~~or,~~ alcohol, or cannabis threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.

Subd. 10. **Limitations on employee discharge, discipline, or discrimination.** (a) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

(b) In addition to the limitation under paragraph (a), an employer may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test or cannabis test requested by the employer unless the following conditions have been met:

(1) the employer has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug ~~or,~~ alcohol, or cannabis counseling or rehabilitation program, whichever is more appropriate, as determined by the employer after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of substance use disorder; and

(2) the employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.

(c) Notwithstanding paragraph (a), an employer may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the employer believes that it is reasonably necessary to protect the health or safety of the employee, coemployees, or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.

(d) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of medical history information revealed to the employer pursuant to subdivision 6 unless the employee was under an affirmative duty to provide the information before, upon, or after hire.

(e) An employee must be given access to information in the employee's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process or cannabis testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

Subd. 10a. **Additional limitations for cannabis.** An employer may discipline, discharge, or take other adverse personnel action against an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working, on the employer's premises, or operating the employer's vehicle, machinery, or equipment as follows:

(1) if, as the result of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product, the employee does not possess that clearness of intellect and control of self that the employee otherwise would have;

(2) if cannabis testing verifies the presence of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product following a confirmatory test;

(3) as provided in the employer's written work rules for cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and cannabis testing, provided that the rules are in writing and in a written policy that contains the minimum information required by section 181.952; or

(4) as otherwise authorized or required under state or federal law or regulations, or if a failure to do so would cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 11. **Limitation on withdrawal of job offer.** If a job applicant has received a job offer made contingent on the applicant passing drug and alcohol testing, the employer may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

Sec. 40. Minnesota Statutes 2022, section 181.954, is amended to read:

181.954 PRIVACY, CONFIDENTIALITY, AND PRIVILEGE SAFEGUARDS.

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, alcohol, or their metabolites in a sample tested.

Subd. 2. **Confidentiality limitations.** Test result reports and other information acquired in the drug or alcohol testing or cannabis testing process are, with respect to private sector employees and job applicants, private and confidential information, and, with respect to public sector employees and job applicants, private data on individuals as that phrase is defined in chapter 13, and may not be disclosed by an employer or laboratory to another employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

Subd. 3. **Exceptions to privacy and confidentiality disclosure limitations.** Notwithstanding subdivisions 1 and 2, evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

Subd. 4. **Privilege.** Positive test results from an employer drug or alcohol testing or cannabis testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

Sec. 41. Minnesota Statutes 2022, section 181.955, is amended to read:

181.955 CONSTRUCTION.

Subdivision 1. **Freedom to collectively bargain.** Sections 181.950 to 181.954 shall not be construed to limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to a drug and alcohol testing or a cannabis testing policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements for employee protection provided in those sections.

Subd. 2. **Employee protections under existing collective bargaining agreements.** Sections 181.950 to 181.954 shall not be construed to interfere with or diminish any employee protections relating to drug and alcohol testing or cannabis testing already provided under collective bargaining agreements in effect on the effective date of those sections that exceed the minimum standards and requirements for employee protection provided in those sections.

Subd. 3. **Professional athletes.** Sections 181.950 to 181.954 shall not be construed to interfere with the operation of a drug and alcohol testing or cannabis testing program if:

(1) the drug and alcohol testing program is permitted under a contract between the employer and employees; and

(2) the covered employees are employed as professional athletes.

Upon request of the commissioner of labor and industry, the exclusive representative of the employees and the employer shall certify to the commissioner of labor and industry that the drug and alcohol testing or cannabis testing program permitted under the contract should operate without interference from the sections specified in this subdivision. This subdivision must not be construed to create an exemption from controlled substance crimes in chapter 152.

Sec. 42. Minnesota Statutes 2022, section 181.957, subdivision 1, is amended to read:

Subdivision 1. **Excluded employees and job applicants.** Except as provided under subdivision 2, the employee and job applicant protections provided under sections 181.950 to 181.956 do not apply to employees and job applicants where the specific work performed requires those employees and job applicants to be subject to drug and alcohol testing or cannabis testing pursuant to:

(1) federal regulations that specifically preempt state regulation of drug and alcohol testing or cannabis testing with respect to those employees and job applicants;

(2) federal regulations or requirements necessary to operate federally regulated facilities;

(3) federal contracts where the drug and alcohol testing or cannabis testing is conducted for security, safety, or protection of sensitive or proprietary data; or

(4) state agency rules that adopt federal regulations applicable to the interstate component of a federally regulated industry, and the adoption of those rules is for the purpose of conforming the nonfederally regulated intrastate component of the industry to identical regulation.

Sec. 43. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry; and

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website.

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner. The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 44. Minnesota Statutes 2022, section 256.01, subdivision 18c, is amended to read:

Subd. 18c. **Drug convictions.** (a) The state court administrator shall provide a report every six months by electronic means to the commissioner of human services, including the name, address, date of birth, and, if available, driver's license or state identification card number, date of the sentence, effective date of the sentence, and county in which the conviction occurred, of each person convicted of a felony under chapter 152, except for convictions under section 152.0263 or 152.0264, during the previous six months.

(b) The commissioner shall determine whether the individuals who are the subject of the data reported under paragraph (a) are receiving public assistance under chapter 256D or 256J, and if ~~the~~ an individual is receiving assistance under chapter 256D or 256J, the commissioner shall instruct the county to proceed under section 256D.024 or 256J.26, whichever is applicable, for this individual.

(c) The commissioner shall not retain any data received under paragraph (a) ~~or (d)~~ that does not relate to an individual receiving publicly funded assistance under chapter 256D or 256J.

~~(d) In addition to the routine data transfer under paragraph (a), the state court administrator shall provide a onetime report of the data fields under paragraph (a) for individuals with a felony drug conviction under chapter 152 dated from July 1, 1997, until the date of the data transfer. The commissioner shall perform the tasks identified under paragraph (b) related to this data and shall retain the data according to paragraph (c).~~

Sec. 45. Minnesota Statutes 2022, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

(1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;

(2) over-the-counter drugs, except as provided in subdivision 13;

(3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;

(4) drugs or active pharmaceutical ingredients for which medical value has not been established;

(5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and

(6) medical cannabis flower as defined in section ~~152.22, subdivision 6~~ 342.01, subdivision 54, or medical cannabinoid products as defined in section 342.01, subdivision 52.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

Sec. 46. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) If an applicant or recipient has been convicted of a drug offense after July 1, 1997, the assistance unit is ineligible for benefits under this chapter until five years after the applicant has completed terms of the court-ordered sentence, unless the person is participating in a drug treatment program, has successfully completed a drug treatment program, or has been assessed by the county and determined not to be in need of a drug treatment program. Persons subject to the limitations of this subdivision who become eligible for assistance under this chapter shall be subject to random drug testing as a condition of continued eligibility and shall lose eligibility for benefits for five years beginning the month following:

(1) any positive test result for an illegal controlled substance; or

(2) discharge of sentence after conviction for another drug felony.

(b) For the purposes of this subdivision, "drug offense" means a conviction that occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred after July 1, 1997, and the conviction is ~~a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor~~ for a crime that would be a felony if committed in Minnesota.

(c) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 47. Minnesota Statutes 2022, section 256D.024, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is ineligible to receive benefits under this chapter.

Sec. 48. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense committed during the previous ten years from the date of application or recertification is subject to the following:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant shall be subject to random drug testing as a condition of continued eligibility and following any positive test for an illegal controlled substance is subject to the following sanctions:

(i) for failing a drug test the first time, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size. When a sanction under this subdivision is in effect, the job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, the job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; or

(ii) for failing a drug test two times, the participant is permanently disqualified from receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP grant must be reduced by the amount which would have otherwise been made available to the disqualified participant. Disqualification under this item does not make a participant ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a disqualification under this provision is imposed, the job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(3) A participant who fails a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance and is subject to the applicable level of sanction as specified under section 256J.46, subdivision 1, paragraph (d).

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a drug offense that occurred after July 1, 1997, may, if otherwise eligible, receive SNAP benefits if the convicted applicant or participant is subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions:

(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this clause is in effect, a job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, a job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; and

(2) for failing a drug test two times, the participant is permanently disqualified from receiving SNAP benefits. Before a disqualification under this provision is imposed, a job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(c) For the purposes of this subdivision, "drug offense" means an offense that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred during the previous ten years from the date of application or recertification and the conviction is ~~a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor~~ for a crime that would be a felony if committed in Minnesota.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 49. Minnesota Statutes 2022, section 256J.26, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is disqualified from receiving MFIP.

Sec. 50. Minnesota Statutes 2022, section 340A.402, subdivision 1, is amended to read:

Subdivision 1. **Disqualifiers.** No retail license may be issued to:

(1) a person under 21 years of age;

(2) a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(3) a person not of good moral character and repute; ~~or~~

(4) a person who:

(i) has had a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, revoked;

(ii) has been convicted of an offense under section 151.72, subdivision 7; or

(iii) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2 percent malt liquor to customers; or

~~(4)~~ (5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division or licensing authority may require that fingerprints be taken and forwarded to the Federal Bureau of Investigation for purposes of a criminal history check.

Sec. 51. **[340A.4022] RETAIL LICENSE NOT PROHIBITED; LOWER-POTENCY HEMP EDIBLES.**

(a) Nothing in this chapter:

(1) prohibits the issuance of a retail license or permit to a person also holding a hemp business license authorizing the manufacture or retail sale of lower-potency hemp edibles;

(2) allows any agreement between a licensing authority and retail license or permit holder that prohibits the license or permit holder from also holding a lower-potency hemp edible manufacturer or retailer license; or

(3) allows the revocation or suspension of a retail license or permit, or the imposition of a penalty on a retail license or permit holder, due to the retail license or permit holder also holding a lower-potency hemp edible manufacturer or retailer license.

(b) For purposes of this section, "hemp business license authorizing manufacture or retail sale of lower-potency hemp edibles" means a license issued by the Office of Cannabis Management pursuant to sections 342.43 to 342.46.

Sec. 52. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

(1) alcoholic beverages;

(2) tobacco products;

(3) ice;

(4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;

(5) soft drinks;

(6) liqueur-filled candies;

(7) food products that contain more than one-half of one percent alcohol by volume;

(8) cork extraction devices;

(9) books and videos on the use of alcoholic beverages;

(10) magazines and other publications published primarily for information and education on alcoholic beverages;

(11) multiple-use bags designed to carry purchased items;

(12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;

(13) home brewing equipment;

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;

(15) citrus fruit; ~~and~~

(16) glassware~~.~~;

(17) lower-potency hemp edibles as defined in section 342.01, subdivision 50; and

(18) products that detect the presence of fentanyl or a fentanyl analog.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 53. Minnesota Statutes 2022, section 461.12, is amended by adding a subdivision to read:

Subd. 2a. **Penalties for sales of certain products; licensees.** (a) A licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days and may be revoked if the licensee:

(1) holds a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, and the license or registration is revoked;

(2) is convicted of an offense under section 151.72, subdivision 7; or

(3) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products.

(b) No suspension, revocation, or other penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Sec. 54. Minnesota Statutes 2022, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** (a) The court shall order expungement of an eviction case 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:

(1) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(2) 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.

(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. 55. Minnesota Statutes 2022, section 504B.171, subdivision 1, is amended to read:

Subdivision 1. **Terms of covenant.** (a) In every lease or license of residential premises, whether in writing or parol, the landlord or licensor and the tenant or licensee covenant that:

(1) neither will:

(i) ~~unlawfully~~ allow controlled substances in those premises or in the common area and curtilage of the premises in violation of any criminal provision of chapter 152;

(ii) allow prostitution or prostitution-related activity as defined in section 617.80, subdivision 4, to occur on the premises or in the common area and curtilage of the premises;

(iii) allow the unlawful use or possession of a firearm in violation of section 609.66, subdivision 1a, 609.67, or 624.713, on the premises or in the common area and curtilage of the premises; or

(iv) allow stolen property or property obtained by robbery in those premises or in the common area and curtilage of the premises; and

(2) the common area and curtilage of the premises will not be used by either the landlord or licensor or the tenant or licensee or others acting under the control of either to manufacture, sell, give away, barter, deliver, exchange, distribute, purchase, or possess a controlled substance in violation of any criminal provision of chapter 152. The covenant is not violated when a person other than the landlord or licensor or the tenant or licensee possesses or allows controlled substances in the premises, common area, or curtilage, unless the landlord or licensor or the tenant or licensee knew or had reason to know of that activity.

(b) In every lease or license of residential premises, whether in writing or parol, the tenant or licensee covenant that the tenant or licensee will not commit an act enumerated under section 504B.206, subdivision 1, paragraph (a), against a tenant or licensee or any authorized occupant.

(c) A landlord cannot prohibit a tenant from legally possessing, and a tenant cannot waive the right to legally possess, any cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or using any cannabinoid product or hemp-derived consumer product, other than consumption by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

Sec. 56. **[504B.1715] COVENANTS; SOBER HOMES.**

A sober housing program for people with substance use disorders may prohibit people in the program from the possession and use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 57. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

Subd. 2. **Benefit eligibility.** (a) A person convicted of a drug offense after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security Income under chapter 256D until:

(1) five years after completing the terms of a court-ordered sentence; or

(2) unless the person is participating in a drug treatment program, has successfully completed a program, or has been determined not to be in need of a drug treatment program.

(b) A person who becomes eligible for assistance under chapter 256D is subject to random drug testing and shall lose eligibility for benefits for five years beginning the month following:

(1) any positive test for an illegal controlled substance; or

(2) discharge of sentence for conviction of another drug felony.

(c) Parole violators and fleeing felons are ineligible for benefits and persons fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 58. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for benefits from the Minnesota family investment program or MFIP, the vehicle for temporary assistance for needy families or TANF, and who has been convicted of a drug offense shall be subject to certain conditions, including random drug testing, in order to receive MFIP benefits. Following any positive test for a controlled substance, the convicted applicant or participant is subject to the following sanctions:

(1) a first time drug test failure results in a reduction of benefits in an amount equal to 30 percent of the MFIP standard of need; and

(2) a second time drug test failure results in permanent disqualification from receiving MFIP assistance.

A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 59. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 13. **Adult-use cannabis flower.** "Adult-use cannabis flower" has the meaning given in section 342.01, subdivision 3.

Sec. 60. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 14. **Adult-use cannabis product.** "Adult-use cannabis product" has the meaning given in section 342.01, subdivision 4.

Sec. 61. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 15. **Medical cannabis flower.** "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

Sec. 62. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 16. **Medical cannabinoid product.** "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

Sec. 63. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 17. **Patient.** "Patient" has the meaning given in section 342.01, subdivision 59.

Sec. 64. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 18. **Qualifying medical condition.** "Qualifying medical condition" has the meaning given in section 342.01, subdivision 63.

Sec. 65. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 19. **Registry or registry program.** "Registry" or "registry program" has the meaning given in section 342.01, subdivision 65.

Sec. 66. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 20. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 67. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 21. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 68. Minnesota Statutes 2022, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:

(1) a person under the age of 18 years except that a person under 18 may possess ammunition designed for use in a firearm that the person may lawfully possess and may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, in this state or elsewhere, a crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(3) a person who is or has ever been committed in Minnesota or elsewhere by a judicial determination that the person is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other such violation of chapter 152 or a similar law of another state; or a person who is or has ever been committed by a judicial determination for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who has been committed to a treatment facility in Minnesota or elsewhere by a judicial determination that the person is chemically dependent as defined in section 253B.02, unless the person has completed treatment or the person's ability to possess a firearm and ammunition has been restored under subdivision 4. Property rights may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member or section 609.2242, subdivision 3, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or 609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm or ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152. The use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program or the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older does not constitute the unlawful use of a controlled substance under this item;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02;

(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under dishonorable conditions;

(vii) has renounced the person's citizenship having been a citizen of the United States; or

(viii) is disqualified from possessing a firearm under United States Code, title 18, section 922(g)(8) or (9), as amended through March 1, 2014;

(11) a person who has been convicted of the following offenses at the gross misdemeanor level, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of these sections: section 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring gun); 609.71 (riot); or 609.749 (harassment or stalking). For purposes of this paragraph, the specified gross misdemeanor convictions include crimes committed in other states or jurisdictions which would have been gross misdemeanors if conviction occurred in this state;

(12) a person who has been convicted of a violation of section 609.224 if the court determined that the assault was against a family or household member in accordance with section 609.2242, subdivision 3 (domestic assault), unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of another violation of section 609.224 or a violation of a section listed in clause (11); or

(13) a person who is subject to an order for protection as described in section 260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g).

A person who issues a certificate pursuant to this section in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm or ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms and ammunition for persons convicted or adjudicated delinquent of a crime of violence in clause (2), applies only to offenders who are discharged from sentence or court supervision for a crime of violence on or after August 1, 1993.

Participation as a patient in the registry program or use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older does not disqualify the person from possessing firearms and ammunition under this section.

For purposes of this section, "judicial determination" means a court proceeding pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

Sec. 69. Minnesota Statutes 2022, section 624.714, subdivision 6, is amended to read:

Subd. 6. **Granting and denial of permits.** (a) The sheriff must, within 30 days after the date of receipt of the application packet described in subdivision 3:

(1) issue the permit to carry;

(2) deny the application for a permit to carry solely on the grounds that the applicant failed to qualify under the criteria described in subdivision 2, paragraph (b); or

(3) deny the application on the grounds that there exists a substantial likelihood that the applicant is a danger to self or the public if authorized to carry a pistol under a permit.

(b) Failure of the sheriff to notify the applicant of the denial of the application within 30 days after the date of receipt of the application packet constitutes issuance of the permit to carry and the sheriff must promptly fulfill the requirements under paragraph (c). To deny the application, the sheriff must provide the applicant with written notification and the specific factual basis justifying the denial under paragraph (a), clause (2) or (3), including the source of the factual basis. The sheriff must inform the applicant of the applicant's right to submit, within 20 business days, any additional documentation relating to the propriety of the denial. Upon receiving any additional documentation, the sheriff must reconsider the denial and inform the applicant within 15 business days of the result of the reconsideration. Any denial after reconsideration must be in the same form and substance as the original denial and must specifically address any continued deficiencies in light of the additional documentation submitted by the applicant. The applicant must be informed of the right to seek de novo review of the denial as provided in subdivision 12.

(c) Upon issuing a permit to carry, the sheriff must provide a laminated permit card to the applicant by first class mail unless personal delivery has been made. Within five business days, the sheriff must submit the information specified in subdivision 7, paragraph (a), to the commissioner for inclusion solely in the database required under subdivision 15, paragraph (a). The sheriff must transmit the information in a manner and format prescribed by the commissioner.

(d) Within five business days of learning that a permit to carry has been suspended or revoked, the sheriff must submit information to the commissioner regarding the suspension or revocation for inclusion solely in the databases required or permitted under subdivision 15.

(e) Notwithstanding paragraphs (a) and (b), the sheriff may suspend the application process if a charge is pending against the applicant that, if resulting in conviction, will prohibit the applicant from possessing a firearm.

(f) A sheriff shall not deny an application for a permit to carry solely because the applicant is a patient enrolled in the registry program and uses medical cannabis flower or medical cannabinoid products for a qualifying medical condition or because the person is 21 years of age or older and uses adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 70. Minnesota Statutes 2022, section 624.7151, is amended to read:

624.7151 STANDARDIZED FORMS.

By December 1, 1992, the commissioner shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner. Notwithstanding the previous sentence, neither failure of the Department of Public Safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Any form used for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm that inquires about the applicant's use of controlled substances shall specifically authorize a patient in the registry program to refrain from reporting the use of medical cannabis flower and medical cannabinoid products and shall specifically authorize a person 21 years of age or older from refraining from reporting the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 71. **[624.7152] LAWFUL CANNABIS USERS.**

(a) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is a patient in the registry program.

(b) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is 21 years of age or older and uses adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

(c) A state or local agency may not access a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(d) A state or local agency may not use information gathered from a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(e) A state or local agency may not inquire about a person's status as a patient in the registry program for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

(f) A state or local agency may not inquire about the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

Sec. 72. **HIGH INTENSITY DRUG TRAFFICKING AREA REPORT.**

The commissioner of public safety shall contract with Hennepin County to produce a statewide baseline high intensity drug trafficking area report on marijuana. The report must include information on past and present marijuana use in Minnesota; potency of marijuana; impacts of marijuana use on public health, emergency room admissions, traffic accidents, impaired driving citations, workforce, and schools; marijuana crimes and the juvenile justice system; marijuana's influence on the opioid epidemic; and the illicit market for marijuana. The report must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, health, education policy, labor, and transportation by February 1, 2024.

Sec. 73. **REPEALER.**

(a) Minnesota Statutes 2022, sections 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, and 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, and 7; 152.28, subdivisions 1, 2, and 3; 152.29, subdivisions 1, 2, 3, 3a, and 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, and 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, and 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, and 5; and 152.37, are repealed.

(b) Minnesota Statutes 2022, section 152.027, subdivisions 3 and 4, are repealed.

(c) Minnesota Statutes 2022, section 152.21, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective March 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

ARTICLE 7
TEMPORARY REGULATION OF CERTAIN PRODUCTS

Section 1. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabinoid products, as defined in section 151.72, subdivision 1, paragraph ~~(c)~~ (f), are not food.

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

Sec. 2. Minnesota Statutes 2022, section 151.72, is amended to read:

151.72 SALE OF CERTAIN CANNABINOID PRODUCTS.

Subdivision 1. **Definitions.** (a) 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.

~~(b)~~ (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) "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.

~~(c)~~ (f) "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.

~~(d)~~ (g) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(e)~~ (h) "Label" has the meaning given in section 151.01, subdivision 18.

~~(f)~~ (i) "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.

~~(g)~~ (j) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

~~(h)~~ (k) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(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.

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 ~~board~~ commissioner 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.

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) 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.

~~(b)~~ (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.

~~(c)~~ (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.

~~(d)~~ (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 all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products 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.

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. 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. The disclosure must include all information known to the licensee regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

~~(b)~~ (c) Upon the request of the ~~board~~ commissioner, the manufacturer of the product must provide the ~~board~~ commissioner with the results of the testing required in this section.

(d) The commissioner 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.

~~(c)~~ (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.

Subd. 5. **Labeling requirements.** (a) A product regulated under this section must bear a label that contains, at a minimum:

(1) the name, location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; ~~and~~

(3) the batch number; and

~~(3)~~ (4) an accurate statement of the amount or percentage of cannabinoids found in each unit of the product meant to be consumed.

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the United States Food and Drug Administration (FDA) unless the product has been so approved.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

(f) The labeling must not contain any claim that the product may be used or is effective for the prevention, treatment, or cure of a disease or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.

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;

~~(4)~~ (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;

~~(5)~~ (6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

~~(6)~~ (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 ~~and which contains no more than a trace amount of any tetrahydrocannabinol~~.

(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~~, or~~. 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 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.

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.

(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 not charge a fee for registration under this subdivision.

Subd. 5c. **Age verification.** (a) Prior to initiating a sale or otherwise providing an edible cannabinoid product to an individual, an employee of a retailer must verify that the individual is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase edible cannabinoid products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A registered retailer may seize a form of identification listed under paragraph (b) if the registered retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A registered retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered ~~an adulterated drug~~ 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 ~~misbranded drug~~ 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 ~~board's authority to issue cease and desist orders under section 151.06; to embargo adulterated and misbranded drugs under section 151.38; and to seek injunctive relief under section 214.11, extends to any~~ commissioner 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 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.

(e) The commissioner may enter into an interagency agreement with the Office of Cannabis Management and the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the commissioner.

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 one year 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.

(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 one year 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 the day following final enactment.

Sec. 3. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

(1) alcoholic beverages;

(2) tobacco products;

(3) ice;

(4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;

(5) soft drinks;

(6) liqueur-filled candies;

(7) food products that contain more than one-half of one percent alcohol by volume;

(8) cork extraction devices;

(9) books and videos on the use of alcoholic beverages;

(10) magazines and other publications published primarily for information and education on alcoholic beverages;

(11) multiple-use bags designed to carry purchased items;

(12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;

(13) home brewing equipment;

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;

(15) citrus fruit; ~~and~~

(16) glassware~~.~~;

(17) edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f); and

(18) products that detect the presence of fentanyl or a fentanyl analog.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 4. **EDIBLE CANNABINOID PRODUCTS; ENFORCEMENT.**

(a) The Department of Health shall enforce the provisions of Minnesota Statutes, section 151.72, and all rules, orders, stipulation agreements, settlements, compliance agreements, and registrations related to that section adopted or issued by the Office of Medical Cannabis or the Department of Health pursuant to the Health Enforcement Consolidation Act of 1993 contained in Minnesota Statutes, sections 144.989 to 144.993, and the authority to embargo products described in paragraph (b). The commissioner of health may assign enforcement responsibilities to the Office of Medical Cannabis.

(b) Whenever a duly authorized agent of the Department of Health finds or has probable cause to believe that any product is being sold in violation of the provisions of Minnesota Statutes, section 151.72, the agent shall affix thereto an appropriate marking, giving notice that the article is, or is suspected of being in violation of Minnesota Statutes, section 151.72, has been embargoed, and warning that it is unlawful for any person to remove or dispose of the embargoed article by sale or otherwise without permission from the agent or the court. When an agent of the Department of Health has embargoed an article, the Department of Health shall, within 30 days, petition the district court in whose jurisdiction the article is embargoed for an order of condemnation. When an embargoed article is not so found by the agent, the agent shall remove the marking. If the court finds that an embargoed article is being sold in violation of the provisions of Minnesota Statutes, section 151.72, the article shall be destroyed at the expense of the claimant thereof, who shall also pay all court costs and fees, storage, and other proper expenses. If the violation can be corrected by proper labeling or processing of the article, or by filing the proper documents with the court, the court, after the costs, fees, and expenses have been paid and a sufficient bond has been executed, may order that the article be delivered to the claimant for labeling, processing, or filing under supervision of an agent of the board. The expense of the supervision shall be paid by the claimant. The bond shall be returned to the claimant on the representation to the court by the board that the article is no longer in violation of this chapter and that the expenses of supervision have been paid.

(c) The enforcement authority under paragraphs (a) and (b) shall transfer to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

(d) This section shall expire on March 1, 2025.

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

Sec. 5. **TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.**

(a) The Board of Pharmacy 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, section 151.72, to the Department of Health. The Board of Pharmacy and Department of Health shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

(b) The Department of Health shall transfer all complaint data described in paragraph (a) to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

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

Sec. 6. **REPEALER.**

Minnesota Statutes 2022, section 151.72, is repealed.

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

ARTICLE 8
SCHEDULING OF MARIJUANA

Section 1. Minnesota Statutes 2022, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

(1) acetylmethadol;

(2) allylprodine;

(3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);

(4) alphameprodine;

(5) alphamethadol;

(6) alpha-methylfentanyl benzethidine;

(7) betacetylmethadol;

(8) betameprodine;

(9) betamethadol;

(10) betaprodine;

(11) clonitazene;

(12) dextromoramide;

(13) diampromide;

(14) diethyliambutene;

(15) difenoxin;

(16) dimenoxadol;

(17) dimepheptanol;

(18) dimethyliambutene;

(19) dioxaphetyl butyrate;

(20) dipipanone;

(21) ethylmethylthiambutene;

(22) etonitazene;

(23) etoxeridine;

(24) furethidine;

(25) hydroxypethidine;

(26) ketobemidone;

(27) levomoramide;

(28) levophenacylmorphan;

(29) 3-methylfentanyl;

(30) acetyl-alpha-methylfentanyl;

(31) alpha-methylthiofentanyl;

(32) benzylfentanyl beta-hydroxyfentanyl;

(33) beta-hydroxy-3-methylfentanyl;

(34) 3-methylthiofentanyl;

(35) thenylfentanyl;

(36) thiofentanyl;

(37) para-fluorofentanyl;

(38) morpheridine;

(39) 1-methyl-4-phenyl-4-propionoxypiperidine;

(40) noracymethadol;

(41) norlevorphanol;

(42) normethadone;

(43) norpipanone;

(44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);

(45) phenadoxone;

(46) phenampromide;

(47) phenomorphan;

(48) phenoperidine;

(49) piritramide;

(50) proheptazine;

(51) properidine;

(52) propiram;

(53) racemoramide;

(54) tilidine;

(55) trimeperidine;

(56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);

(57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-methylbenzamide(U47700);

(58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide(furanylfentanyl);

(59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol);

(60) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopropanecarboxamide (Cyclopropryl fentanyl);

(61) N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide) (butyryl fentanyl);

(62) 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine) (MT-45);

(63) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopentanecarboxamide (cyclopentyl fentanyl);

(64) N-(1-phenethylpiperidin-4-yl)-N-phenylisobutyramide (isobutyryl fentanyl);

(65) N-(1-phenethylpiperidin-4-yl)-N-phenylpentanamide (valeryl fentanyl);

(66) N-(4-chlorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (para-chloroisobutyryl fentanyl);

(67) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-fluorobutyryl fentanyl);

(68) N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-methoxybutyryl fentanyl);

(69) N-(2-fluorophenyl)-2-methoxy-N-(1-phenethylpiperidin-4-yl)acetamide (ocfentanil);

(70) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (4-fluoroisobutyryl fentanyl or para-fluoroisobutyryl fentanyl);

(71) N-(1-phenethylpiperidin-4-yl)-N-phenylacrylamide (acryl fentanyl or acryloylfentanyl);

(72) 2-methoxy-N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide (methoxyacetyl fentanyl);

(73) N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide (ortho-fluorofentanyl or 2-fluorofentanyl);

(74) N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran-2-carboxamide (tetrahydrofuranyl fentanyl); and

(75) Fentanyl-related substances, their isomers, esters, ethers, salts and salts of isomers, esters and ethers, meaning any substance not otherwise listed under another federal Administration Controlled Substance Code Number or not otherwise listed in this section, and for which no exemption or approval is in effect under section 505 of the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 355, that is structurally related to fentanyl by one or more of the following modifications:

(i) replacement of the phenyl portion of the phenethyl group by any monocycle, whether or not further substituted in or on the monocycle;

(ii) substitution in or on the phenethyl group with alkyl, alkenyl, alkoxyl, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iii) substitution in or on the piperidine ring with alkyl, alkenyl, alkoxyl, ester, ether, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iv) replacement of the aniline ring with any aromatic monocycle whether or not further substituted in or on the aromatic monocycle; or

(v) replacement of the N-propionyl group by another acyl group.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) acetorphine;

(2) acetyldihydrocodeine;

(3) benzylmorphine;

(4) codeine methylbromide;

(5) codeine-n-oxide;

(6) cyprenorphine;

(7) desomorphine;

(8) dihydromorphine;

(9) drotebanol;

(10) etorphine;

(11) heroin;

(12) hydromorphinol;

(13) methyldesorphine;

(14) methyldihydromorphine;

(15) morphine methylbromide;

(16) morphine methylsulfonate;

(17) morphine-n-oxide;

(18) myrophine;

(19) nicocodeine;

(20) nicomorphine;

(21) normorphine;

(22) pholcodine; and

(23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) methylenedioxy amphetamine;

(2) methylenedioxymethamphetamine;

(3) methylenedioxy-N-ethylamphetamine (MDEA);

(4) n-hydroxy-methylenedioxyamphetamine;

(5) 4-bromo-2,5-dimethoxyamphetamine (DOB);

(6) 2,5-dimethoxyamphetamine (2,5-DMA);

(7) 4-methoxyamphetamine;

(8) 5-methoxy-3, 4-methylenedioxyamphetamine;

(9) alpha-ethyltryptamine;

(10) bufotenine;

(11) diethyltryptamine;

(12) dimethyltryptamine;

(13) 3,4,5-trimethoxyamphetamine;

(14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);

(15) ibogaine;

(16) lysergic acid diethylamide (LSD);

(17) mescaline;

(18) parahexyl;

(19) N-ethyl-3-piperidyl benzilate;

(20) N-methyl-3-piperidyl benzilate;

(21) psilocybin;

(22) psilocyn;

(23) tenocyclidine (TPCP or TCP);

(24) N-ethyl-1-phenyl-cyclohexylamine (PCE);

(25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);

(26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);

(27) 4-chloro-2,5-dimethoxyamphetamine (DOC);

(28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);

(29) 4-iodo-2,5-dimethoxyamphetamine (DOI);

(30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);

(31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);

(32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);

(33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);

(34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);

(35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);

(36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);

(37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);

(38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);

(39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);

(40) alpha-methyltryptamine (AMT);

(41) N,N-diisopropyltryptamine (DiPT);

(42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);

(43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);

(44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);

(45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);

(46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);

(47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);

(48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);

(49) 5-methoxy-α-methyltryptamine (5-MeO-AMT);

(50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);

(51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);

(52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);

(53) 5-methoxy-α-ethyltryptamine (5-MeO-AET);

(54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);

(55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);

(56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);

(57) methoxetamine (MXE);

(58) 5-iodo-2-aminoindane (5-IAI);

(59) 5,6-methylenedioxy-2-aminoindane (MDAI);

(60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);

(61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);

(62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);

(63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);

(64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);

(65) N,N-Dipropyltryptamine (DPT);

(66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);

(67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);

(68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);

(69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);

(70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethylnorketamine, ethketamine, NENK);

(71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);

(72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and

(73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).

(e) Peyote. All parts of the plant presently classified botanically as Lophophora williamsii Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) mecloqualone;

(2) methaqualone;

(3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;

(4) flunitrazepam;

(5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine, methoxyketamine);

(6) tianeptine;

(7) clonazolam;

(8) etizolam;

(9) flubromazolam; and

(10) flubromazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) aminorex;

(2) cathinone;

(3) fenethylline;

(4) methcathinone;

(5) methylaminorex;

(6) N,N-dimethylamphetamine;

(7) N-benzylpiperazine (BZP);

(8) methylmethcathinone (mephedrone);

(9) 3,4-methylenedioxy-N-methylcathinone (methylone);

(10) methoxymethcathinone (methedrone);

(11) methylenedioxypyrovalerone (MDPV);

(12) 3-fluoro-N-methylcathinone (3-FMC);

(13) methylethcathinone (MEC);

(14) 1-benzofuran-6-ylpropan-2-amine (6-APB);

(15) dimethylmethcathinone (DMMC);

(16) fluoroamphetamine;

(17) fluoromethamphetamine;

(18) α-methylaminobutyrophenone (MABP or buphedrone);

(19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);

(20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);

(21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or naphyrone);

(22) (alpha-pyrrolidinopentiophenone (alpha-PVP);

(23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);

(24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);

(25) 4-methyl-N-ethylcathinone (4-MEC);

(26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);

(27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);

(28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);

(29) 4-fluoro-N-methylcathinone (4-FMC);

(30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);

(31) alpha-pyrrolidinobutiophenone (α-PBP);

(32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);

(33) 1-phenyl-2-(1-pyrrolidinyl)-1-heptanone (PV8);

(34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);

(35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);

(36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);

(37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);

(38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP);

(39) 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-pentan-1-one (N-ethylpentylone, ephylone); and

(40) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylenedioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

~~(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:~~

~~(1) marijuana;~~

~~(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol;~~

~~(3)~~ (h) Synthetic cannabinoids, including the following substances:

~~(i)~~ (1) Naphthoylindoles, which are any compounds containing a 3-(1-napthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

~~(B)~~ (ii) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);

~~(C)~~ (iii) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

~~(D)~~ (iv) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

~~(E)~~ (v) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

~~(F)~~ (vi) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

~~(G)~~ (vii) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

~~(H)~~ (viii) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

~~(I)~~ (ix) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

~~(J)~~ (x) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

~~(ii)~~ (2) Napthylmethylindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

~~(B)~~ (ii) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

~~(iii)~~ (3) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

~~(iv)~~ (4) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylemethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

~~(v)~~ (5) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

~~(A)~~ (i) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

~~(B)~~ (ii) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

~~(C)~~ (iii) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

~~(D)~~ (iv) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

~~(vi)~~ (6) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

~~(A)~~ (i) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

~~(B)~~ (ii) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

~~(C)~~ (iii) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl] -phenol (CP 55,940).

~~(vii)~~ (7) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

~~(B)~~ (ii) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

~~(C)~~ (iii) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

~~(viii)~~ (8) Others specifically named:

~~(A)~~ (i) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

~~(B)~~ (ii) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

~~(C)~~ (iii) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de] -1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

~~(D)~~ (iv) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

~~(E)~~ (v) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

~~(F)~~ (vi) 1-pentyl-N-tricyclo[3.3.1.13,7]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

~~(G)~~ (vii) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

~~(H)~~ (viii) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);

~~(I)~~ (ix) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);

~~(J)~~ (x) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole- 3-carboxamide (AB-PINACA);

~~(K)~~ (xi) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]- 1H-indazole-3-carboxamide (AB-FUBINACA);

~~(L)~~ (xii) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H- indazole-3-carboxamide(AB-CHMINACA);

~~(M)~~ (xiii) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3- methylbutanoate (5-fluoro-AMB);

~~(N)~~ (xiv) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);

~~(O)~~ (xv) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone) (FUBIMINA);

~~(P)~~ (xvi) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo [2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);

~~(Q)~~ (xvii) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl) -1H-indole-3-carboxamide (5-fluoro-ABICA);

~~(R)~~ (xviii) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl) -1H-indole-3-carboxamide;

~~(S)~~ (xix) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl) -1H-indazole-3-carboxamide;

~~(T)~~ (xx) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido) -3,3-dimethylbutanoate;

~~(U)~~ (xxi) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1(cyclohexylmethyl)-1 H-indazole-3-carboxamide (MAB-CHMINACA);

~~(V)~~ (xxii) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide (ADB-PINACA);

~~(W)~~ (xxiii) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);

~~(X)~~ (xxiv) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);

~~(Y)~~ (xxv) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and

~~(Z)~~ (xxvi) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).

~~(ix)~~ (9) Additional substances specifically named:

~~(A)~~ (i) 1-(5-fluoropentyl)-N-(2-phenylpropan-2-yl)-1 H-pyrrolo[2,3-B]pyridine-3-carboxamide (5F-CUMYL-P7AICA);

~~(B)~~ (ii) 1-(4-cyanobutyl)-N-(2- phenylpropan-2-yl)-1 H-indazole-3-carboxamide (4-CN-Cumyl-Butinaca);

~~(C)~~ (iii) naphthalen-1-yl-1-(5-fluoropentyl)-1-H-indole-3-carboxylate (NM2201; CBL2201);

~~(D)~~ (iv) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1 H-indazole-3-carboxamide (5F-ABPINACA);

~~(E)~~ (v) methyl-2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate (MDMB CHMICA);

~~(F)~~ (vi) methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3,3-dimethylbutanoate (5F-ADB; 5F-MDMB-PINACA); and

~~(G)~~ (vii) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl) 1H-indazole-3-carboxamide (ADB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

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

Sec. 2. Minnesota Statutes 2022, section 152.02, subdivision 4, is amended to read:

Subd. 4. **Schedule III.** (a) Schedule III consists of the substances listed in this subdivision.

(b) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system, including its salts, isomers, and salts of such isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) benzphetamine;

(2) chlorphentermine;

(3) clortermine;

(4) phendimetrazine.

(c) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system:

(1) any compound, mixture, or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule;

(2) any suppository dosage form containing amobarbital, secobarbital, pentobarbital, or any salt of any of these drugs and approved by the food and drug administration for marketing only as a suppository;

(3) any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid, except those substances which are specifically listed in other schedules;

(4) any drug product containing gamma hydroxybutyric acid, including its salts, isomers, and salts of isomers, for which an application is approved under section 505 of the federal Food, Drug, and Cosmetic Act;

(5) any of the following substances:

(i) chlorhexadol;

(ii) ketamine, its salts, isomers and salts of isomers;

(iii) lysergic acid;

(iv) lysergic acid amide;

(v) methyprylon;

(vi) sulfondiethylmethane;

(vii) sulfonenthylmethane;

(viii) sulfonmethane;

(ix) tiletamine and zolazepam and any salt thereof;

(x) embutramide;

(xi) Perampanel [2-(2-oxo-1-phenyl-5-pyridin-2-yl-1,2-Dihydropyridin-3-yl) benzonitrile].

(d) Nalorphine.

(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as follows:

(1) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium;

(2) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(3) not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(4) not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(5) not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(6) not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(f) Anabolic steroids, human growth hormone, and chorionic gonadotropin.

(1) Anabolic steroids, for purposes of this subdivision, means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, and dehydroepiandrosterone, and includes:

(i) 3[beta],17[beta]-dihydroxy-5[alpha]-androstane;

(ii) 3[alpha],17[beta]-dihydroxy-5[alpha]-androstane;

(iii) androstanedione (5[alpha]-androstan-3,17-dione);

(iv) 1-androstenediol (3[beta],17[beta]-dihydroxy-5[alpha]-androst-l-ene;

(v) 3[alpha],17[beta]-dihydroxy-5[alpha]-androst-1-ene);

(vi) 4-androstenediol (3[beta],17[beta]-dihydroxy-androst-4-ene);

(vii) 5-androstenediol (3[beta],17[beta]-dihydroxy-androst-5-ene);

(viii) 1-androstenedione (5[alpha]-androst-1-en-3,17-dione);

(ix) 4-androstenedione (androst-4-en-3,17-dione);

(x) 5-androstenedione (androst-5-en-3,17-dione);

(xi) bolasterone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one);

(xii) boldenone (17[beta]-hydroxyandrost-1,4-diene-3-one);

(xiii) boldione (androsta-1,4-diene-3,17-dione);

(xiv) calusterone (7[beta],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one);

(xv) clostebol (4-chloro-17[beta]-hydroxyandrost-4-en-3-one);

(xvi) dehydrochloromethyltestosterone (4-chloro-17[beta]-hydroxy-17[alpha]-methylandrost-1,4-dien-3-one);

(xvii) desoxymethyltestosterone (17[alpha]-methyl-5[alpha]-androst-2-en-17[beta]-ol);

(xviii) [delta]1-dihydrotestosterone- (17[beta]-hydroxy-5[alpha]-androst-1-en-3-one);

(xix) 4-dihydrotestosterone (17[beta]-hydroxy-androstan-3-one);

(xx) drostanolone (17[beta]hydroxy-2[alpha]-methyl-5[alpha]-androstan-3-one);

(xxi) ethylestrenol (17[alpha]-ethyl-17[beta]-hydroxyestr-4-ene);

(xxii) fluoxymesterone (9-fluoro-17[alpha]-methyl-11[beta],17[beta]-dihydroxyandrost-4-en-3-one);

(xxiii) formebolone (2-formyl-17[alpha]-methyl-11[alpha],17[beta]-dihydroxyandrost-1,4-dien-3-one);

(xxiv) furazabol (17[alpha]-methyl-17[beta]-hydroxyandrostano[2,3-c]-furazan)13[beta]-ethyl-17[beta]-hydroxygon-4-en-3-one;

(xxv) 4-hydroxytestosterone (4,17[beta]-dihydroxyandrost-4-en-3-one);

(xxvi) 4-hydroxy-19-nortestosterone (4,17[beta]-dihydroxyestr-4-en-3-one);

(xxvii) mestanolone (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one);

(xxviii) mesterolone (1[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one);

(xxix) methandienone (17[alpha]-methyl-17[beta]-hydroxyandrost-1,4-dien-3-one);

(xxx) methandriol (17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-5-ene);

(xxxi) methasterone (2 alpha-17 alpha-dimethyl-5 alpha-androstan-17beta-ol-3-one);

(xxxii) methenolone (1-methyl-17[beta]-hydroxy-5[alpha]-androst-1-en-3-one);

(xxxiii) 17[alpha]-methyl-3[beta],17[beta]-dihydroxy-5[alpha]-androstane;

(xxxiv) 17[alpha]-methyl-3[alpha],17[beta]-dihydroxy-5[alpha]-androstane;

(xxxv) 17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-4-ene;

(xxxvi) 17[alpha]-methyl-4-hydroxynandrolone (17[alpha]-methyl-4-hydroxy-17[beta]-hydroxyestr-4-en-3-one);

(xxxvii) methyldienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9(10)-dien-3-one);

(xxxviii) methyltrienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9-11-trien-3-one);

(xxxix) methyltestosterone (17[alpha]-methyl-17[beta]-hydroxyandrost-4-en-3-one);

(xl) mibolerone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyestr-4-en-3-one);

(xli) 17[alpha]-methyl-[delta]1-dihydrotestosterone (17[beta]-hydroxy-17[alpha]-methyl-5[alpha]-androst-1-en-3-one);

(xlii) nandrolone (17[beta]-hydroxyestr-4-en-3-one);

(xliii) 19-nor-4-androstenediol (3[beta],17[beta]-dihydroxyestr-4-ene;

(xliv) 3[alpha],17[beta]-dihydroxyestr-4-ene); 19-nor-5-androstenediol (3[beta],17[beta]-dihydroxyestr-5-ene;

(xlv) 3[alpha],17[beta]-dihydroxyestr-5-ene);

(xlvi) 19-nor-4,9(10)-androstadienedione (estra-4,9(10)-diene-3,17-dione);

(xlvii) 19-nor-5-androstenedione (estr-5-en-3,17-dione);

(xlviii) norbolethone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4-en-3-one);

(xlix) norclostebol (4-chloro-17[beta]-hydroxyestr-4-en-3-one);

(l) norethandrolone (17[alpha]-ethyl-17[beta]-hydroxyestr-4-en-3-one);

(li) normethandrolone (17[alpha]-methyl-17[beta]-hydroxyestr-4-en-3-one);

(lii) oxandrolone (17[alpha]-methyl-17[beta]-hydroxy-2-oxa-5[alpha]-androstan-3-one);

(liii) oxymesterone (17[alpha]-methyl-4,17[beta]-dihydroxyandrost-4-en-3-one);

(liv) oxymetholone (17[alpha]-methyl-2-hydroxymethylene-17[beta]-hydroxy-5[alpha]-androstan-3-one);

(lv) prostanozol (17 beta-hydroxy-5 alpha-androstano[3,2-C]pryazole;

(lvi) stanozolol (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androst-2-eno[3,2-c]-pyrazole);

(lvii) stenbolone (17[beta]-hydroxy-2-methyl-5[alpha]-androst-1-en-3-one);

(lviii) testolactone (13-hydroxy-3-oxo-13,17-secoandrosta-1,4-dien-17-oic acid lactone);

(lix) testosterone (17[beta]-hydroxyandrost-4-en-3-one);

(lx) tetrahydrogestrinone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4,9,11-trien-3-one);

(lxi) trenbolone (17[beta]-hydroxyestr-4,9,11-trien-3-one);

(lxii) any salt, ester, or ether of a drug or substance described in this paragraph.

Anabolic steroids are not included if they are: (A) expressly intended for administration through implants to cattle or other nonhuman species; and (B) approved by the United States Food and Drug Administration for that use;

(2) Human growth hormones.

(3) Chorionic gonadotropin, except that a product containing chorionic gonadotropin is not included if it is:

(i) expressly intended for administration to cattle or other nonhuman species; and

(ii) approved by the United States Food and Drug Administration for that use.

(g) Hallucinogenic substances. Dronabinol (synthetic) in sesame oil and encapsulated in a soft gelatin capsule in a United States Food and Drug Administration approved product.

(h) Any material, compound, mixture, or preparation containing the following narcotic drug or its salt: buprenorphine.

(i) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including but not limited to 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol.

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

ARTICLE 9
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes of this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **AGRICULTURE**	**$411,000**	**$411,000**
The base for this appropriation is $338,000 in fiscal year 2026 and each fiscal year thereafter.		
Sec. 3. **ATTORNEY GENERAL**	**$358,000**	**$358,000**
The base for this appropriation is $358,000 in fiscal years 2026, 2027, and 2028. The base for this appropriation is $0 in fiscal year 2029.		
Sec. 4. **CANNABIS EXPUNGEMENT BOARD**	**$5,871,000**	**$5,356,000**
Sec. 5. **OFFICE OF CANNABIS MANAGEMENT**	**$21,614,000**	**$17,953,000**
The base for this appropriation is $35,587,000 in fiscal year 2026 and $38,144,000 in fiscal year 2027.		
$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. The base for this appropriation is $15,000,000 in fiscal year 2026 and each fiscal year thereafter.		
$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of these amounts, up to three percent may be used for administrative expenses.		
Sec. 6. **COMMERCE**	**$527,000**	**$1,093,000**
The base for this appropriation is $1,341,000 in fiscal year 2026 and $1,520,000 in fiscal year 2027.		

$82,000 each year is to establish appropriate energy standards.

$445,000 the first year and $1,011,000 the second year are for scale and packaging inspections. The base for this appropriation is $1,259,000 in fiscal year 2026 and $1,438,000 in fiscal year 2027.

Sec. 7. **DISTRICT COURT** **$1,500,000** **$1,500,000**

This appropriation is to support treatment courts. The base for this appropriation is $2,500,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 8. **EDUCATION** **$180,000** **$120,000**

Sec. 9. **EMPLOYMENT AND ECONOMIC DEVELOPMENT** **$6,000,000** **$6,000,000**

(a) For the CanStartup, CanNavigate, and CanTrain programs. Any unencumbered balances remaining in the first year do not cancel but are available for the second year.

(b) $3,000,000 each year is for transfer to the CanStartup revolving loan account established under Minnesota Statutes, section 116J.659, subdivision 3.

(c) $1,000,000 each year is for the CanNavigate program established under Minnesota Statutes, section 116J.6595.

(d) $2,000,000 each year is for the CanTrain program established under Minnesota Statutes, section 116L.90.

(e) Of these amounts, up to four percent may be used for administrative expenses.

Sec. 10. **HEALTH**

Subdivision 1. **Total Appropriation** **$3,300,000** **$20,252,000**

The base for this appropriation is $19,064,000 in fiscal year 2026 and each fiscal year thereafter.

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

Subd. 2. **Youth Education** -0- 5,000,000

For grants under Minnesota Statutes, section 144.197, subdivision 1.

Subd. 3. **Education Grants for Pregnant or Breastfeeding Individuals** -0- 2,000,000

For grants under Minnesota Statutes, section 144.197, subdivision 2.

Subd. 4. **Local and Tribal Health Departments**	-0-	10,000,000
For grants under Minnesota Statutes, section 144.197, subdivision 4.		
Subd. 5. **Cannabis Data Collection and Biennial Reports**	493,000	493,000
For reports under Minnesota Statutes, section 144.196.		
Subd. 6. **Administration for Expungement Orders**	71,000	71,000
For administration related to orders issued by the Cannabis Expungement Board. The base for this appropriation is $71,000 in fiscal year 2026, $71,000 in fiscal year 2027, $71,000 in fiscal year 2028, $71,000 in fiscal year 2029, and $0 in fiscal year 2030.		
Subd. 7. **Grants to the Minnesota Poison Control System**	910,000	810,000
For grants under Minnesota Statutes, section 145.93.		
Subd. 8. **Temporary Regulation of Edible Products Extracted from Hemp**	1,107,000	1,107,000
For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. This is a onetime appropriation.		
Subd. 9. **Testing.**	719,000	771,000
For testing of edible cannabinoid products. The base for this appropriation is $690,000 in fiscal year 2026 and each fiscal year thereafter.		
Sec. 11. **HUMAN SERVICES**	**$1,506,000**	**$1,360,000**
Central Office Administration		
For the Office of Inspector General to process additional background studies and for the behavioral health, deaf and hard-of-hearing, and housing division to provide data required under Minnesota Statutes, section 342.04, and the consultation requirements under Minnesota Statutes, section 342.72.		
Sec. 12. **LABOR AND INDUSTRY**	**$116,000**	**$123,000**
Sec. 13. **NATURAL RESOURCES**	**$338,000**	**$-0-**
Sec. 14. **POLLUTION CONTROL AGENCY**	**$140,000**	**$70,000**
Sec. 15. **PUBLIC SAFETY**		

Subdivision 1. **Total Appropriation**	**$18,422,000**	**$11,964,000**
The base for this appropriation is $10,847,000 in fiscal year 2026 and each fiscal year thereafter. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Administration**	760,000	-0-
$760,000 the first year is for a public information campaign relating to automatic expungement of cannabis-related crimes. This appropriation is available until June 30, 2025.		
Subd. 3. **Bureau of Criminal Apprehension**	-0-	3,629,000
Subd. 4. **Office of Traffic and Safety**	11,485,000	6,117,000
(a) The base for this appropriation is $5,000,000 in fiscal year 2026 and each fiscal year thereafter.		
(b) $10,000,000 the first year and $5,000,000 the second year are for the drug evaluation and classification program for drug recognition evaluator training; additional phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); and required continuing education training for drug recognition experts. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures under this appropriation.		
(c) $1,485,000 the first year and $1,117,000 the second year are for a roadside testing pilot project. These are onetime appropriations.		
Subd. 5. **Office of Justice Programs**	20,000	-0-
For a grant to Hennepin County to produce the High Intensity Drug Trafficking Area report in article 6, section 72.		
Subd. 6. **State Patrol**	6,157,000	2,218,000
This appropriation is from the trunk highway fund.		
Sec. 16. **REVENUE**	**$4,559,000**	**$3,931,000**
The base for this appropriation is $3,896,000 in fiscal year 2026 and $3,897,000 in fiscal year 2027.		
Sec. 17. **SUPREME COURT**	**$545,000**	**$545,000**
These are onetime appropriations.		

Sec. 18. **UNIVERSITY OF MINNESOTA** **$2,600,000** **$2,600,000**

(a) The base for this appropriation is $3,250,000 in fiscal year 2026 and each fiscal year thereafter.

(b) $2,500,000 each year is to establish a Center for Cannabis Research within the School of Public Health. The center must investigate the effects of cannabis use on health and research other topics related to cannabis, including but not limited to prevention and treatment of substance use disorders, equity issues, education, and decriminalization.

(c) $100,000 each year is for grants for cannabis genetics and agronomy research and for the creation and maintenance of a University of Minnesota Extension position and a postdoctoral position. The base for this appropriation is $750,000 in fiscal year 2026 and each fiscal year thereafter. In awarding grants under this paragraph, the University of Minnesota must give priority to applications by researchers who are eligible to be social equity applicants as defined in Minnesota Statutes, section 342.17.

Sec. 19. **APPROPRIATION AND BASE REDUCTIONS.**

(a) The commissioner of management and budget must reduce general fund appropriations to the commissioner of corrections by $165,000 in fiscal year 2024 and $368,000 in fiscal year 2025. The commissioner must reduce the base for general fund appropriations to the commissioner of corrections by $460,000 in fiscal year 2026 and $503,000 in fiscal year 2027.

(b) The commissioner of management and budget must reduce general fund appropriations to the commissioner of health by $260,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for general fund appropriations to the commissioner of health by $781,000 in fiscal year 2026 and each fiscal year thereafter.

(c) The commissioner of management and budget must reduce state government special revenue fund appropriations to the commissioner of health by $1,141,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for state government special revenue fund appropriations to the commissioner of health by $3,424,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 20. **TRANSFERS.**

(a) $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal cannabis industry. The base for this transfer is $1,000,000 in fiscal year 2026 and each fiscal year thereafter. The commissioner may use up to six percent of the amount transferred for administrative costs. The commissioner shall give priority to applications from employers who are, or who are training employees who are, eligible to be social equity applicants under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.

(b) $5,500,000 in fiscal year 2024 and $5,500,000 in fiscal year 2025 are transferred from the general fund to the substance use treatment, recovery, and prevention grant account established under Minnesota Statutes, section 342.72. The base for this transfer is $5,500,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 21. **OFFICE OF CANNABIS MANAGEMENT; IMPLEMENTATION.**

(a) $3,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of agriculture for the planning, research, analysis, and other efforts needed to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities contained in Minnesota Statutes, chapter 342, to that office. This is a onetime appropriation and is available until June 30, 2025.

(b) Upon the effective date of this act, the commissioner of agriculture may exercise all authorities and responsibilities granted to the Office of Cannabis Management under Minnesota Statutes, chapter 342, that are necessary to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities to that office.

(c) On or after January 1, 2024, and at such time that the Office of Cannabis Management is able to fulfill the powers and duties enumerated in Minnesota Statutes, section 342.02, subdivision 2, the commissioner of agriculture may transfer all or some Minnesota Statutes, chapter 342, programs, authorities, and responsibilities to the Office of Cannabis Management. Upon such transfer, existing contracts, obligations, and funds managed by the commissioner of agriculture that are necessary to administer the transferred programs, authorities, or responsibilities shall be transferred to the Office of Cannabis Management.

(d) To the extent practicable, the commissioner of agriculture and the Office of Cannabis Management must comply with Minnesota Statutes, chapter 16C. The commissioner of administration may waive the application of any provision of Minnesota Statutes, chapter 16C, on a case-by-case basis, if the commissioner of agriculture or the Office of Cannabis Management demonstrates that full compliance with Minnesota Statutes, chapter 16C, would be impractical given the effective date or other deadlines established by this act. This exemption expires July 1, 2025.

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

Sec. 22. **APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY; BUREAU OF CRIMINAL APPREHENSION.**

$6,656,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension to identify and provide records of convictions for certain offenses involving the possession of cannabis that may be eligible for expungement and resentencing; for forensic science services including additional staff, equipment, and supplies; and for the investigation of diversion crimes. This is a onetime appropriation and is available until June 30, 2025.

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

Delete the title and insert:

"A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing an advisory council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; establishing licensing fees; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical

cannabis program; providing for Tribal medical programs; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related changes and additions; making clarifying and technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 18K.02, subdivision 5; 34A.01, subdivision 4; 97B.065, subdivision 1; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, subdivision 9, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 152.35; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 270C.19, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7, by adding a subdivision; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.402, subdivision 1; 340A.412, subdivision 14; 360.0752, subdivision 2; 461.12, by adding a subdivision; 484.014, subdivision 3; 504B.171, subdivision 1; 609.135, subdivision 1; 609.2111; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 477A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37."

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

House Conferees: ZACK STEPHENSON, JESSICA HANSON, ALICIA KOZLOWSKI, ATHENA HOLLINS and NOLAN WEST.

Senate Conferees: LINDSEY PORT, CLARE OUMOU VERBETEN, ERIN MURPHY and SUSAN PHA.

Stephenson moved that the report of the Conference Committee on H. F. No. 100 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Hansen, R., was excused between the hours of 6:15 p.m. and 6:30 p.m.

Finke was excused between the hours of 6:15 p.m. and 7:30 p.m.

Heintzeman was excused between the hours of 6:20 p.m. and 8:40 p.m.

The Speaker assumed the Chair.

H. F. No. 100, A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, and cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses and hemp businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 34A.01, subdivision 4; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 484.014, subdivision 3; 504B.171, subdivision 1; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 73 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kozlowski	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Kraft	Pérez-Vega	West
Berg	Frazier	Hollins	Lee, F.	Pinto	Wolgamott
Bierman	Frederick	Hornstein	Lee, K.	Pryor	Xiong
Brand	Freiberg	Howard	Liebling	Pursell	Youakim
Carroll	Garofalo	Hudella	Lillie	Rehm	Spk. Hortman
Cha	Gomez	Huot	Lislegard	Reyer	
Clardy	Greenman	Hussein	Long	Richardson	
Coulter	Hansen, R.	Jordan	Moller	Sencer-Mura	
Curran	Hanson, J.	Keeler	Mueller	Skraba	
Edelson	Hassan	Klevorn	Nelson, M.	Smith	

Those who voted in the negative were:

Altendorf	Davids	Heintzeman	Murphy	O'Neill	Swedzinski
Anderson, P. E.	Davis	Hudson	Myers	Pelowski	Torkelson
Backer	Demuth	Igo	Nadeau	Perryman	Urdahl
Bakeberg	Dotseth	Jacob	Nash	Petersburg	Wiener
Baker	Engen	Johnson	Nelson, N.	Pfarr	Wiens
Bennett	Fogelman	Joy	Neu Brindley	Quam	Witte
Bliss	Franson	Knudsen	Niska	Robbins	Zeleznikar
Burkel	Gillman	Koznick	Novotny	Schomacker	
Daniels	Grossell	Kresha	O'Driscoll	Schultz	
Daudt	Harder	Mekeland	Olson, B.	Scott	

The bill was repassed, as amended by Conference, and its title agreed to.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Heintzeman was excused for the remainder of today's session.

MOTIONS AND RESOLUTIONS

TAKEN FROM THE TABLE

Long moved that H. F. No. 2369, the second engrossment, be taken from the table. The motion prevailed.

The pending Hassan amendment, as amended, which was offered on Wednesday, May 17, 2023, to H. F. No. 2369, the second engrossment, was again reported to the House and reads as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[181C.01] DEFINITIONS.**

(a) For the purposes of this chapter, the terms defined in this section have the meanings given.

(b) "Deactivation" means the suspension or termination of a driver's ability to receive connections to potential riders from a transportation network company.

(c) "Digital network" has the meaning given in section 65B.472, subdivision 1.

(d) "Personal vehicle" has the meaning given in section 65B.472, subdivision 1.

(e) "Ride" means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. The term does not include transportation provided using a taxicab, limousine, or other for-hire vehicle.

(f) "Seven-county metropolitan area" means the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

(g) "Transportation network company" or "TNC" has the meaning given in section 65B.472, subdivision 1. The term does not include taxicabs, limousines, for-hire vehicles, or a private rider vehicle driven by a volunteer driver, as defined in section 65B.472, subdivision 1.

(h) "Transportation network driver" or "driver" has the meaning given in section 65B.472, subdivision 1.

(i) "Trip" means any transportation by a driver for a rider through a digital network controlled by a transportation network company.

Sec. 2. **[181C.03] MINIMUM COMPENSATION.**

(a) All fees provided in this section must be calculated on a per-trip or biweekly basis and may not be combined.

(b) Minimum compensation paid by a TNC to a driver shall be as follows:

(1) for all trips that start in the seven-county metropolitan area, at least $1.45 per mile and $0.34 per minute, subject to paragraph (f), for the time transporting a rider; or

(2) for all trips that start outside of the seven-county metropolitan area, at least $1.25 per mile and $0.34 per minute, subject to paragraph (f), for the time transporting a rider; and

(3) if a cancellation occurs after the driver has already departed to pick up a rider the TNC must provide 80 percent of the cancellation fee to the driver;

(4) a $1.25 per mile and $0.10 per minute fee if the TNC charges a fee for a long pickup. The fee reverts to normal after the pickup; and

(5) a minimum fee of $5.00 for any transportation of a rider by a driver.

(c) A TNC that uses its software or collection technology to collect fees or fares must pay a driver the fees or fares earned by the driver, regardless of whether the fees or fares are actually collected.

(d) A TNC may pay a driver the compensation required under this section over a reasonable pay period not to exceed 14 calendar days.

(e) A TNC must provide a driver all tips that a rider provides to the applicable driver on the driver's next payment.

(f) Beginning July 1, 2024, and each July 1 thereafter, the minimum compensation amounts under paragraph (b), clauses (1) to (4), must be adjusted annually by the percentage increase, if any, in the Consumer Price Index for all urban consumers published by the United States Department of Labor.

Sec. 3. **[181C.04] DEACTIVATION.**

(a) A TNC must have clear written rules stating the circumstances under which a driver may be deactivated or sanctioned, either permanently or temporarily, and stating fair, objective, and reasonable procedures for a driver to request a reconsideration of a deactivation. These rules and any updates must be available both online and in written form to the drivers at least 30 days before they are enforceable. The rules must clearly list the circumstances that constitute minor infractions and major infractions, and indicate those infractions that subject a driver to deactivation or other sanction and the corresponding number of days or range of days of deactivation.

(b) A TNC must provide the driver with a written basis for any proposed deactivation or other sanction, including the alleged infraction and the rule or rules the TNC alleges have been violated. The driver has a right to a meeting with the TNC to reconsider the deactivation. The deactivated driver must have an opportunity to present their position and any other relevant information or witnesses regarding the alleged rule violation. The TNC must consider any information presented by the driver. For a deactivation to be upheld, there must be evidence under the totality of the circumstances to find that it is more likely than not that a rule violation subjecting the driver to deactivation has occurred. A traffic ticket or other traffic or criminal charge alone is not conclusive of a rule violation unless there has been a conviction.

(c) Except as provided in paragraphs (f) to (h), a driver must request a deactivation reconsideration meeting within 15 calendar days of receiving notice of a deactivation. A deactivation reconsideration meeting must occur within 15 calendar days of receipt of a driver's request for a deactivation reconsideration meeting. If a deactivation reconsideration meeting does not occur within the required time period, and no continuance is agreed to, the alleged violation must be dismissed and cannot form the basis of any further deactivation or other sanction, unless the driver is later found guilty of a crime that endangers public safety or of a violation that constitutes a major infraction.

(d) If a rule violation is not substantiated at the deactivation reconsideration meeting, the TNC must immediately reinstate the driver's account.

(e) This section does not affect deactivations for economic reasons that are not targeted at a particular driver or drivers.

(f) Any driver who has been deactivated by a TNC from January 1, 2021, until the day of enactment, has the right to reapply for driver status and request a deactivation reconsideration meeting, consistent with the procedures provided in this section, to determine if there is a valid basis to uphold the deactivation, and whether the driver should be reinstated.

(g) By August 1, 2023, a TNC must provide notice of a right to a deactivation reconsideration meeting to all drivers deactivated since January 1, 2021, by contacting the drivers through the following means, in no particular order, until actual contact is made:

(1) emailing notice to the last known email address;

(2) texting notice to the last known cell phone number;

(3) mailing written notice to the last known home address; and

(4) calling the last known phone number of the deactivated driver.

(h) A deactivated driver notified under paragraph (g) has 90 days to request a deactivation reconsideration meeting. If a driver requests a deactivation reconsideration meeting, the procedures provided in this section apply.

Sec. 4. **[181C.05] DISCRIMINATION AND RETALIATION PROHIBITED.**

(a) A TNC may not discriminate against any of its drivers, qualified applicants to become drivers, riders, or potential riders due to race, national origin, color, religion, age, gender, disability, sexual orientation, or gender identity. Nothing in this language prohibits providing a reasonable accommodation to a person with a disability, for religious reasons, due to pregnancy, or to remedy previous discriminatory behavior.

(b) A TNC may not retaliate against or discipline a driver for raising a complaint or pursuing enforcement of the provisions of this chapter.

Sec. 5. **[181C.06] CIVIL ACTION.**

A driver or a driver's beneficiaries may bring a civil action for damages for noncompliance or a violation of this chapter against a TNC in district court. An action brought under this section shall be commenced within two years.

Sec. 6. **[181C.07] REVOCATION OF LICENSE.**

Failure to comply with the requirements of this chapter subjects a TNC to revocation of any license and right to operate issued by a local unit of government.

Sec. 7. **[181C.08] TRANSPARENCY.**

(a) When a TNC alerts a driver of a possible assignment to transport a rider, the TNC must indicate:

(1) the number of miles and likely travel time from the driver's current location to the pickup;

(2) the length and likely travel time of the trip; and

(3) the minimum fare compensation for the trip.

(b) Within 24 hours of each trip completion, the TNC must transmit a detailed electronic receipt to the driver containing the following information for each unique trip or portion of a unique trip:

(1) the date, location, total distance traveled, and time spent from acceptance of the assignment to its completion;

(2) the time taken and total distance traveled from pickup to drop-off of the rider;

(3) an itemization of the total fare or fee paid by the rider;

(4) the total compensation to the driver specifying the rate or rates of pay, the rate per minute, rate per mile, any applicable price multiplier or variable pricing policy in effect, tip compensation, and a specifically itemized list of all costs and reimbursements to, or charged to, the driver; and

(5) any other information necessary to implement this chapter.

(c) To the extent the information has not been provided under paragraph (b), the TNC must also provide the driver with a detailed and itemized explanation of how the driver's total compensation is calculated in writing or electronically, including on average, the percentage of the total collected fees and costs incurred by the TNC that are allocated to the driver.

(d) The TNC must provide notice to drivers of any changes to the drivers' total compensation in writing or electronically prior to the date the changes take effect.

Sec. 8. **[181C.09] COLLECTIVE BARGAINING AGREEMENTS; EMPLOYMENT STATUS.**

Notwithstanding any law to the contrary, nothing in this chapter prohibits collective bargaining or shall be used as a basis to conclude whether a driver is an employee or independent contractor.

Sec. 9. **[181C.10] DRIVER CONTRACT REQUIREMENTS.**

A copy of this chapter must be attached to every driver contract for drivers in this state. The rights and remedies established in this chapter are not required to be pursued through arbitration and shall be at the election of the driver. Contracts that have already been executed must have an addendum provided to each driver that includes a copy of this chapter and notice that a driver may elect to pursue the remedies provided in this chapter, rather than through arbitration. For cases that go to arbitration, the rights and damages that drivers are entitled to in an arbitration proceeding shall be as provided in this chapter.

Sec. 10. **[181C.11] RELATIONSHIP OF THE PARTIES.**

Notwithstanding any other provision of law regarding independent contractors or employee status, nothing in this chapter affects whether a TNC is an employer of a driver, nor whether a TNC driver is an employee of the TNC."

Amend the title accordingly

A roll call was requested and properly seconded.

O'Neill moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 6, after the period, insert "A TNC's rules must provide that a driver must be subject to permanent deactivation if the driver is convicted of or receives a stay of adjudication for felony-level harassment or stalking under section 609.749, subdivision 3, 4, or 5."

A roll call was requested and properly seconded.

The question was taken on the O'Neill amendment to the Hassan amendment, as amended, and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Daniels moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 6, after the period, insert "A TNC's rules must provide that a driver must be subject to permanent deactivation if the driver has violated the federal Americans with Disabilities Act, United States Code, title 42, section 12101 et seq."

A roll call was requested and properly seconded.

The question was taken on the Daniels amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

West moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 6, after the period, insert "A TNC's rules must provide that a driver must be subject to permanent deactivation if the driver is convicted of or receives a stay of adjudication for prohibited use of a wireless communications device while driving under section 169.475."

A roll call was requested and properly seconded.

The question was taken on the West amendment to the Hassan amendment, as amended, and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Baker	Daniels	Demuth	Franson	Heintzeman
Anderson, P. E.	Bennett	Daudt	Dotseth	Gillman	Hudella
Backer	Bliss	Davids	Engen	Grossell	Hudson
Bakeberg	Burkel	Davis	Fogelman	Harder	Igo

Jacob	Mekeland	Nelson, N.	O'Neill	Schomacker	Urdahl
Johnson	Mueller	Neu Brindley	Perryman	Schultz	West
Joy	Murphy	Niska	Petersburg	Scott	Wiener
Knudsen	Myers	Novotny	Pfarr	Skraba	Wiens
Koznick	Nadeau	O'Driscoll	Quam	Swedzinski	Witte
Kresha	Nash	Olson, B.	Robbins	Torkelson	Zeleznikar

Those who voted in the negative were:

Acomb	Edelson	Hanson, J.	Keeler	Moller	Richardson
Agbaje	Elkins	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Bahner	Feist	Hemmingsen-Jaeger	Koegel	Noor	Smith
Becker-Finn	Finke	Her	Kotyza-Witthuhn	Norris	Stephenson
Berg	Fischer	Hicks	Kozlowski	Olson, L.	Tabke
Bierman	Frazier	Hill	Kraft	Pelowski	Vang
Brand	Frederick	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Hornstein	Lee, K.	Pinto	Xiong
Cha	Garofalo	Howard	Liebling	Pryor	Youakim
Clardy	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Coulter	Greenman	Hussein	Lislegard	Rehm	
Curran	Hansen, R.	Jordan	Long	Reyer	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Myers moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 6, after the period, insert "A TNC's rules must provide that a driver must be subject to permanent deactivation if the driver refuses to provide service to all areas of a municipality where required by local ordinance."

A roll call was requested and properly seconded.

The question was taken on the Myers amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Nash moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 6, after line 12, insert:

"Sec. 11. **[181C.12] RELATIONSHIP OF PARTIES.**

If a TNC is in substantial compliance with this chapter, any obligation that the TNC has to a driver, including but not limited to those related to taxation, wages, insurance, and terms and conditions of work, under any other state or federal law, shall be deemed fully satisfied and the TNC shall be completely exempt from those obligations."

A roll call was requested and properly seconded.

The question was taken on the Nash amendment to the Hassan amendment, as amended, and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Heintzeman	Mekeland	O'Neill	Swedzinski
Anderson, P. E.	Davis	Hudella	Mueller	Perryman	Torkelson
Backer	Demuth	Hudson	Murphy	Petersburg	Urdahl
Bakeberg	Dotseth	Igo	Myers	Pfarr	West
Baker	Fogelman	Jacob	Nadeau	Quam	Wiener
Bennett	Franson	Johnson	Nash	Robbins	Wiens
Bliss	Garofalo	Joy	Nelson, N.	Schomacker	Witte
Burkel	Gillman	Knudsen	Novotny	Schultz	Zeleznikar
Daniels	Grossell	Koznick	O'Driscoll	Scott	
Daudt	Harder	Kresha	Olson, B.	Skraba	

Those who voted in the negative were:

Acomb	Berg	Cha	Edelson	Fischer	Gomez
Agbaje	Bierman	Clardy	Elkins	Frazier	Greenman
Bahner	Brand	Coulter	Feist	Frederick	Hansen, R.
Becker-Finn	Carroll	Curran	Finke	Freiberg	Hanson, J.

Hassan	Huot	Kraft	Nelson, M.	Pursell	Vang
Hemmingsen-Jaeger	Hussein	Lee, F.	Noor	Rehm	Wolgamott
Her	Jordan	Lee, K.	Norris	Reyer	Xiong
Hicks	Keeler	Liebling	Olson, L.	Richardson	Youakim
Hill	Klevorn	Lillie	Pelowski	Sencer-Mura	Spk. Hortman
Hollins	Koegel	Lislegard	Pérez-Vega	Smith	
Hornstein	Kotyza-Witthuhn	Long	Pinto	Stephenson	
Howard	Kozlowski	Moller	Pryor	Tabke	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Daudt moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 6, after line 12, insert:

"Sec. 11. **[181C.12] RELATION TO LOCAL UNITS OF GOVERNMENT.**

Notwithstanding any other law to the contrary, a local unit of government in this state may neither enact nor enforce any ordinance or other local law or regulation relating to the requirements and duties of a TNC or driver under this chapter."

A roll call was requested and properly seconded.

The question was taken on the Daudt amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Cha	Fischer	Hassan	Huot	Kraft
Agbaje	Clardy	Frazier	Hemmingsen-Jaeger	Hussein	Lee, F.
Bahner	Coulter	Frederick	Her	Jordan	Lee, K.
Becker-Finn	Curran	Freiberg	Hicks	Keeler	Liebling
Berg	Edelson	Gomez	Hill	Klevorn	Lillie
Bierman	Elkins	Greenman	Hollins	Koegel	Lislegard
Brand	Feist	Hansen, R.	Hornstein	Kotyza-Witthuhn	Long
Carroll	Finke	Hanson, J.	Howard	Kozlowski	Moller

Nelson, M.	Pelowski	Pursell	Sencer-Mura	Vang	Spk. Hortman
Noor	Pérez-Vega	Rehm	Smith	Wolgamott	
Norris	Pinto	Reyer	Stephenson	Xiong	
Olson, L.	Pryor	Richardson	Tabke	Youakim	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

West moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 14, delete everything after the period

Page 3, delete lines 15 and 16

A roll call was requested and properly seconded.

The question was taken on the West amendment to the Hassan amendment, as amended, and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Harder	Mekeland	O'Driscoll	Scott
Anderson, P. E.	Davis	Heintzeman	Mueller	Olson, B.	Skraba
Backer	Demuth	Hudella	Murphy	O'Neill	Swedzinski
Bakeberg	Dotseth	Hudson	Myers	Perryman	Torkelson
Baker	Engen	Igo	Nadeau	Petersburg	Urdahl
Bennett	Fogelman	Johnson	Nash	Pfarr	West
Bliss	Franson	Joy	Nelson, N.	Quam	Wiener
Burkel	Garofalo	Knudsen	Neu Brindley	Robbins	Wiens
Daniels	Gillman	Koznick	Niska	Schomacker	Witte
Daudt	Grossell	Kresha	Novotny	Schultz	Zeleznikar

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Igo moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 17, delete "Except as provided in paragraphs (f) to (h),"

Page 3, delete lines 29 to 32

Page 4, delete lines 1 to 10

A roll call was requested and properly seconded.

The question was taken on the Igo amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Xiong
Brand	Frederick	Hornstein	Lee, K.	Pinto	Youakim
Carroll	Freiberg	Howard	Liebling	Pryor	Spk. Hortman
Cha	Gomez	Huot	Lillie	Pursell	
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

O'Driscoll moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 5, line 10, after the semicolon, insert "and"

Page 5, line 11, delete the semicolon and insert a period

Page 5, delete lines 12 to 23

A roll call was requested and properly seconded.

The question was taken on the O'Driscoll amendment to the Hassan amendment, as amended, and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Harder	Kresha	O'Driscoll	Scott
Anderson, P. E.	Davis	Heintzeman	Mekeland	Olson, B.	Skraba
Backer	Demuth	Hudella	Mueller	O'Neill	Swedzinski
Bakeberg	Dotseth	Hudson	Murphy	Perryman	Torkelson
Baker	Engen	Igo	Myers	Petersburg	Urdahl
Bennett	Fogelman	Jacob	Nadeau	Pfarr	West
Bliss	Franson	Johnson	Nash	Quam	Wiener
Burkel	Garofalo	Joy	Nelson, N.	Robbins	Wiens
Daniels	Gillman	Knudsen	Neu Brindley	Schomacker	Witte
Daudt	Grossell	Koznick	Novotny	Schultz	Zeleznikar

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Robbins moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 2, after line 23, insert:

"(f) When a rider is using a TNC's digital network to connect with a driver, the digital network interface must show the rider the amount the trip would have cost prior to the effective date of this act versus after the effective date of this act. The difference between the two amounts must be labeled as the "state mobile ride-sharing tax.""

Page 2, line 24, delete "(f)" and insert "(g)"

A roll call was requested and properly seconded.

The question was taken on the Robbins amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Backer moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 6, after line 12, insert:

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

Sections 1 to 10 are effective upon the commissioner of human services certifying that the passage of this act will not increase the cost or reduce access to nonemergency medical transportation services. The commissioner of human services shall inform the revisor of statutes when the certification is complete."

A roll call was requested and properly seconded.

The question was taken on the Backer amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Noor	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Norris	Stephenson
Bahner	Feist	Her	Kozlowski	Olson, L.	Tabke
Becker-Finn	Finke	Hicks	Kraft	Pelowski	Vang
Berg	Fischer	Hill	Lee, F.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hornstein	Lee, K.	Pinto	Xiong
Brand	Frederick	Howard	Liebling	Pryor	Youakim
Carroll	Freiberg	Huot	Lillie	Pursell	Spk. Hortman
Cha	Gomez	Hussein	Lislegard	Rehm	
Clardy	Greenman	Jordan	Long	Reyer	
Coulter	Hansen, R.	Keeler	Moller	Richardson	
Curran	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Niska moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 4, line 20, before "A" insert "(a)"

Page 4, line 22, delete "section" and insert "paragraph"

Page 4, after line 22, insert:

"(b) A person may bring a civil action against the state of Minnesota for damages related to a driver who has been reactivated due to the requirements of this act and who commits a crime:

(1) while logged into a TNC's digital network and able to receive requests for rides; or

(2) while transporting a rider."

A roll call was requested and properly seconded.

The question was taken on the Niska amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

O'Neill moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 3, line 16, after the period, insert "A complaint by a rider that a driver has violated a rule subjecting the driver to deactivation is presumed to be substantial credible evidence unless a driver presents evidence to refute the complaint."

A roll call was requested and properly seconded.

The question was taken on the O'Neill amendment to the Hassan amendment, as amended, and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Baker	Daniels	Demuth	Franson	Harder
Anderson, P. E.	Bennett	Daudt	Dotseth	Garofalo	Heintzeman
Backer	Bliss	Davids	Engen	Gillman	Hudella
Bakeberg	Burkel	Davis	Fogelman	Grossell	Hudson

Igo	Mekeland	Neu Brindley	Petersburg	Skraba	Witte
Jacob	Mueller	Niska	Pfarr	Swedzinski	Zeleznikar
Johnson	Murphy	Novotny	Quam	Torkelson	
Joy	Myers	O'Driscoll	Robbins	Urdahl	
Knudsen	Nadeau	Olson, B.	Schomacker	West	
Koznick	Nash	O'Neill	Schultz	Wiener	
Kresha	Nelson, N.	Perryman	Scott	Wiens	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Daudt moved to amend the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment, as follows:

Page 6, after line 12, insert:

"Sec. 11. **[181C.12] ROYALTY EXEMPTION.**

Notwithstanding any other law to the contrary, this act does not apply to a TNC who has facilitated a ride for a king or prince."

A roll call was requested and properly seconded.

The question was taken on the Daudt amendment to the Hassan amendment, as amended, and the roll was called. There were 59 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davids	Heintzeman	Mekeland	Olson, B.	Skraba
Anderson, P. E.	Davis	Hudella	Murphy	O'Neill	Swedzinski
Backer	Demuth	Hudson	Myers	Perryman	Torkelson
Bakeberg	Dotseth	Igo	Nadeau	Petersburg	Urdahl
Baker	Fogelman	Jacob	Nash	Pfarr	West
Bennett	Franson	Johnson	Nelson, N.	Quam	Wiener
Bliss	Garofalo	Joy	Neu Brindley	Robbins	Wiens
Burkel	Gillman	Knudsen	Niska	Schomacker	Witte
Daniels	Grossell	Koznick	Novotny	Schultz	Zeleznikar
Daudt	Harder	Kresha	O'Driscoll	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Mueller	Richardson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Nelson, M.	Sencer-Mura
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Smith
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Stephenson
Berg	Fischer	Hill	Kraft	Olson, L.	Tabke
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Vang
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Hudson offered an amendment to the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment.

POINT OF ORDER

Tabke raised a point of order pursuant to rule 3.21 that the Hudson amendment to the Hassan amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Hudson amendment to the Hassan amendment, as amended, out of order.

Hudson appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

Those who voted in the negative were:

Altendorf	Bakeberg	Bliss	Daudt	Demuth	Fogelman
Anderson, P. E.	Baker	Burkel	Davids	Dotseth	Franson
Backer	Bennett	Daniels	Davis	Engen	Garofalo

Gillman	Johnson	Myers	Olson, B.	Schultz	Wiens
Grossell	Joy	Nadeau	O'Neill	Scott	Witte
Harder	Knudsen	Nash	Perryman	Skraba	Zeleznikar
Heintzeman	Koznick	Nelson, N.	Petersburg	Swedzinski	
Hudella	Kresha	Neu Brindley	Pfarr	Torkelson	
Hudson	Mekeland	Niska	Quam	Urdahl	
Igo	Mueller	Novotny	Robbins	West	
Jacob	Murphy	O'Driscoll	Schomacker	Wiener	

So it was the judgment of the House that the decision of the Speaker should stand.

Demuth offered an amendment to the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment.

POINT OF ORDER

Olson, L., raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Demuth amendment to the Hassan amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Demuth amendment to Hassan amendment, as amended, out of order.

Demuth appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

Those who voted in the negative were:

Altendorf	Bennett	Davids	Fogelman	Harder	Jacob
Anderson, P. E.	Bliss	Davis	Franson	Heintzeman	Johnson
Backer	Burkel	Demuth	Garofalo	Hudella	Joy
Bakeberg	Daniels	Dotseth	Gillman	Hudson	Knudsen
Baker	Daudt	Engen	Grossell	Igo	Koznick

Kresha	Nash	Olson, B.	Robbins	Torkelson	Zeleznikar
Mekeland	Nelson, N.	O'Neill	Schomacker	Urdahl	
Mueller	Neu Brindley	Perryman	Schultz	West	
Murphy	Niska	Petersburg	Scott	Wiener	
Myers	Novotny	Pfarr	Skraba	Wiens	
Nadeau	O'Driscoll	Quam	Swedzinski	Witte	

So it was the judgment of the House that the decision of the Speaker should stand.

Engen offered an amendment to the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment.

POINT OF ORDER

Frederick raised a point of order pursuant to rule 3.21 that the Engen amendment to the Hassan amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Engen amendment to the Hassan amendment, as amended, out of order.

Engen appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

Those who voted in the negative were:

Altendorf	Daniels	Franson	Igo	Mueller	Novotny
Anderson, P. E.	Daudt	Garofalo	Jacob	Murphy	O'Driscoll
Backer	Davids	Gillman	Johnson	Myers	Olson, B.
Bakeberg	Davis	Grossell	Joy	Nadeau	O'Neill
Baker	Demuth	Harder	Knudsen	Nash	Perryman
Bennett	Dotseth	Heintzeman	Koznick	Nelson, N.	Petersburg
Bliss	Engen	Hudella	Kresha	Neu Brindley	Pfarr
Burkel	Fogelman	Hudson	Mekeland	Niska	Quam

Robbins	Scott	Torkelson	Wiener	Zeleznikar
Schomacker	Skraba	Urdahl	Wiens	
Schultz	Swedzinski	West	Witte	

So it was the judgment of the House that the decision of the Speaker should stand.

Niska offered an amendment to the Hassan amendment, as amended, to H. F. No. 2369, the second engrossment.

POINT OF ORDER

Becker-Finn raised a point of order pursuant to rule 3.21 that the Niska amendment to the Hassan amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Niska amendment to the Hassan amendment, as amended, out of order.

Niska appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Olson, L.	Tabke
Berg	Fischer	Hill	Kraft	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Richardson	

Those who voted in the negative were:

Altendorf	Burkel	Engen	Heintzeman	Knudsen	Nadeau
Anderson, P. E.	Daniels	Fogelman	Hudella	Koznick	Nash
Backer	Daudt	Franson	Hudson	Kresha	Nelson, N.
Bakeberg	Davids	Garofalo	Igo	Mekeland	Neu Brindley
Baker	Davis	Gillman	Jacob	Mueller	Niska
Bennett	Demuth	Grossell	Johnson	Murphy	Novotny
Bliss	Dotseth	Harder	Joy	Myers	O'Driscoll

O'Neill	Pfarr	Schomacker	Skraba	Urdahl	Wiens
Perryman	Quam	Schultz	Swedzinski	West	Witte
Petersburg	Robbins	Scott	Torkelson	Wiener	Zeleznikar

So it was the judgment of the House that the decision of the Speaker should stand.

The question recurred on the Hassan amendment, as amended, and the roll was called. There were 91 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Hanson, J.	Klevorn	Norris	Smith
Agbaje	Dotseth	Harder	Koegel	O'Driscoll	Stephenson
Bahner	Edelson	Hassan	Kotyza-Witthuhn	Olson, B.	Tabke
Baker	Elkins	Heintzeman	Kozlowski	Olson, L.	Urdahl
Becker-Finn	Feist	Hemmingsen-Jaeger	Koznick	Pelowski	Vang
Berg	Finke	Her	Kraft	Pérez-Vega	West
Bierman	Fischer	Hicks	Lee, F.	Perryman	Wiens
Brand	Fogelman	Hill	Lee, K.	Petersburg	Wolgamott
Burkel	Frazier	Hollins	Liebling	Pinto	Xiong
Carroll	Frederick	Hornstein	Lillie	Pryor	Youakim
Cha	Freiberg	Howard	Lislegard	Pursell	Spk. Hortman
Clardy	Garofalo	Huot	Long	Rehm	
Coulter	Gomez	Hussein	Mekeland	Reyer	
Curran	Greenman	Johnson	Moller	Richardson	
Daniels	Grossell	Jordan	Nelson, M.	Scott	
Daudt	Hansen, R.	Keeler	Noor	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Engen	Jacob	Myers	Quam	Torkelson
Backer	Franson	Joy	Nadeau	Robbins	Wiener
Bakeberg	Gillman	Knudsen	Nash	Schomacker	Witte
Bennett	Hudella	Kresha	Nelson, N.	Schultz	Zeleznikar
Bliss	Hudson	Mueller	Novotny	Skraba	
Demuth	Igo	Murphy	Pfarr	Swedzinski	

The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2369, A bill for an act relating to labor; establishing protections for transportation network company drivers; providing a civil action; providing criminal penalties; amending Minnesota Statues 2022, section 609.2231, subdivision 11; proposing coding for new law as Minnesota Statutes, chapter 181C.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Becker-Finn	Brand	Clardy	Edelson	Finke
Agbaje	Berg	Carroll	Coulter	Elkins	Fischer
Bahner	Bierman	Cha	Curran	Feist	Frazier

Frederick	Hicks	Klevorn	Lislegard	Pinto	Tabke
Freiberg	Hill	Koegel	Long	Pryor	Vang
Gomez	Hollins	Kotyza-Witthuhn	Moller	Pursell	Wolgamott
Greenman	Hornstein	Kozlowski	Nelson, M.	Rehm	Xiong
Hansen, R.	Howard	Kraft	Noor	Reyer	Youakim
Hanson, J.	Huot	Lee, F.	Norris	Richardson	Spk. Hortman
Hassan	Hussein	Lee, K.	Olson, L.	Sencer-Mura	
Hemmingsen-Jaeger	Jordan	Liebling	Pelowski	Smith	
Her	Keeler	Lillie	Pérez-Vega	Stephenson	

Those who voted in the negative were:

Altendorf	Davis	Hudella	Murphy	Perryman	Urdahl
Anderson, P. E.	Demuth	Hudson	Myers	Petersburg	West
Backer	Dotseth	Igo	Nadeau	Pfarr	Wiener
Bakeberg	Engen	Jacob	Nash	Quam	Wiens
Baker	Fogelman	Johnson	Nelson, N.	Robbins	Witte
Bennett	Franson	Joy	Neu Brindley	Schomacker	Zeleznikar
Bliss	Garofalo	Knudsen	Niska	Schultz	
Burkel	Gillman	Koznick	Novotny	Scott	
Daniels	Grossell	Kresha	O'Driscoll	Skraba	
Daudt	Harder	Mekeland	Olson, B.	Swedzinski	
Davids	Heintzeman	Mueller	O'Neill	Torkelson	

The bill was passed, as amended, and its title agreed to.

MOTIONS AND RESOLUTIONS, Continued

Hassan moved that the names of Nelson, M., and Tabke be added as authors on H. F. No. 2369. The motion prevailed.

Norris moved that the name of Berg be added as an author on H. F. No. 3300. The motion prevailed.

Hemmingsen-Jaeger moved that the name of Kraft be added as an author on H. F. No. 3326. The motion prevailed.

Norris moved that the name of Engen be added as an author on H. F. No. 3327. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Friday, May 19, 2023. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Friday, May 19, 2023.

PATRICK D. MURPHY, Chief Clerk, House of Representatives