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State of Minnesota

Printed Page No. 403

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4975

- 03/14/2024 Authored by Acomb  
The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy
- 04/24/2024 Adoption of Report: Re-referred to the Committee on Ways and Means  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration  
Adoption of Report: Re-referred to the Committee on Ways and Means  
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
- 04/29/2024 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time
- 05/01/2024 Calendar for the Day  
Bill was laid on the Table
- 05/02/2024 Bill was taken from the Table  
By motion, re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to state government operations and finance; modifying fees assessed by

1.3 the Department of Commerce; modifying appropriations to the Office of Cannabis

1.4 Management; modifying provisions governing cannabis and health responsibilities;

1.5 modifying insurance assessments and fees; giving various rights to consumers

1.6 regarding personal data; placing obligations on certain businesses regarding

1.7 consumer data; providing for enforcement by the attorney general; state

1.8 government; authorizing supplemental agriculture appropriations; modifying

1.9 appropriations; providing broadband appropriation transfer authority; making

1.10 policy and technical changes to agriculture provisions; establishing and modifying

1.11 agriculture programs; requiring an application for federal broadband aid;

1.12 establishing a supplemental budget for energy, transmission, and renewable energy

1.13 purposes; adding and modifying provisions governing geothermal energy, electric

1.14 transmission, solar energy, and other energy policy; establishing programs;

1.15 requiring reports; appropriating money; making technical changes; amending

1.16 Minnesota Statutes 2022, sections 3.7371, subdivisions 2, 3, by adding subdivisions;

1.17 17.133, subdivision 1; 18B.01, by adding a subdivision; 18B.26, subdivision 6;

1.18 18B.28, by adding a subdivision; 18B.305, subdivision 2; 18B.32, subdivisions 1,

1.19 3, 4, 5; 18B.33, subdivisions 1, 5, 6; 18B.34, subdivisions 1, 4; 18B.35, subdivision

1.20 1; 18B.36, subdivisions 1, 2; 18B.37, subdivisions 2, 3; 18C.005, subdivision 33,

1.21 by adding subdivisions; 18C.115, subdivision 2; 18C.215, subdivision 1; 18C.221;

1.22 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 18D.301,

1.23 subdivision 1; 28A.10; 28A.21, subdivision 6; 31.74; 31.94; 32D.30; 41B.039,

1.24 subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision

1.25 1b; 41B.045, subdivision 2; 41B.047, subdivision 1; 45.0135, subdivision 7;

1.26 62Q.73, subdivision 3; 116J.396, by adding a subdivision; 216B.16, subdivisions

1.27 6c, 7b; 216B.2402, subdivisions 4, 10, by adding a subdivision; 216B.2403,

1.28 subdivisions 2, 3, 5, 8; 216B.241, subdivisions 1c, 2, 11, 12; 216B.2421,

1.29 subdivision 2; 216B.2425, subdivisions 1, 2, by adding a subdivision; 216B.2427,

1.30 subdivision 1, by adding a subdivision; 216B.243, subdivisions 3, 9; 216B.246,

1.31 subdivision 3; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding

1.32 subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10; 216E.03, as amended; 216E.04,

1.33 as amended; 216F.02; 223.17, subdivision 6; 232.21, subdivisions 3, 7, 11, 12,

1.34 13; Minnesota Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133,

1.35 subdivision 3; 17.134, by adding a subdivision; 18C.421, subdivision 1; 18C.425,

1.36 subdivision 6; 18K.06; 41A.19; 116C.779, subdivision 1; 144.197; 216B.243,

1.37 subdivision 8; 216C.08; 216C.09; 216C.331, subdivision 1; 216C.435, subdivision

1.38 8; 216C.436, subdivisions 1b, 2; 216E.10, subdivision 3; 342.15, by adding a

2.1 subdivision; 342.72; Laws 2023, chapter 43, article 1, sections 2; 4; Laws 2023,  
 2.2 chapter 63, article 9, sections 10; 19; 20; proposing coding for new law in  
 2.3 Minnesota Statutes, chapters 13; 18B; 18C; 216C; 216E; proposing coding for  
 2.4 new law as Minnesota Statutes, chapter 325O; repealing Minnesota Statutes 2022,  
 2.5 sections 3.7371, subdivision 7; 34.07; 216E.08, subdivisions 1, 4; 216F.01,  
 2.6 subdivision 1; 216F.012; 216F.015; 216F.03; Minnesota Statutes 2023 Supplement,  
 2.7 section 216F.04; Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020;  
 2.8 1506.0025; 1506.0030; 1506.0035; 1506.0040; 7850.2400; 7850.3600.

2.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

2.10 **ARTICLE 1**

2.11 **APPROPRIATIONS**

2.12 Section 1. **APPROPRIATIONS.**

2.13 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 2.14 parentheses, subtracted from the appropriations in Laws 2023, chapter 63, article 9, to the  
 2.15 agencies and for the purposes specified in this article. The appropriations are from the  
 2.16 general fund, or another named fund, and are available for the fiscal years indicated for  
 2.17 each purpose. The figures "2024" and "2025" used in this article mean that the addition to  
 2.18 or subtraction from the appropriation listed under them is available for the fiscal year ending  
 2.19 June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The  
 2.20 second year" is fiscal year 2025. Supplemental appropriations and reductions to  
 2.21 appropriations for the fiscal year ending June 30, 2024, are effective the day following final  
 2.22 enactment.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2024</u></b>	<b><u>2025</u></b>

2.27 **Sec. 2. OFFICE OF CANNABIS**  
 2.28 **MANAGEMENT**

\$	<del>0</del>	\$	<b><u>2,727,000</u></b>
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2.29 **(a) Enforcement of Temporary Regulations**

2.30 \$1,107,000 in fiscal year 2025 is for regulation  
 2.31 of products subject to the requirements of  
 2.32 Minnesota Statutes, section 151.72. This is a  
 2.33 onetime appropriation.

2.34 **(b) Product Testing**

2.35 \$771,000 in fiscal year 2025 is for testing  
 2.36 products regulated under Minnesota Statutes,  
 2.37 section 151.72, and chapter 342. The base for

3.1 this appropriation is \$690,000 in fiscal year  
 3.2 2026 and each year thereafter.

3.3 **(c) Reference Laboratory**

3.4 \$849,000 in fiscal year 2025 is to operate a  
 3.5 state reference laboratory. The base for this  
 3.6 appropriation is \$632,000 in fiscal year 2026  
 3.7 and \$696,000 in fiscal year 2027.

3.8	Sec. 3. <b><u>DEPARTMENT OF HEALTH</u></b>	\$	<u>-0-</u>	\$	5,500,000
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3.9 \$5,500,000 in fiscal year 2025 is for the  
 3.10 purposes outlined in Minnesota Statutes,  
 3.11 section 342.72.

3.12 Sec. 4. **ATTORNEY GENERAL.**

3.13 The general fund appropriation base for the attorney general is increased by \$988,000  
 3.14 in fiscal year 2026 and \$748,000 in fiscal year 2027 for staffing and other costs related to  
 3.15 potential violations, compliance monitoring, and enforcement of the Minnesota Consumer  
 3.16 Data Privacy Act.

3.17 Sec. 5. Laws 2023, chapter 63, article 9, section 10, is amended to read:

3.18 Sec. 10. **HEALTH**

3.19					20,252,000
3.20	Subdivision 1. <b>Total Appropriation</b>	\$	3,300,000	\$	<u>17,525,000</u>

3.21 The base for this appropriation is \$19,064,000  
 3.22 \$17,742,000 in fiscal year 2026 and ~~each fiscal~~  
 3.23 ~~year thereafter~~ \$17,678,000 in fiscal year  
 3.24 2027.

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

3.28	Subd. 2. <b><u>Youth Prevention and Education</u></b>				5,000,000
3.29	<b><u>Program</u></b>			-0-	<u>4,363,000</u>

3.30 For administration and grants under Minnesota  
 3.31 Statutes, section 144.197, subdivision 1. Of  
 3.32 the amount appropriated, \$2,863,000 is for

4.1 program operations and administration and  
 4.2 \$1,500,000 is for grants. The base for this  
 4.3 appropriation is \$4,534,000 in fiscal year 2026  
 4.4 and \$4,470,000 in fiscal year 2027.

4.5	<b>Subd. 3. <u>Prevention and Education Grants for</u></b>		<b><u>2,000,000</u></b>
4.6	<b><u>Pregnant or Breastfeeding Individuals</u></b>	-0-	<b><u>1,788,000</u></b>

4.7 For grants under a coordinated prevention and  
 4.8 education program for pregnant and  
 4.9 breastfeeding individuals under Minnesota  
 4.10 Statutes, section 144.197, subdivision 2. The  
 4.11 base for this appropriation is \$1,834,000  
 4.12 beginning in fiscal year 2026.

4.13	<b>Subd. 4. <u>Local and Tribal Health Departments</u></b>	-0-	<b>10,000,000</b>
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4.14 For administration and grants under Minnesota  
 4.15 Statutes, section 144.197, subdivision 4. Of  
 4.16 the amount appropriated, \$1,094,000 is for  
 4.17 administration and \$8,906,000 is for grants.

4.18	<b>Subd. 5. <u>Cannabis Data Collection and Biennial</u></b>		
4.19	<b><u>Reports</u></b>	493,000	493,000

4.20 For reports under Minnesota Statutes, section  
 4.21 144.196.

4.22	<b>Subd. 6. <u>Administration for Expungement</u></b>		
4.23	<b><u>Orders</u></b>	71,000	71,000

4.24 For administration related to orders issued by  
 4.25 the Cannabis Expungement Board. The base  
 4.26 for this appropriation is \$71,000 in fiscal year  
 4.27 2026, \$71,000 in fiscal year 2027, \$71,000 in  
 4.28 fiscal year 2028, \$71,000 in fiscal year 2029,  
 4.29 and \$0 in fiscal year 2030.

4.30	<b>Subd. 7. <u>Grants to the Minnesota Poison Control</u></b>		
4.31	<b><u>System</u></b>	910,000	810,000

4.32 For administration and grants under Minnesota  
 4.33 Statutes, section 145.93. Of the amount

5.1 appropriated in fiscal year 2025, \$15,000 is  
 5.2 for administration and \$795,000 is for grants.

5.3	<b>Subd. 8. Temporary Regulation of Edible</b>		1,107,000
5.4	<b>Products Extracted from Hemp</b>	1,107,000	<u>-0-</u>

5.5 For temporary regulation under the health  
 5.6 enforcement consolidation act of edible  
 5.7 products extracted from hemp. The  
 5.8 commissioner may transfer encumbrances and  
 5.9 unobligated amounts to the Office of Cannabis  
 5.10 Management for this purpose. This is a  
 5.11 onetime appropriation.

5.12			771,000
5.13	<b>Subd. 9. Testing:</b>	719,000	<u>-0-</u>

5.14 For testing of edible cannabinoid products.  
 5.15 ~~The base for this appropriation is \$690,000 in~~  
 5.16 ~~fiscal year 2026 and each fiscal year thereafter.~~  
 5.17 The commissioner may transfer encumbrances  
 5.18 and unobligated amounts to the Office of  
 5.19 Cannabis Management for this purpose.

5.20 Sec. 6. Laws 2023, chapter 63, article 9, section 19, is amended to read:

5.21 **Sec. 19. APPROPRIATION AND BASE REDUCTIONS.**

5.22 ~~(a) The commissioner of management and budget must reduce general fund appropriations~~  
 5.23 ~~to the commissioner of corrections by \$165,000 in fiscal year 2024 and \$368,000 in fiscal~~  
 5.24 ~~year 2025. The commissioner must reduce the base for general fund appropriations to the~~  
 5.25 ~~commissioner of corrections by \$460,000 in fiscal year 2026 and \$503,000 in fiscal year~~  
 5.26 ~~2027.~~

5.27 ~~(b) The commissioner of management and budget must reduce general fund appropriations~~  
 5.28 ~~to the commissioner of health by \$260,000 in fiscal year 2025 for the administration of the~~  
 5.29 ~~medical cannabis program. The commissioner must reduce the base for general fund~~  
 5.30 ~~appropriations to the commissioner of health by \$781,000 in fiscal year 2026 and each fiscal~~  
 5.31 ~~year thereafter.~~

5.32 ~~(c) The commissioner of management and budget must reduce state government special~~  
 5.33 ~~revenue fund appropriations to the commissioner of health by \$1,141,000 in fiscal year~~

6.1 ~~2025 for the administration of the medical cannabis program. The commissioner must reduce~~  
 6.2 ~~the base for state government special revenue fund appropriations to the commissioner of~~  
 6.3 ~~health by \$3,424,000 in fiscal year 2026 and each fiscal year thereafter.~~

6.4 Sec. 7. Laws 2023, chapter 63, article 9, section 20, is amended to read:

6.5 Sec. 20. **TRANSFERS.**

6.6 (a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred  
 6.7 from the general fund to the dual training account in the special revenue fund under  
 6.8 Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal  
 6.9 cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal  
 6.10 year thereafter. The commissioner may use up to six percent of the amount transferred for  
 6.11 administrative costs. The commissioner shall give priority to applications from employers  
 6.12 who are, or who are training employees who are, eligible to be social equity applicants  
 6.13 under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance  
 6.14 from this transfer may be used for grants to any eligible employer under Minnesota Statutes,  
 6.15 section 136A.246.

6.16 (b) ~~\$5,500,000 in fiscal year 2024 and \$5,500,000 in fiscal year 2025 are transferred~~  
 6.17 ~~from the general fund to the substance use treatment, recovery, and prevention grant account~~  
 6.18 ~~established under Minnesota Statutes, section 342.72. The base for this transfer is \$5,500,000~~  
 6.19 ~~in fiscal year 2026 and each fiscal year thereafter.~~

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

## 6.21 **ARTICLE 2**

### 6.22 **CANNABIS AND HEALTH-RELATED RESPONSIBILITIES**

6.23 Section 1. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

#### 6.24 **144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND** 6.25 **EDUCATION PROGRAMS.**

6.26 Subdivision 1. **Youth prevention and education program.** The commissioner of health,  
 6.27 in consultation with the commissioners of human services and education and in collaboration  
 6.28 with local health departments and Tribal health departments, shall conduct a long-term,  
 6.29 coordinated ~~education~~ program to raise public awareness about ~~and address the top three~~  
 6.30 substance misuse prevention, treatment options, and recovery options. The program must  
 6.31 address adverse health effects, ~~as determined by the commissioner~~, associated with the use  
 6.32 of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived

7.1 consumer products by persons under age 25. In conducting this education program, the  
7.2 commissioner shall engage and consult with youth around the state on program content and  
7.3 on methods to effectively disseminate program information to youth around the state.

7.4 Subd. 2. **Prevention and education program for pregnant and breastfeeding**  
7.5 **individuals; and individuals who may become pregnant.** The commissioner of health,  
7.6 in consultation with the commissioners of human services and education, shall conduct a  
7.7 long-term, coordinated prevention program to educate focused on (1) preventing substance  
7.8 use by pregnant individuals, breastfeeding individuals, and individuals who may become  
7.9 pregnant, and (2) raising public awareness of the risks of substance use while pregnant or  
7.10 breastfeeding. The program must include education on the adverse health effects of prenatal  
7.11 exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or  
7.12 hemp-derived consumer products and on the adverse health effects experienced by infants  
7.13 and children who are exposed to cannabis flower, cannabis products, lower-potency hemp  
7.14 edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by  
7.15 ingesting cannabinoid products. This The prevention and education program must also  
7.16 educate individuals on what constitutes a substance use disorder, signs of a substance use  
7.17 disorder, and treatment options for persons with a substance use disorder. The prevention  
7.18 and education program must also provide resources, including training resources, technical  
7.19 assistance, or educational materials, to local public health home visiting programs, Tribal  
7.20 home visiting programs, and child welfare workers.

7.21 Subd. 3. ~~**Home visiting programs.** The commissioner of health shall provide training,~~  
7.22 ~~technical assistance, and education materials to local public health home visiting programs~~  
7.23 ~~and Tribal home visiting programs and child welfare workers regarding the safe and unsafe~~  
7.24 ~~use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived~~  
7.25 ~~consumer products in homes with infants and young children. Training, technical assistance,~~  
7.26 ~~and education materials shall address substance use, the signs of a substance use disorder,~~  
7.27 ~~treatment options for persons with a substance use disorder, the dangers of driving under~~  
7.28 ~~the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or~~  
7.29 ~~hemp-derived consumer products, how to safely consume cannabis flower, cannabis products,~~  
7.30 ~~lower-potency hemp edibles, or hemp-derived consumer products in homes with infants~~  
7.31 ~~and young children, and how to prevent infants and young children from being exposed to~~  
7.32 ~~cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer~~  
7.33 ~~products by ingesting cannabinoid products or through secondhand smoke.~~

7.34 Subd. 4. **Local and Tribal health departments.** The commissioner of health shall  
7.35 distribute grants to local health departments and Tribal health departments for ~~these~~ the

8.1 departments to create and disseminate educational materials on cannabis flower, cannabis  
8.2 products, lower-potency hemp edibles, and hemp-derived consumer products and to provide  
8.3 safe use and prevention training, education, technical assistance, and community engagement  
8.4 regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived  
8.5 consumer products. prevention, education, and recovery programs focusing on substance  
8.6 misuse prevention and treatment options. The programs may include specific cannabis-related  
8.7 initiatives.

8.8 Sec. 2. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a  
8.9 subdivision to read:

8.10 Subd. 1a. **Transmission of fees.** A cannabis business background check account is  
8.11 established as a separate account in the special revenue fund. All fees received by the office  
8.12 under subdivision 1 must be deposited in the account and are appropriated to the office to  
8.13 pay for the criminal records checks conducted by the Bureau of Criminal Apprehension and  
8.14 Federal Bureau of Investigation.

8.15 Sec. 3. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

8.16 **342.72 SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION**  
8.17 **GRANTS.**

8.18 Subdivision 1. ~~Account~~ Grant program established; appropriation. A substance use  
8.19 treatment, recovery, and prevention grant ~~account program~~ is created in the special revenue  
8.20 ~~fund~~ established and must be administered by the commissioner of health. Money in the  
8.21 ~~account, including interest earned, is appropriated to the office for the purposes specified~~  
8.22 ~~in this section. Of the amount transferred from the general fund to the account, the office~~  
8.23 ~~may use up to five percent for administrative expenses.~~

8.24 ~~Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016,~~  
8.25 ~~the office may accept money contributed by individuals and may apply for grants from~~  
8.26 ~~charitable foundations to be used for the purposes identified in this section. The money~~  
8.27 ~~accepted under this section must be deposited in the substance use treatment, recovery, and~~  
8.28 ~~prevention grant account created under subdivision 1.~~

8.29 Subd. 3. **Disposition of money; grants.** (a) ~~Money in the Substance use treatment,~~  
8.30 ~~recovery, and prevention grant account~~ grants must be distributed as follows:

8.31 (1) at least 75 percent of the money is for grants for substance use disorder and mental  
8.32 health recovery and prevention programs. Funds must be used for recovery and prevention



9.1 activities, including substance use prevention for youth, and supplies that assist individuals  
9.2 and families to initiate, stabilize, and maintain long-term recovery from substance use  
9.3 disorders and co-occurring mental health conditions. Recovery and prevention activities  
9.4 may include prevention education, school-linked behavioral health, school-based peer  
9.5 programs, peer supports, self-care and wellness, culturally specific healing, community  
9.6 public awareness, mutual aid networks, telephone recovery checkups, mental health  
9.7 warmlines, harm reduction, recovery community organization development, first episode  
9.8 psychosis programs, and recovery housing; and

9.9 (2) up to 25 percent of the money is for substance use disorder treatment programs as  
9.10 defined in chapter 245G and may be used to implement, strengthen, or expand supportive  
9.11 services and activities that are not covered by medical assistance under chapter 256B,  
9.12 MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B.  
9.13 Services and activities may include adoption or expansion of evidence-based practices;  
9.14 competency-based training; continuing education; culturally specific and culturally responsive  
9.15 services; sober recreational activities; developing referral relationships; family preservation  
9.16 and healing; and start-up or capacity funding for programs that specialize in adolescent,  
9.17 culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family  
9.18 treatment services.

9.19 (b) ~~The office~~ commissioner of health shall consult with the Governor's Advisory Council  
9.20 on Opioids, Substance Use, and Addiction; the commissioner of human services; and ~~the~~  
9.21 ~~commissioner of health~~ the Office of Cannabis Management to develop an appropriate  
9.22 application process, establish grant requirements, determine what organizations are eligible  
9.23 to receive grants, and establish reporting requirements for grant recipients.

9.24 Subd. 4. **Reports to the legislature.** By January 15, ~~2024~~, and each January 15 thereafter  
9.25 year, ~~the office~~ commissioner of health must submit a report to the chairs and ranking  
9.26 minority members of the committees of the house of representatives and the senate having  
9.27 jurisdiction over health and human services policy and finance that details ~~grants awarded~~  
9.28 ~~from~~ the substance use treatment, recovery, and prevention ~~grant account~~ grants awarded,  
9.29 including the total amount awarded, total number of recipients, and geographic distribution  
9.30 of those recipients. Notwithstanding section 144.05, subdivision 7, the reporting requirement  
9.31 under this subdivision does not expire.

9.32 Sec. 4. **REPORT BY THE COMMISSIONER OF COMMERCE.**

9.33 By January 30, 2025, the commissioner of commerce must report to the chairs and  
9.34 ranking minority members of the legislative committees with jurisdiction over commerce,

10.1 health, and human services, regarding the balance of the premium security plan account  
 10.2 under Minnesota Statutes, section 62E.25, subdivision 1, the estimated cost to continue the  
 10.3 premium security plan, and the plan's future interactions with public health programs. The  
 10.4 report must include an assessment of potential alternatives that would be available upon  
 10.5 expiration of the current waiver.

10.6 **ARTICLE 3**

10.7 **INSURANCE ASSESSMENTS AND FEES**

10.8 Section 1. Minnesota Statutes 2022, section 45.0135, subdivision 7, is amended to read:

10.9 Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota,  
 10.10 including surplus lines carriers, and having Minnesota earned premium the previous calendar  
 10.11 year shall remit an assessment to the commissioner for deposit in the insurance fraud  
 10.12 prevention account on or before June 1 of each year. The amount of the assessment shall  
 10.13 be based on the insurer's total assets and on the insurer's total written Minnesota premium,  
 10.14 for the preceding fiscal year, as reported pursuant to section 60A.13. ~~The assessment is~~  
 10.15 ~~calculated to be an amount up to the following~~ Beginning with the payment due on or before  
 10.16 June 1, 2024, the assessment amount is:

Total Assets	Assessment
	200
Less than \$100,000,000	\$ <u>400</u>
	750
\$100,000,000 to \$1,000,000,000	\$ <u>1,500</u>
	2,000
Over \$1,000,000,000	\$ <u>4,000</u>
Minnesota Written Premium	Assessment
	200
Less than \$10,000,000	\$ <u>400</u>
	750
\$10,000,000 to \$100,000,000	\$ <u>1,500</u>
	2,000
Over \$100,000,000	\$ <u>4,000</u>

10.31 For purposes of this subdivision, the following entities are not considered to be insurers  
 10.32 authorized to sell insurance in the state of Minnesota: risk retention groups; or township  
 10.33 mutuals organized under chapter 67A.

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

11.1 Sec. 2. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

11.2 Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an  
 11.3 enrollee who has received an adverse determination may submit a written request for an  
 11.4 external review of the adverse determination, if applicable under section 62Q.68, subdivision  
 11.5 1, or 62M.06, to the commissioner of health if the request involves a health plan company  
 11.6 regulated by that commissioner or to the commissioner of commerce if the request involves  
 11.7 a health plan company regulated by that commissioner. Notification of the enrollee's right  
 11.8 to external review must accompany the denial issued by the insurer. ~~The written request~~  
 11.9 ~~must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner~~  
 11.10 ~~of health or commerce in cases of financial hardship and must be refunded if the adverse~~  
 11.11 ~~determination is completely reversed. No enrollee may be subject to filing fees totaling~~  
 11.12 ~~more than \$75 during a plan year for group coverage or policy year for individual coverage.~~

11.13 (b) Nothing in this section requires the commissioner of health or commerce to  
 11.14 independently investigate an adverse determination referred for independent external review.

11.15 (c) If an enrollee requests an external review, the health plan company must participate  
 11.16 in the external review. The cost of the external review ~~in excess of the filing fee described~~  
 11.17 ~~in paragraph (a) shall~~ must be borne by the health plan company.

11.18 (d) The enrollee must request external review within six months from the date of the  
 11.19 adverse determination.

## 11.20 ARTICLE 4

### 11.21 CONSUMER DATA PRIVACY

11.22 Section 1. [13.6505] ATTORNEY GENERAL DATA CODED ELSEWHERE.

11.23 Subdivision 1. Scope. The section referred to in this section is codified outside this  
 11.24 chapter. Those sections classify attorney general data as other than public, place restrictions  
 11.25 on access to government data, or involve data sharing.

11.26 Subd. 2. Data privacy and protection assessments. A data privacy and protection  
 11.27 assessment collected or maintained by the attorney general is classified under section  
 11.28 3250.08.

11.29 Sec. 2. [3250.01] CITATION.

11.30 This chapter may be cited as the "Minnesota Consumer Data Privacy Act."

12.1 Sec. 3. 3250.02] DEFINITIONS.

12.2 (a) For purposes of this chapter, the following terms have the meanings given.

12.3 (b) "Affiliate" means a legal entity that controls, is controlled by, or is under common  
12.4 control with another legal entity. For purposes of this paragraph, "control" or "controlled"  
12.5 means: ownership of or the power to vote more than 50 percent of the outstanding shares  
12.6 of any class of voting security of a company; control in any manner over the election of a  
12.7 majority of the directors or of individuals exercising similar functions; or the power to  
12.8 exercise a controlling influence over the management of a company.

12.9 (c) "Authenticate" means to use reasonable means to determine that a request to exercise  
12.10 any of the rights under section 3250.05, subdivision 1, paragraphs (b) to (h), is being made  
12.11 by or rightfully on behalf of the consumer who is entitled to exercise the rights with respect  
12.12 to the personal data at issue.

12.13 (d) "Biometric data" means data generated by automatic measurements of an individual's  
12.14 biological characteristics, including a fingerprint, a voiceprint, eye retinas, irises, or other  
12.15 unique biological patterns or characteristics that are used to identify a specific individual.

12.16 Biometric data does not include:

12.17 (1) a digital or physical photograph;

12.18 (2) an audio or video recording; or

12.19 (3) any data generated from a digital or physical photograph, or an audio or video  
12.20 recording, unless the data is generated to identify a specific individual.

12.21 (e) "Child" has the meaning given in United States Code, title 15, section 6501.

12.22 (f) "Consent" means any freely given, specific, informed, and unambiguous indication  
12.23 of the consumer's wishes by which the consumer signifies agreement to the processing of  
12.24 personal data relating to the consumer. Acceptance of a general or broad terms of use or  
12.25 similar document that contains descriptions of personal data processing along with other,  
12.26 unrelated information does not constitute consent. Hovering over, muting, pausing, or closing  
12.27 a given piece of content does not constitute consent. A consent is not valid when the  
12.28 consumer's indication has been obtained by a dark pattern. A consumer may revoke consent  
12.29 previously given, consistent with this chapter.

12.30 (g) "Consumer" means a natural person who is a Minnesota resident acting only in an  
12.31 individual or household context. Consumer does not include a natural person acting in a  
12.32 commercial or employment context.

13.1 (h) "Controller" means the natural or legal person who, alone or jointly with others,  
13.2 determines the purposes and means of the processing of personal data.

13.3 (i) "Decisions that produce legal or similarly significant effects concerning the consumer"  
13.4 means decisions made by the controller that result in the provision or denial by the controller  
13.5 of financial or lending services, housing, insurance, education enrollment or opportunity,  
13.6 criminal justice, employment opportunities, health care services, or access to essential goods  
13.7 or services.

13.8 (j) "Dark pattern" means a user interface designed or manipulated with the substantial  
13.9 effect of subverting or impairing user autonomy, decision making, or choice.

13.10 (k) "Deidentified data" means data that cannot reasonably be used to infer information  
13.11 about or otherwise be linked to an identified or identifiable natural person or a device linked  
13.12 to an identified or identifiable natural person, provided that the controller that possesses the  
13.13 data:

13.14 (1) takes reasonable measures to ensure that the data cannot be associated with a natural  
13.15 person;

13.16 (2) publicly commits to process the data only in a deidentified fashion and not attempt  
13.17 to reidentify the data; and

13.18 (3) contractually obligates any recipients of the information to comply with all provisions  
13.19 of this paragraph.

13.20 (l) "Delete" means to remove or destroy information so that it is not maintained in human-  
13.21 or machine-readable form and cannot be retrieved or utilized in the ordinary course of  
13.22 business.

13.23 (m) "Genetic information" has the meaning given in section 13.386, subdivision 1.

13.24 (n) "Identified or identifiable natural person" means a person who can be readily  
13.25 identified, directly or indirectly.

13.26 (o) "Known child" means a person under circumstances where a controller has actual  
13.27 knowledge of, or willfully disregards, that the person is under 13 years of age.

13.28 (p) "Personal data" means any information that is linked or reasonably linkable to an  
13.29 identified or identifiable natural person. Personal data does not include deidentified data or  
13.30 publicly available information. For purposes of this paragraph, "publicly available  
13.31 information" means information that (1) is lawfully made available from federal, state, or

14.1 local government records or widely distributed media, or (2) a controller has a reasonable  
14.2 basis to believe has lawfully been made available to the general public.

14.3 (q) "Process" or "processing" means any operation or set of operations that are performed  
14.4 on personal data or on sets of personal data, whether or not by automated means, including  
14.5 but not limited to the collection, use, storage, disclosure, analysis, deletion, or modification  
14.6 of personal data.

14.7 (r) "Processor" means a natural or legal person who processes personal data on behalf  
14.8 of a controller.

14.9 (s) "Profiling" means any form of automated processing of personal data to evaluate,  
14.10 analyze, or predict personal aspects related to an identified or identifiable natural person's  
14.11 economic situation, health, personal preferences, interests, reliability, behavior, location,  
14.12 or movements.

14.13 (t) "Pseudonymous data" means personal data that cannot be attributed to a specific  
14.14 natural person without the use of additional information, provided that the additional  
14.15 information is kept separately and is subject to appropriate technical and organizational  
14.16 measures to ensure that the personal data are not attributed to an identified or identifiable  
14.17 natural person.

14.18 (u) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other  
14.19 valuable consideration by the controller to a third party. Sale does not include the following:

14.20 (1) the disclosure of personal data to a processor who processes the personal data on  
14.21 behalf of the controller;

14.22 (2) the disclosure of personal data to a third party for purposes of providing a product  
14.23 or service requested by the consumer;

14.24 (3) the disclosure or transfer of personal data to an affiliate of the controller;

14.25 (4) the disclosure of information that the consumer intentionally made available to the  
14.26 general public via a channel of mass media and did not restrict to a specific audience;

14.27 (5) the disclosure or transfer of personal data to a third party as an asset that is part of a  
14.28 completed or proposed merger, acquisition, bankruptcy, or other transaction in which the  
14.29 third party assumes control of all or part of the controller's assets; or

14.30 (6) the exchange of personal data between the producer of a good or service and  
14.31 authorized agents of the producer who sell and service the goods and services, to enable

15.1 the cooperative provisioning of goods and services by both the producer and the producer's  
15.2 agents.

15.3 (v) Sensitive data is a form of personal data. "Sensitive data" means:

15.4 (1) personal data revealing racial or ethnic origin, religious beliefs, mental or physical  
15.5 health condition or diagnosis, sexual orientation, or citizenship or immigration status;

15.6 (2) the processing of biometric data or genetic information for the purpose of uniquely  
15.7 identifying an individual;

15.8 (3) the personal data of a known child; or

15.9 (4) specific geolocation data.

15.10 (w) "Specific geolocation data" means information derived from technology, including  
15.11 but not limited to global positioning system level latitude and longitude coordinates or other  
15.12 mechanisms, that directly identifies the geographic coordinates of a consumer or a device  
15.13 linked to a consumer with an accuracy of more than three decimal degrees of latitude and  
15.14 longitude or the equivalent in an alternative geographic coordinate system, or a street address  
15.15 derived from the coordinates. Specific geolocation data does not include the content of  
15.16 communications, the contents of databases containing street address information which are  
15.17 accessible to the public as authorized by law, or any data generated by or connected to  
15.18 advanced utility metering infrastructure systems or other equipment for use by a public  
15.19 utility.

15.20 (x) "Targeted advertising" means displaying advertisements to a consumer where the  
15.21 advertisement is selected based on personal data obtained or inferred from the consumer's  
15.22 activities over time and across nonaffiliated websites or online applications to predict the  
15.23 consumer's preferences or interests. Targeted advertising does not include:

15.24 (1) advertising based on activities within a controller's own websites or online  
15.25 applications;

15.26 (2) advertising based on the context of a consumer's current search query or visit to a  
15.27 website or online application;

15.28 (3) advertising to a consumer in response to the consumer's request for information or  
15.29 feedback; or

15.30 (4) processing personal data solely for measuring or reporting advertising performance,  
15.31 reach, or frequency.

16.1 (y) "Third party" means a natural or legal person, public authority, agency, or body other  
16.2 than the consumer, controller, processor, or an affiliate of the processor or the controller.

16.3 (z) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

16.4 Sec. 4. **[3250.03] SCOPE; EXCLUSIONS.**

16.5 Subdivision 1. Scope. (a) This chapter applies to legal entities that conduct business in  
16.6 Minnesota or produce products or services that are targeted to residents of Minnesota, and  
16.7 that satisfy one or more of the following thresholds:

16.8 (1) during a calendar year, controls or processes personal data of 100,000 consumers or  
16.9 more, excluding personal data controlled or processed solely for the purpose of completing  
16.10 a payment transaction; or

16.11 (2) derives over 25 percent of gross revenue from the sale of personal data and processes  
16.12 or controls personal data of 25,000 consumers or more.

16.13 (b) A controller or processor acting as a technology provider under section 13.32 shall  
16.14 comply with this chapter and section 13.32, except that when the provisions of section 13.32  
16.15 conflict with this chapter, section 13.32 prevails.

16.16 Subd. 2. Exclusions. (a) This chapter does not apply to the following entities, activities,  
16.17 or types of information:

16.18 (1) a government entity, as defined by section 13.02, subdivision 7a;

16.19 (2) a federally recognized Indian tribe;

16.20 (3) information that meets the definition of:

16.21 (i) protected health information, as defined by and for purposes of the Health Insurance  
16.22 Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

16.23 (ii) health records, as defined in section 144.291, subdivision 2;

16.24 (iii) patient identifying information for purposes of Code of Federal Regulations, title  
16.25 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

16.26 (iv) identifiable private information for purposes of the federal policy for the protection  
16.27 of human subjects, Code of Federal Regulations, title 45, part 46; identifiable private  
16.28 information that is otherwise information collected as part of human subjects research  
16.29 pursuant to the good clinical practice guidelines issued by the International Council for  
16.30 Harmonisation; the protection of human subjects under Code of Federal Regulations, title



17.1 21, parts 50 and 56; or personal data used or shared in research conducted in accordance  
17.2 with one or more of the requirements set forth in this paragraph;

17.3 (v) information and documents created for purposes of the federal Health Care Quality  
17.4 Improvement Act of 1986, Public Law 99-660, and related regulations; or

17.5 (vi) patient safety work product for purposes of Code of Federal Regulations, title 42,  
17.6 part 3, established pursuant to United States Code, title 42, sections 299b-21 to 299b-26;

17.7 (4) information that is derived from any of the health care-related information listed in  
17.8 clause (3), but that has been deidentified in accordance with the requirements for  
17.9 deidentification set forth in Code of Federal Regulations, title 45, part 164;

17.10 (5) information originating from, and intermingled to be indistinguishable with, any of  
17.11 the health care-related information listed in clause (3) that is maintained by:

17.12 (i) a covered entity or business associate, as defined by the Health Insurance Portability  
17.13 and Accountability Act of 1996, Public Law 104-191, and related regulations;

17.14 (ii) a health care provider, as defined in section 144.291, subdivision 2; or

17.15 (iii) a program or a qualified service organization, as defined by Code of Federal  
17.16 Regulations, title 42, part 2, established pursuant to United States Code, title 42, section  
17.17 290dd-2;

17.18 (6) information that is:

17.19 (i) maintained by an entity that meets the definition of health care provider under Code  
17.20 of Federal Regulations, title 45, section 160.103, to the extent that the entity maintains the  
17.21 information in the manner required of covered entities with respect to protected health  
17.22 information for purposes of the Health Insurance Portability and Accountability Act of  
17.23 1996, Public Law 104-191, and related regulations;

17.24 (ii) included in a limited data set, as described under Code of Federal Regulations, title  
17.25 45, part 164.514(e), to the extent that the information is used, disclosed, and maintained in  
17.26 the manner specified by that part;

17.27 (iii) maintained by, or maintained to comply with the rules or orders of, a self-regulatory  
17.28 organization as defined by United States Code, title 15, section 78c(a)(26); or

17.29 (iv) originated from, or intermingled with, information described in clause (9) and that  
17.30 a licensed residential mortgage originator, as defined under section 58.02, subdivision 19,  
17.31 or residential mortgage servicer, as defined under section 58.02, subdivision 20, collects,

18.1 processes, uses, or maintains in the same manner as required under the laws and regulations  
18.2 specified in clause (9);

18.3 (7) information used only for public health activities and purposes, as described under  
18.4 Code of Federal Regulations, title 45, part 164.512;

18.5 (8) an activity involving the collection, maintenance, disclosure, sale, communication,  
18.6 or use of any personal data bearing on a consumer's credit worthiness, credit standing, credit  
18.7 capacity, character, general reputation, personal characteristics, or mode of living by a  
18.8 consumer reporting agency, as defined in United States Code, title 15, section 1681a(f), by  
18.9 a furnisher of information, as set forth in United States Code, title 15, section 1681s-2, who  
18.10 provides information for use in a consumer report, as defined in United States Code, title  
18.11 15, section 1681a(d), and by a user of a consumer report, as set forth in United States Code,  
18.12 title 15, section 1681b, except that information is only excluded under this paragraph to the  
18.13 extent that the activity involving the collection, maintenance, disclosure, sale, communication,  
18.14 or use of the information by the agency, furnisher, or user is subject to regulation under the  
18.15 federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x, and  
18.16 the information is not collected, maintained, used, communicated, disclosed, or sold except  
18.17 as authorized by the Fair Credit Reporting Act;

18.18 (9) personal data collected, processed, sold, or disclosed pursuant to the federal  
18.19 Gramm-Leach-Bliley Act, Public Law 106-102, and implementing regulations, if the  
18.20 collection, processing, sale, or disclosure is in compliance with that law;

18.21 (10) personal data collected, processed, sold, or disclosed pursuant to the federal Driver's  
18.22 Privacy Protection Act of 1994, United States Code, title 18, sections 2721 to 2725, if the  
18.23 collection, processing, sale, or disclosure is in compliance with that law;

18.24 (11) personal data regulated by the federal Family Educational Rights and Privacy Act,  
18.25 United States Code, title 20, section 1232g, and implementing regulations;

18.26 (12) personal data collected, processed, sold, or disclosed pursuant to the federal Farm  
18.27 Credit Act of 1971, as amended, United States Code, title 12, sections 2001 to 2279cc, and  
18.28 implementing regulations, Code of Federal Regulations, title 12, part 600, if the collection,  
18.29 processing, sale, or disclosure is in compliance with that law;

18.30 (13) data collected or maintained:

18.31 (i) in the course of an individual acting as a job applicant to or an employee, owner,  
18.32 director, officer, medical staff member, or contractor of a business if the data is collected  
18.33 and used solely within the context of the role;

19.1 (ii) as the emergency contact information of an individual under item (i) if used solely  
19.2 for emergency contact purposes; or

19.3 (iii) that is necessary for the business to retain to administer benefits for another individual  
19.4 relating to the individual under item (i) if used solely for the purposes of administering those  
19.5 benefits;

19.6 (14) personal data collected, processed, sold, or disclosed pursuant to the Minnesota  
19.7 Insurance Fair Information Reporting Act in sections 72A.49 to 72A.505;

19.8 (15) data collected, processed, sold, or disclosed as part of a payment-only credit, check,  
19.9 or cash transaction where no data about consumers, as defined in section 325O.02, are  
19.10 retained;

19.11 (16) a state or federally chartered bank or credit union, or an affiliate or subsidiary that  
19.12 is principally engaged in financial activities, as described in United States Code, title 12,  
19.13 section 1843(k);

19.14 (17) information that originates from, or is intermingled so as to be indistinguishable  
19.15 from, information described in clause (8) and that a person licensed under chapter 56 collects,  
19.16 processes, uses, or maintains in the same manner as is required under the laws and regulations  
19.17 specified in clause (8);

19.18 (18) an insurance company, as defined in section 60A.02, subdivision 4, an insurance  
19.19 producer, as defined in section 60K.31, subdivision 6, a third-party administrator of  
19.20 self-insurance, or an affiliate or subsidiary of any entity identified in this clause that is  
19.21 principally engaged in financial activities, as described in United States Code, title 12,  
19.22 section 1843(k), except that this clause does not apply to a person that, alone or in  
19.23 combination with another person, establishes and maintains a self-insurance program that  
19.24 does not otherwise engage in the business of entering into policies of insurance;

19.25 (19) a small business, as defined by the United States Small Business Administration  
19.26 under Code of Federal Regulations, title 13, part 121, except that a small business identified  
19.27 in this clause is subject to section 325O.075;

19.28 (20) a nonprofit organization that is established to detect and prevent fraudulent acts in  
19.29 connection with insurance; and

19.30 (21) an air carrier subject to the federal Airline Deregulation Act, Public Law 95-504,  
19.31 only to the extent that an air carrier collects personal data related to prices, routes, or services  
19.32 and only to the extent that the provisions of the Airline Deregulation Act preempt the  
19.33 requirements of this chapter.

20.1 (b) Controllers that are in compliance with the Children's Online Privacy Protection Act,  
20.2 United States Code, title 15, sections 6501 to 6506, and implementing regulations, shall be  
20.3 deemed compliant with any obligation to obtain parental consent under this chapter.

20.4 **Sec. 5. [325O.04] RESPONSIBILITY ACCORDING TO ROLE.**

20.5 (a) Controllers and processors are responsible for meeting the respective obligations  
20.6 established under this chapter.

20.7 (b) Processors are responsible under this chapter for adhering to the instructions of the  
20.8 controller and assisting the controller to meet the controller's obligations under this chapter.  
20.9 Assistance under this paragraph shall include the following:

20.10 (1) taking into account the nature of the processing, the processor shall assist the controller  
20.11 by appropriate technical and organizational measures, insofar as this is possible, for the  
20.12 fulfillment of the controller's obligation to respond to consumer requests to exercise their  
20.13 rights pursuant to section 325O.05; and

20.14 (2) taking into account the nature of processing and the information available to the  
20.15 processor, the processor shall assist the controller in meeting the controller's obligations in  
20.16 relation to the security of processing the personal data and in relation to the notification of  
20.17 a breach of the security of the system pursuant to section 325E.61, and shall provide  
20.18 information to the controller necessary to enable the controller to conduct and document  
20.19 any data privacy and protection assessments required by section 325O.08.

20.20 (c) A contract between a controller and a processor shall govern the processor's data  
20.21 processing procedures with respect to processing performed on behalf of the controller. The  
20.22 contract shall be binding and clearly set forth instructions for processing data, the nature  
20.23 and purpose of processing, the type of data subject to processing, the duration of processing,  
20.24 and the rights and obligations of both parties. The contract shall also require that the  
20.25 processor:

20.26 (1) ensure that each person processing the personal data is subject to a duty of  
20.27 confidentiality with respect to the data; and

20.28 (2) engage a subcontractor only (i) after providing the controller with an opportunity to  
20.29 object, and (ii) pursuant to a written contract in accordance with paragraph (e) that requires  
20.30 the subcontractor to meet the obligations of the processor with respect to the personal data.

20.31 (d) Taking into account the context of processing, the controller and the processor shall  
20.32 implement appropriate technical and organizational measures to ensure a level of security

21.1 appropriate to the risk and establish a clear allocation of the responsibilities between the  
21.2 controller and the processor to implement the technical and organizational measures.

21.3 (e) Processing by a processor shall be governed by a contract between the controller and  
21.4 the processor that is binding on both parties and that sets out the processing instructions to  
21.5 which the processor is bound, including the nature and purpose of the processing, the type  
21.6 of personal data subject to the processing, the duration of the processing, and the obligations  
21.7 and rights of both parties. The contract shall include the requirements imposed by this  
21.8 paragraph, paragraphs (c) and (d), as well as the following requirements:

21.9 (1) at the choice of the controller, the processor shall delete or return all personal data  
21.10 to the controller as requested at the end of the provision of services, unless retention of the  
21.11 personal data is required by law;

21.12 (2) upon a reasonable request from the controller, the processor shall make available to  
21.13 the controller all information necessary to demonstrate compliance with the obligations in  
21.14 this chapter; and

21.15 (3) the processor shall allow for, and contribute to, reasonable assessments and inspections  
21.16 by the controller or the controller's designated assessor. Alternatively, the processor may  
21.17 arrange for a qualified and independent assessor to conduct, at least annually and at the  
21.18 processor's expense, an assessment of the processor's policies and technical and organizational  
21.19 measures in support of the obligations under this chapter. The assessor must use an  
21.20 appropriate and accepted control standard or framework and assessment procedure for  
21.21 assessments as applicable, and shall provide a report of an assessment to the controller upon  
21.22 request.

21.23 (f) In no event shall any contract relieve a controller or a processor from the liabilities  
21.24 imposed on a controller or processor by virtue of the controller's or processor's roles in the  
21.25 processing relationship under this chapter.

21.26 (g) Determining whether a person is acting as a controller or processor with respect to  
21.27 a specific processing of data is a fact-based determination that depends upon the context in  
21.28 which personal data are to be processed. A person that is not limited in the person's processing  
21.29 of personal data pursuant to a controller's instructions, or that fails to adhere to a controller's  
21.30 instructions, is a controller and not a processor with respect to a specific processing of data.  
21.31 A processor that continues to adhere to a controller's instructions with respect to a specific  
21.32 processing of personal data remains a processor. If a processor begins, alone or jointly with  
21.33 others, determining the purposes and means of the processing of personal data, the processor  
21.34 is a controller with respect to the processing.

22.1 Sec. 6. **[3250.05] CONSUMER PERSONAL DATA RIGHTS.**

22.2 Subdivision 1. Consumer rights provided. (a) Except as provided in this chapter, a  
22.3 controller must comply with a request to exercise the consumer rights provided in this  
22.4 subdivision.

22.5 (b) A consumer has the right to confirm whether or not a controller is processing personal  
22.6 data concerning the consumer and access the categories of personal data the controller is  
22.7 processing.

22.8 (c) A consumer has the right to correct inaccurate personal data concerning the consumer,  
22.9 taking into account the nature of the personal data and the purposes of the processing of the  
22.10 personal data.

22.11 (d) A consumer has the right to delete personal data concerning the consumer.

22.12 (e) A consumer has the right to obtain personal data concerning the consumer, which  
22.13 the consumer previously provided to the controller, in a portable and, to the extent technically  
22.14 feasible, readily usable format that allows the consumer to transmit the data to another  
22.15 controller without hindrance, where the processing is carried out by automated means.

22.16 (f) A consumer has the right to opt out of the processing of personal data concerning  
22.17 the consumer for purposes of targeted advertising, the sale of personal data, or profiling in  
22.18 furtherance of automated decisions that produce legal effects concerning a consumer or  
22.19 similarly significant effects concerning a consumer.

22.20 (g) If a consumer's personal data is profiled in furtherance of decisions that produce  
22.21 legal effects concerning a consumer or similarly significant effects concerning a consumer,  
22.22 the consumer has the right to question the result of the profiling, to be informed of the reason  
22.23 that the profiling resulted in the decision, and, if feasible, to be informed of what actions  
22.24 the consumer might have taken to secure a different decision and the actions that the  
22.25 consumer might take to secure a different decision in the future. The consumer has the right  
22.26 to review the consumer's personal data used in the profiling. If the decision is determined  
22.27 to have been based upon inaccurate personal data, taking into account the nature of the  
22.28 personal data and the purposes of the processing of the personal data, the consumer has the  
22.29 right to have the data corrected and the profiling decision reevaluated based upon the  
22.30 corrected data.

22.31 (h) A consumer has a right to obtain a list of the specific third parties to which the  
22.32 controller has disclosed the consumer's personal data. If the controller does not maintain

23.1 the information in a format specific to the consumer, a list of specific third parties to whom  
23.2 the controller has disclosed any consumers' personal data may be provided instead.

23.3 Subd. 2. **Exercising consumer rights.** (a) A consumer may exercise the rights set forth  
23.4 in this section by submitting a request, at any time, to a controller specifying which rights  
23.5 the consumer wishes to exercise.

23.6 (b) In the case of processing personal data concerning a known child, the parent or legal  
23.7 guardian of the known child may exercise the rights of this chapter on the child's behalf.

23.8 (c) In the case of processing personal data concerning a consumer legally subject to  
23.9 guardianship or conservatorship under sections 524.5-101 to 524.5-502, the guardian or the  
23.10 conservator of the consumer may exercise the rights of this chapter on the consumer's behalf.

23.11 (d) A consumer may designate another person as the consumer's authorized agent to  
23.12 exercise the consumer's right to opt out of the processing of the consumer's personal data  
23.13 for purposes of targeted advertising and sale under subdivision 1, paragraph (f), on the  
23.14 consumer's behalf. A consumer may designate an authorized agent by way of, among other  
23.15 things, a technology, including but not limited to an Internet link or a browser setting,  
23.16 browser extension, or global device setting, indicating the consumer's intent to opt out of  
23.17 the processing. A controller shall comply with an opt-out request received from an authorized  
23.18 agent if the controller is able to verify, with commercially reasonable effort, the identity of  
23.19 the consumer and the authorized agent's authority to act on the consumer's behalf.

23.20 Subd. 3. **Universal opt-out mechanisms.** (a) A controller must allow a consumer to opt  
23.21 out of any processing of the consumer's personal data for the purposes of targeted advertising,  
23.22 or any sale of the consumer's personal data through an opt-out preference signal sent, with  
23.23 the consumer's consent, by a platform, technology, or mechanism to the controller indicating  
23.24 the consumer's intent to opt out of the processing or sale. The platform, technology, or  
23.25 mechanism must:

23.26 (1) not unfairly disadvantage another controller;

23.27 (2) not make use of a default setting, but require the consumer to make an affirmative,  
23.28 freely given, and unambiguous choice to opt out of the processing of the consumer's personal  
23.29 data;

23.30 (3) be consumer-friendly and easy to use by the average consumer;

23.31 (4) be as consistent as possible with any other similar platform, technology, or mechanism  
23.32 required by any federal or state law or regulation; and

24.1 (5) enable the controller to accurately determine whether the consumer is a Minnesota  
24.2 resident and whether the consumer has made a legitimate request to opt out of any sale of  
24.3 the consumer's personal data or targeted advertising. For purposes of this paragraph, the  
24.4 use of an Internet protocol address to estimate the consumer's location is sufficient to  
24.5 determine the consumer's residence.

24.6 (b) If a consumer's opt-out request is exercised through the platform, technology, or  
24.7 mechanism required under paragraph (a), and the request conflicts with the consumer's  
24.8 existing controller-specific privacy setting or voluntary participation in a controller's bona  
24.9 fide loyalty, rewards, premium features, discounts, or club card program, the controller  
24.10 must comply with the consumer's opt-out preference signal but may also notify the consumer  
24.11 of the conflict and provide the consumer a choice to confirm the controller-specific privacy  
24.12 setting or participation in the controller's program.

24.13 (c) The platform, technology, or mechanism required under paragraph (a) is subject to  
24.14 the requirements of subdivision 4.

24.15 (d) A controller that recognizes opt-out preference signals that have been approved by  
24.16 other state laws or regulations is in compliance with this subdivision.

24.17 Subd. 4. **Controller response to consumer requests.** (a) Except as provided in this  
24.18 chapter, a controller must comply with a request to exercise the rights pursuant to subdivision  
24.19 1.

24.20 (b) A controller must provide one or more secure and reliable means for consumers to  
24.21 submit a request to exercise the consumer's rights under this section. The means made  
24.22 available must take into account the ways in which consumers interact with the controller  
24.23 and the need for secure and reliable communication of the requests.

24.24 (c) A controller may not require a consumer to create a new account in order to exercise  
24.25 a right, but a controller may require a consumer to use an existing account to exercise the  
24.26 consumer's rights under this section.

24.27 (d) A controller must comply with a request to exercise the right in subdivision 1,  
24.28 paragraph (f), as soon as feasibly possible, but no later than 45 days of receipt of the request.

24.29 (e) A controller must inform a consumer of any action taken on a request under  
24.30 subdivision 1 without undue delay and in any event within 45 days of receipt of the request.  
24.31 That period may be extended once by 45 additional days where reasonably necessary, taking  
24.32 into account the complexity and number of the requests. The controller must inform the



25.1 consumer of any extension within 45 days of receipt of the request, together with the reasons  
25.2 for the delay.

25.3 (f) If a controller does not take action on a consumer's request, the controller must inform  
25.4 the consumer without undue delay and at the latest within 45 days of receipt of the request  
25.5 of the reasons for not taking action and instructions for how to appeal the decision with the  
25.6 controller as described in subdivision 5.

25.7 (g) Information provided under this section must be provided by the controller free of  
25.8 charge up to twice annually to the consumer. Where requests from a consumer are manifestly  
25.9 unfounded or excessive, in particular because of the repetitive character of the requests, the  
25.10 controller may either charge a reasonable fee to cover the administrative costs of complying  
25.11 with the request, or refuse to act on the request. The controller bears the burden of  
25.12 demonstrating the manifestly unfounded or excessive character of the request.

25.13 (h) A controller is not required to comply with a request to exercise any of the rights  
25.14 under subdivision 1, paragraphs (b) to (h), if the controller is unable to authenticate the  
25.15 request using commercially reasonable efforts. In such cases, the controller may request  
25.16 the provision of additional information reasonably necessary to authenticate the request. A  
25.17 controller is not required to authenticate an opt-out request, but a controller may deny an  
25.18 opt-out request if the controller has a good faith, reasonable, and documented belief that  
25.19 the request is fraudulent. If a controller denies an opt-out request because the controller  
25.20 believes a request is fraudulent, the controller must notify the person who made the request  
25.21 that the request was denied due to the controller's belief that the request was fraudulent and  
25.22 state the controller's basis for that belief.

25.23 (i) In response to a consumer request under subdivision 1, a controller must not disclose  
25.24 the following information about a consumer, but must instead inform the consumer with  
25.25 sufficient particularity that the controller has collected that type of information:

25.26 (1) Social Security number;

25.27 (2) driver's license number or other government-issued identification number;

25.28 (3) financial account number;

25.29 (4) health insurance account number or medical identification number;

25.30 (5) account password, security questions, or answers; or

25.31 (6) biometric data.

26.1 (j) In response to a consumer request under subdivision 1, a controller is not required  
26.2 to reveal any trade secret.

26.3 (k) A controller that has obtained personal data about a consumer from a source other  
26.4 than the consumer may comply with a consumer's request to delete the consumer's personal  
26.5 data pursuant to subdivision 1, paragraph (d), by either:

26.6 (1) retaining a record of the deletion request, retaining the minimum data necessary for  
26.7 the purpose of ensuring the consumer's personal data remains deleted from the business's  
26.8 records, and not using the retained data for any other purpose pursuant to the provisions of  
26.9 this chapter; or

26.10 (2) opting the consumer out of the processing of personal data for any purpose except  
26.11 for the purposes exempted pursuant to the provisions of this chapter.

26.12 Subd. 5. **Appeal process required.** (a) A controller must establish an internal process  
26.13 whereby a consumer may appeal a refusal to take action on a request to exercise any of the  
26.14 rights under subdivision 1 within a reasonable period of time after the consumer's receipt  
26.15 of the notice sent by the controller under subdivision 4, paragraph (f).

26.16 (b) The appeal process must be conspicuously available. The process must include the  
26.17 ease of use provisions in subdivision 3 applicable to submitting requests.

26.18 (c) Within 45 days of receipt of an appeal, a controller must inform the consumer of any  
26.19 action taken or not taken in response to the appeal, along with a written explanation of the  
26.20 reasons in support thereof. That period may be extended by 60 additional days where  
26.21 reasonably necessary, taking into account the complexity and number of the requests serving  
26.22 as the basis for the appeal. The controller must inform the consumer of any extension within  
26.23 45 days of receipt of the appeal, together with the reasons for the delay.

26.24 (d) When informing a consumer of any action taken or not taken in response to an appeal  
26.25 pursuant to paragraph (c), the controller must provide a written explanation of the reasons  
26.26 for the controller's decision and clearly and prominently provide the consumer with  
26.27 information about how to file a complaint with the Office of the Attorney General. The  
26.28 controller must maintain records of all appeals and the controller's responses for at least 24  
26.29 months and shall, upon written request by the attorney general as part of an investigation,  
26.30 compile and provide a copy of the records to the attorney general.

27.1 Sec. 7. **[325O.06] PROCESSING DEIDENTIFIED DATA OR PSEUDONYMOUS**  
27.2 **DATA.**

27.3 (a) This chapter does not require a controller or processor to do any of the following  
27.4 solely for purposes of complying with this chapter:

27.5 (1) reidentify deidentified data;

27.6 (2) maintain data in identifiable form, or collect, obtain, retain, or access any data or  
27.7 technology, in order to be capable of associating an authenticated consumer request with  
27.8 personal data; or

27.9 (3) comply with an authenticated consumer request to access, correct, delete, or port  
27.10 personal data pursuant to section 325O.05, subdivision 1, if all of the following are true:

27.11 (i) the controller is not reasonably capable of associating the request with the personal  
27.12 data, or it would be unreasonably burdensome for the controller to associate the request  
27.13 with the personal data;

27.14 (ii) the controller does not use the personal data to recognize or respond to the specific  
27.15 consumer who is the subject of the personal data, or associate the personal data with other  
27.16 personal data about the same specific consumer; and

27.17 (iii) the controller does not sell the personal data to any third party or otherwise  
27.18 voluntarily disclose the personal data to any third party other than a processor, except as  
27.19 otherwise permitted in this section.

27.20 (b) The rights contained in section 325O.05, subdivision 1, paragraphs (b) to (h), do not  
27.21 apply to pseudonymous data in cases where the controller is able to demonstrate any  
27.22 information necessary to identify the consumer is kept separately and is subject to effective  
27.23 technical and organizational controls that prevent the controller from accessing the  
27.24 information.

27.25 (c) A controller that uses pseudonymous data or deidentified data must exercise reasonable  
27.26 oversight to monitor compliance with any contractual commitments to which the  
27.27 pseudonymous data or deidentified data are subject, and must take appropriate steps to  
27.28 address any breaches of contractual commitments.

27.29 (d) A processor or third party must not attempt to identify the subjects of deidentified  
27.30 or pseudonymous data without the express authority of the controller that caused the data  
27.31 to be deidentified or pseudonymized.

28.1 (e) A controller, processor, or third party must not attempt to identify the subjects of  
28.2 data that has been collected with only pseudonymous identifiers.

28.3 **Sec. 8. [3250.07] RESPONSIBILITIES OF CONTROLLERS.**

28.4 Subdivision 1. **Transparency obligations.** (a) Controllers must provide consumers with  
28.5 a reasonably accessible, clear, and meaningful privacy notice that includes:

28.6 (1) the categories of personal data processed by the controller;

28.7 (2) the purposes for which the categories of personal data are processed;

28.8 (3) an explanation of the rights contained in section 3250.05 and how and where  
28.9 consumers may exercise those rights, including how a consumer may appeal a controller's  
28.10 action with regard to the consumer's request;

28.11 (4) the categories of personal data that the controller sells to or shares with third parties,  
28.12 if any;

28.13 (5) the categories of third parties, if any, with whom the controller sells or shares personal  
28.14 data;

28.15 (6) the controller's contact information, including an active email address or other online  
28.16 mechanism that the consumer may use to contact the controller;

28.17 (7) a description of the controller's retention policies for personal data; and

28.18 (8) the date the privacy notice was last updated.

28.19 (b) If a controller sells personal data to third parties, processes personal data for targeted  
28.20 advertising, or engages in profiling in furtherance of decisions that produce legal effects  
28.21 concerning a consumer or similarly significant effects concerning a consumer, the controller  
28.22 must disclose the processing in the privacy notice and provide access to a clear and  
28.23 conspicuous method outside the privacy notice for a consumer to opt out of the sale,  
28.24 processing, or profiling in furtherance of decisions that produce legal effects concerning a  
28.25 consumer or similarly significant effects concerning a consumer. This method may include  
28.26 but is not limited to an Internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your  
28.27 Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web  
28.28 page where the consumer can make the opt-out request.

28.29 (c) The privacy notice must be made available to the public in each language in which  
28.30 the controller provides a product or service that is subject to the privacy notice or carries  
28.31 out activities related to the product or service.

29.1 (d) The controller must provide the privacy notice in a manner that is reasonably  
29.2 accessible to and usable by individuals with disabilities.

29.3 (e) Whenever a controller makes a material change to the controller's privacy notice or  
29.4 practices, the controller must notify consumers affected by the material change with respect  
29.5 to any prospectively collected personal data and provide a reasonable opportunity for  
29.6 consumers to withdraw consent to any further materially different collection, processing,  
29.7 or transfer of previously collected personal data under the changed policy. The controller  
29.8 shall take all reasonable electronic measures to provide notification regarding material  
29.9 changes to affected consumers, taking into account available technology and the nature of  
29.10 the relationship.

29.11 (f) A controller is not required to provide a separate Minnesota-specific privacy notice  
29.12 or section of a privacy notice if the controller's general privacy notice contains all the  
29.13 information required by this section.

29.14 (g) The privacy notice must be posted online through a conspicuous hyperlink using the  
29.15 word "privacy" on the controller's website home page or on a mobile application's app store  
29.16 page or download page. A controller that maintains an application on a mobile or other  
29.17 device shall also include a hyperlink to the privacy notice in the application's settings menu  
29.18 or in a similarly conspicuous and accessible location. A controller that does not operate a  
29.19 website shall make the privacy notice conspicuously available to consumers through a  
29.20 medium regularly used by the controller to interact with consumers, including but not limited  
29.21 to mail.

29.22 Subd. 2. **Use of data.** (a) A controller must limit the collection of personal data to what  
29.23 is adequate, relevant, and reasonably necessary in relation to the purposes for which the  
29.24 data are processed, which must be disclosed to the consumer.

29.25 (b) Except as provided in this chapter, a controller may not process personal data for  
29.26 purposes that are not reasonably necessary to, or compatible with, the purposes for which  
29.27 the personal data are processed, as disclosed to the consumer, unless the controller obtains  
29.28 the consumer's consent.

29.29 (c) A controller shall establish, implement, and maintain reasonable administrative,  
29.30 technical, and physical data security practices to protect the confidentiality, integrity, and  
29.31 accessibility of personal data, including the maintenance of an inventory of the data that  
29.32 must be managed to exercise these responsibilities. The data security practices shall be  
29.33 appropriate to the volume and nature of the personal data at issue.

30.1 (d) Except as otherwise provided in this act, a controller may not process sensitive data  
30.2 concerning a consumer without obtaining the consumer's consent, or, in the case of the  
30.3 processing of personal data concerning a known child, without obtaining consent from the  
30.4 child's parent or lawful guardian, in accordance with the requirement of the Children's  
30.5 Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and its  
30.6 implementing regulations, rules, and exemptions.

30.7 (e) A controller shall provide an effective mechanism for a consumer, or, in the case of  
30.8 the processing of personal data concerning a known child, the child's parent or lawful  
30.9 guardian, to revoke previously given consent under this subdivision. The mechanism provided  
30.10 shall be at least as easy as the mechanism by which the consent was previously given. Upon  
30.11 revocation of consent, a controller shall cease to process the applicable data as soon as  
30.12 practicable, but not later than 15 days after the receipt of such request.

30.13 (f) A controller may not process the personal data of a consumer for purposes of targeted  
30.14 advertising, or sell the consumer's personal data, without the consumer's consent, under  
30.15 circumstances where the controller knows that the consumer is between the ages of 13 and  
30.16 16.

30.17 (g) A controller may not retain personal data that is no longer relevant and reasonably  
30.18 necessary in relation to the purposes for which the data were collected and processed, unless  
30.19 retention of the data is otherwise required by law or permitted under section 325O.09.

30.20 Subd. 3. **Nondiscrimination.** (a) A controller shall not process personal data on the  
30.21 basis of a consumer's or a class of consumers' actual or perceived race, color, ethnicity,  
30.22 religion, national origin, sex, gender, gender identity, sexual orientation, familial status,  
30.23 lawful source of income, or disability in a manner that unlawfully discriminates against the  
30.24 consumer or class of consumers with respect to the offering or provision of: housing,  
30.25 employment, credit, or education; or the goods, services, facilities, privileges, advantages,  
30.26 or accommodations of any place of public accommodation.

30.27 (b) A controller may not discriminate against a consumer for exercising any of the rights  
30.28 contained in this chapter, including denying goods or services to the consumer, charging  
30.29 different prices or rates for goods or services, and providing a different level of quality of  
30.30 goods and services to the consumer. This subdivision does not: (1) require a controller to  
30.31 provide a good or service that requires the consumer's personal data that the controller does  
30.32 not collect or maintain; or (2) prohibit a controller from offering a different price, rate, level,  
30.33 quality, or selection of goods or services to a consumer, including offering goods or services

31.1 for no fee, if the offering is in connection with a consumer's voluntary participation in a  
31.2 bona fide loyalty, rewards, premium features, discounts, or club card program.

31.3 (c) A controller may not sell personal data to a third-party controller as part of a bona  
31.4 fide loyalty, rewards, premium features, discounts, or club card program under paragraph  
31.5 (b) unless:

31.6 (1) the sale is reasonably necessary to enable the third party to provide a benefit to which  
31.7 the consumer is entitled;

31.8 (2) the sale of personal data to third parties is clearly disclosed in the terms of the  
31.9 program; and

31.10 (3) the third party uses the personal data only for purposes of facilitating a benefit to  
31.11 which the consumer is entitled and does not retain or otherwise use or disclose the personal  
31.12 data for any other purpose.

31.13 Subd. 4. **Waiver of rights unenforceable.** Any provision of a contract or agreement of  
31.14 any kind that purports to waive or limit in any way a consumer's rights under this chapter  
31.15 is contrary to public policy and is void and unenforceable.

31.16 **Sec. 9. [3250.075] REQUIREMENTS FOR SMALL BUSINESSES.**

31.17 (a) A small business, as defined by the United States Small Business Administration  
31.18 under Code of Federal Regulations, title 13, part 121, that conducts business in Minnesota  
31.19 or produces products or services that are targeted to residents of Minnesota, must not sell  
31.20 a consumer's sensitive data without the consumer's prior consent.

31.21 (b) Penalties and attorney general enforcement procedures under section 3250.10 apply  
31.22 to a small business that violates this section.

31.23 **Sec. 10. [3250.08] DATA PRIVACY POLICIES AND DATA PRIVACY AND**  
31.24 **PROTECTION ASSESSMENTS.**

31.25 (a) A controller must document and maintain a description of the policies and procedures  
31.26 the controller has adopted to comply with this chapter. The description must include, where  
31.27 applicable:

31.28 (1) the name and contact information for the controller's chief privacy officer or other  
31.29 individual with primary responsibility for directing the policies and procedures implemented  
31.30 to comply with the provisions of this chapter; and

- 32.1 (2) a description of the controller's data privacy policies and procedures which reflect  
32.2 the requirements in section 325O.07, and any policies and procedures designed to:
- 32.3 (i) reflect the requirements of this chapter in the design of the controller's systems;  
32.4 (ii) identify and provide personal data to a consumer as required by this chapter;  
32.5 (iii) establish, implement, and maintain reasonable administrative, technical, and physical  
32.6 data security practices to protect the confidentiality, integrity, and accessibility of personal  
32.7 data, including the maintenance of an inventory of the data that must be managed to exercise  
32.8 the responsibilities under this item;
- 32.9 (iv) limit the collection of personal data to what is adequate, relevant, and reasonably  
32.10 necessary in relation to the purposes for which the data are processed;
- 32.11 (v) prevent the retention of personal data that is no longer relevant and reasonably  
32.12 necessary in relation to the purposes for which the data were collected and processed, unless  
32.13 retention of the data is otherwise required by law or permitted under section 325O.09; and
- 32.14 (vi) identify and remediate violations of this chapter.
- 32.15 (b) A controller must conduct and document a data privacy and protection assessment  
32.16 for each of the following processing activities involving personal data:
- 32.17 (1) the processing of personal data for purposes of targeted advertising;  
32.18 (2) the sale of personal data;  
32.19 (3) the processing of sensitive data;  
32.20 (4) any processing activities involving personal data that present a heightened risk of  
32.21 harm to consumers; and
- 32.22 (5) the processing of personal data for purposes of profiling, where the profiling presents  
32.23 a reasonably foreseeable risk of:
- 32.24 (i) unfair or deceptive treatment of, or disparate impact on, consumers;  
32.25 (ii) financial, physical, or reputational injury to consumers;  
32.26 (iii) a physical or other intrusion upon the solitude or seclusion, or the private affairs or  
32.27 concerns, of consumers, where the intrusion would be offensive to a reasonable person; or  
32.28 (iv) other substantial injury to consumers.



33.1 (c) A data privacy and protection assessment must take into account the type of personal  
33.2 data to be processed by the controller, including the extent to which the personal data are  
33.3 sensitive data, and the context in which the personal data are to be processed.

33.4 (d) A data privacy and protection assessment must identify and weigh the benefits that  
33.5 may flow directly and indirectly from the processing to the controller, consumer, other  
33.6 stakeholders, and the public against the potential risks to the rights of the consumer associated  
33.7 with the processing, as mitigated by safeguards that can be employed by the controller to  
33.8 reduce the potential risks. The use of deidentified data and the reasonable expectations of  
33.9 consumers, as well as the context of the processing and the relationship between the controller  
33.10 and the consumer whose personal data will be processed, must be factored into this  
33.11 assessment by the controller.

33.12 (e) A data privacy and protection assessment must include the description of policies  
33.13 and procedures required by paragraph (a).

33.14 (f) As part of a civil investigative demand, the attorney general may request, in writing,  
33.15 that a controller disclose any data privacy and protection assessment that is relevant to an  
33.16 investigation conducted by the attorney general. The controller must make a data privacy  
33.17 and protection assessment available to the attorney general upon a request made under this  
33.18 paragraph. The attorney general may evaluate the data privacy and protection assessments  
33.19 for compliance with this chapter. Data privacy and protection assessments are classified as  
33.20 nonpublic data, as defined by section 13.02, subdivision 9. The disclosure of a data privacy  
33.21 and protection assessment pursuant to a request from the attorney general under this  
33.22 paragraph does not constitute a waiver of the attorney-client privilege or work product  
33.23 protection with respect to the assessment and any information contained in the assessment.

33.24 (g) Data privacy and protection assessments or risk assessments conducted by a controller  
33.25 for the purpose of compliance with other laws or regulations may qualify under this section  
33.26 if the assessments have a similar scope and effect.

33.27 (h) A single data protection assessment may address multiple sets of comparable  
33.28 processing operations that include similar activities.

33.29 **Sec. 11. [3250.09] LIMITATIONS AND APPLICABILITY.**

33.30 (a) The obligations imposed on controllers or processors under this chapter do not restrict  
33.31 a controller's or a processor's ability to:

34.1 (1) comply with federal, state, or local laws, rules, or regulations, including but not  
34.2 limited to data retention requirements in state or federal law notwithstanding a consumer's  
34.3 request to delete personal data;

34.4 (2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or  
34.5 summons by federal, state, local, or other governmental authorities;

34.6 (3) cooperate with law enforcement agencies concerning conduct or activity that the  
34.7 controller or processor reasonably and in good faith believes may violate federal, state, or  
34.8 local laws, rules, or regulations;

34.9 (4) investigate, establish, exercise, prepare for, or defend legal claims;

34.10 (5) provide a product or service specifically requested by a consumer; perform a contract  
34.11 to which the consumer is a party, including fulfilling the terms of a written warranty; or  
34.12 take steps at the request of the consumer prior to entering into a contract;

34.13 (6) take immediate steps to protect an interest that is essential for the life or physical  
34.14 safety of the consumer or of another natural person, and where the processing cannot be  
34.15 manifestly based on another legal basis;

34.16 (7) prevent, detect, protect against, or respond to security incidents, identity theft, fraud,  
34.17 harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity  
34.18 or security of systems; or investigate, report, or prosecute those responsible for any such  
34.19 action;

34.20 (8) assist another controller, processor, or third party with any of the obligations under  
34.21 this paragraph;

34.22 (9) engage in public or peer-reviewed scientific, historical, or statistical research in the  
34.23 public interest that adheres to all other applicable ethics and privacy laws and is approved,  
34.24 monitored, and governed by an institutional review board, human subjects research ethics  
34.25 review board, or a similar independent oversight entity that has determined:

34.26 (i) the research is likely to provide substantial benefits that do not exclusively accrue to  
34.27 the controller;

34.28 (ii) the expected benefits of the research outweigh the privacy risks; and

34.29 (iii) the controller has implemented reasonable safeguards to mitigate privacy risks  
34.30 associated with research, including any risks associated with reidentification; or

34.31 (10) process personal data for the benefit of the public in the areas of public health,  
34.32 community health, or population health, but only to the extent that the processing is:

35.1 (i) subject to suitable and specific measures to safeguard the rights of the consumer  
35.2 whose personal data is being processed; and

35.3 (ii) under the responsibility of a professional individual who is subject to confidentiality  
35.4 obligations under federal, state, or local law.

35.5 (b) The obligations imposed on controllers or processors under this chapter do not restrict  
35.6 a controller's or processor's ability to collect, use, or retain data to:

35.7 (1) effectuate a product recall or identify and repair technical errors that impair existing  
35.8 or intended functionality;

35.9 (2) perform internal operations that are reasonably aligned with the expectations of the  
35.10 consumer based on the consumer's existing relationship with the controller, or are otherwise  
35.11 compatible with processing in furtherance of the provision of a product or service specifically  
35.12 requested by a consumer or the performance of a contract to which the consumer is a party;  
35.13 or

35.14 (3) conduct internal research to develop, improve, or repair products, services, or  
35.15 technology.

35.16 (c) The obligations imposed on controllers or processors under this chapter do not apply  
35.17 where compliance by the controller or processor with this chapter would violate an  
35.18 evidentiary privilege under Minnesota law and do not prevent a controller or processor from  
35.19 providing personal data concerning a consumer to a person covered by an evidentiary  
35.20 privilege under Minnesota law as part of a privileged communication.

35.21 (d) A controller or processor that discloses personal data to a third-party controller or  
35.22 processor in compliance with the requirements of this chapter is not in violation of this  
35.23 chapter if the recipient processes the personal data in violation of this chapter, provided that  
35.24 at the time of disclosing the personal data, the disclosing controller or processor did not  
35.25 have actual knowledge that the recipient intended to commit a violation. A third-party  
35.26 controller or processor receiving personal data from a controller or processor in compliance  
35.27 with the requirements of this chapter is not in violation of this chapter for the obligations  
35.28 of the controller or processor from which the third-party controller or processor receives  
35.29 the personal data.

35.30 (e) Obligations imposed on controllers and processors under this chapter shall not:

35.31 (1) adversely affect the rights or freedoms of any persons, including exercising the right  
35.32 of free speech pursuant to the First Amendment of the United States Constitution; or

36.1 (2) apply to the processing of personal data by a natural person in the course of a purely  
36.2 personal or household activity.

36.3 (f) Personal data that are processed by a controller pursuant to this section may be  
36.4 processed solely to the extent that the processing is:

36.5 (1) necessary, reasonable, and proportionate to the purposes listed in this section;

36.6 (2) adequate, relevant, and limited to what is necessary in relation to the specific purpose  
36.7 or purposes listed in this section; and

36.8 (3) insofar as possible, taking into account the nature and purpose of processing the  
36.9 personal data, subjected to reasonable administrative, technical, and physical measures to  
36.10 protect the confidentiality, integrity, and accessibility of the personal data, and to reduce  
36.11 reasonably foreseeable risks of harm to consumers.

36.12 (g) If a controller processes personal data pursuant to an exemption in this section, the  
36.13 controller bears the burden of demonstrating that the processing qualifies for the exemption  
36.14 and complies with the requirements in paragraph (f).

36.15 (h) Processing personal data solely for the purposes expressly identified in paragraph  
36.16 (a), clauses (1) to (7), does not, by itself, make an entity a controller with respect to the  
36.17 processing.

36.18 Sec. 12. **[3250.10] ATTORNEY GENERAL ENFORCEMENT.**

36.19 (a) In the event that a controller or processor violates this chapter, the attorney general,  
36.20 prior to filing an enforcement action under paragraph (b), must provide the controller or  
36.21 processor with a warning letter identifying the specific provisions of this chapter the attorney  
36.22 general alleges have been or are being violated. If, after 30 days of issuance of the warning  
36.23 letter, the attorney general believes the controller or processor has failed to cure any alleged  
36.24 violation, the attorney general may bring an enforcement action under paragraph (b). This  
36.25 paragraph expires January 31, 2026.

36.26 (b) The attorney general may bring a civil action against a controller or processor to  
36.27 enforce a provision of this chapter in accordance with section 8.31. If the state prevails in  
36.28 an action to enforce this chapter, the state may, in addition to penalties provided by paragraph  
36.29 (c) or other remedies provided by law, be allowed an amount determined by the court to be  
36.30 the reasonable value of all or part of the state's litigation expenses incurred.

36.31 (c) Any controller or processor that violates this chapter is subject to an injunction and  
36.32 liable for a civil penalty of not more than \$7,500 for each violation.

37.1 (d) Nothing in this chapter establishes a private right of action, including under section  
 37.2 8.31, subdivision 3a, for a violation of this chapter or any other law.

37.3 **Sec. 13. [3250.11] PREEMPTION OF LOCAL LAW; SEVERABILITY.**

37.4 (a) This chapter supersedes and preempts laws, ordinances, regulations, or the equivalent  
 37.5 adopted by any local government regarding the processing of personal data by controllers  
 37.6 or processors.

37.7 (b) If any provision of this chapter or the chapter's application to any person or  
 37.8 circumstance is held invalid, the remainder of the chapter or the application of the provision  
 37.9 to other persons or circumstances is not affected.

37.10 **Sec. 14. EFFECTIVE DATE.**

37.11 This article is effective July 31, 2025, except that postsecondary institutions regulated  
 37.12 by the Office of Higher Education are not required to comply with this article until July 31,  
 37.13 2029.

37.14 **ARTICLE 5**

37.15 **AGRICULTURE APPROPRIATIONS**

37.16 Section 1. Laws 2023, chapter 43, article 1, section 2, is amended to read:

37.17 **Sec. 2. DEPARTMENT OF AGRICULTURE**

37.18			<b>92,025,000</b>		<b>72,223,000</b>
37.19	Subdivision 1. <b>Total Appropriation</b>	<b>\$</b>	<b><u>88,025,000</u></b>	<b>\$</b>	<b><u>80,518,000</u></b>

37.20 Appropriations by Fund

	2024	2025
37.21		
37.22	91,626,000	71,824,000
37.23	<u>87,626,000</u>	<u>80,119,000</u>
37.24	Remediation	399,000

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

37.28 **Subd. 2. Protection Services**

37.29 Appropriations by Fund

	2024	2025
37.30		

38.1		<del>32,034,000</del>	<del>18,743,000</del>
38.2	General	<u>32,034,000</u>	<u>22,438,000</u>
38.3	Remediation	399,000	399,000

38.4 (a) \$399,000 the first year and \$399,000 the  
 38.5 second year are from the remediation fund for  
 38.6 administrative funding for the voluntary  
 38.7 cleanup program.

38.8 (b) \$625,000 the first year and ~~\$625,000~~  
 38.9 \$925,000 the second year are for the soil  
 38.10 health financial assistance program under  
 38.11 Minnesota Statutes, section 17.134. The  
 38.12 commissioner may award no more than  
 38.13 \$50,000 of the appropriation each year to a  
 38.14 single recipient. The commissioner may use  
 38.15 up to 6.5 percent of this appropriation for costs  
 38.16 incurred to administer the program. Any  
 38.17 unencumbered balance does not cancel at the  
 38.18 end of the first year and is available in the  
 38.19 second year. Appropriations encumbered  
 38.20 under contract on or before June 30, 2025, for  
 38.21 soil health financial assistance grants are  
 38.22 available until June 30, 2027. The base for this  
 38.23 appropriation is \$639,000 in fiscal year 2026  
 38.24 and each year thereafter.

38.25 (c) \$800,000 the first year ~~is~~ and \$100,000 the  
 38.26 second year are for transfer to the pollinator  
 38.27 research account established under Minnesota  
 38.28 Statutes, section 18B.051. The base for this  
 38.29 transfer is \$100,000 in fiscal year 2026 and  
 38.30 each year thereafter.

38.31 (d) \$150,000 the first year and \$150,000 the  
 38.32 second year are for transfer to the noxious  
 38.33 weed and invasive plant species assistance  
 38.34 account established under Minnesota Statutes,  
 38.35 section 18.89, to award grants under

39.1 Minnesota Statutes, section 18.90, to counties,  
39.2 municipalities, and other weed management  
39.3 entities, including Minnesota Tribal  
39.4 governments as defined in Minnesota Statutes,  
39.5 section 10.65. This is a onetime appropriation.  
39.6 (e) \$175,000 the first year and \$175,000 the  
39.7 second year are for compensation for  
39.8 destroyed or crippled livestock under  
39.9 Minnesota Statutes, section 3.737. The first  
39.10 year appropriation may be spent to compensate  
39.11 for livestock that were destroyed or crippled  
39.12 during fiscal year 2023. If the amount in the  
39.13 first year is insufficient, the amount in the  
39.14 second year is available in the first year. The  
39.15 commissioner may use up to \$5,000 each year  
39.16 to reimburse expenses incurred by university  
39.17 extension educators to provide fair market  
39.18 values of destroyed or crippled livestock. If  
39.19 the commissioner receives federal dollars to  
39.20 pay claims for destroyed or crippled livestock,  
39.21 an equivalent amount of this appropriation  
39.22 may be used to reimburse nonlethal prevention  
39.23 methods performed by federal wildlife services  
39.24 staff.  
39.25 (f) \$155,000 the first year and \$155,000 the  
39.26 second year are for compensation for crop  
39.27 damage under Minnesota Statutes, section  
39.28 3.7371. If the amount in the first year is  
39.29 insufficient, the amount in the second year is  
39.30 available in the first year. The commissioner  
39.31 may use up to \$10,000 of the appropriation  
39.32 each year to reimburse expenses incurred by  
39.33 the commissioner or the commissioner's  
39.34 approved agent to investigate and resolve  
39.35 claims, as well as for costs associated with

40.1 training for approved agents. The  
40.2 commissioner may use up to \$40,000 of the  
40.3 appropriation each year to make grants to  
40.4 producers for measures to protect stored crops  
40.5 from elk damage. If the commissioner  
40.6 determines that claims made under Minnesota  
40.7 Statutes, section 3.737 or 3.7371, are  
40.8 unusually high, amounts appropriated for  
40.9 either program may be transferred to the  
40.10 appropriation for the other program.

40.11 (g) \$825,000 the first year and \$825,000 the  
40.12 second year are to replace capital equipment  
40.13 in the Department of Agriculture's analytical  
40.14 laboratory.

40.15 (h) \$75,000 the first year and \$75,000 the  
40.16 second year are to support a meat processing  
40.17 liaison position to assist new or existing meat  
40.18 and poultry processing operations in getting  
40.19 started, expanding, growing, or transitioning  
40.20 into new business models.

40.21 (i) \$2,200,000 the first year and \$1,650,000  
40.22 the second year are additional funding to  
40.23 maintain the current level of service delivery  
40.24 for programs under this subdivision. The base  
40.25 for this appropriation is \$1,925,000 for fiscal  
40.26 year 2026 and each year thereafter.

40.27 (j) \$250,000 the first year and \$250,000 the  
40.28 second year are for grants to organizations in  
40.29 Minnesota to develop enterprises, supply  
40.30 chains, and markets for continuous-living  
40.31 cover crops and cropping systems in the early  
40.32 stages of commercial development. For the  
40.33 purposes of this paragraph, "continuous-living  
40.34 cover crops and cropping systems" refers to  
40.35 agroforestry, perennial biomass, perennial



41.1 forage, perennial grains, and winter-annual  
41.2 cereal grains and oilseeds that have market  
41.3 value as harvested or grazed commodities. By  
41.4 February 1 each year, the commissioner must  
41.5 submit a report to the chairs and ranking  
41.6 minority members of the legislative  
41.7 committees with jurisdiction over agriculture  
41.8 finance and policy detailing uses of the funds  
41.9 in this paragraph, including administrative  
41.10 costs, and the achievements these funds  
41.11 contributed to. The commissioner may use up  
41.12 to 6.5 percent of this appropriation for  
41.13 administrative costs. This is a onetime  
41.14 appropriation.

41.15 (k) \$45,000 the first year and \$45,000 the  
41.16 second year are appropriated for  
41.17 wolf-livestock conflict-prevention grants. The  
41.18 commissioner may use some of this  
41.19 appropriation to support nonlethal prevention  
41.20 work performed by federal wildlife services.  
41.21 This is a onetime appropriation.

41.22 (l) \$10,000,000 the first year is for transfer to  
41.23 the grain indemnity account established in  
41.24 Minnesota Statutes, section 223.24. This is a  
41.25 onetime transfer.

41.26 (m) \$125,000 the first year and \$125,000 the  
41.27 second year are for the PFAS in pesticides  
41.28 review. This is a onetime appropriation.

41.29 (n) \$1,941,000 the first year is for transfer to  
41.30 the food handler license account. This is a  
41.31 onetime transfer.

41.32 (o) \$3,072,000 the second year is for nitrate  
41.33 home water treatment, including reverse  
41.34 osmosis, for private drinking-water wells with

42.1 nitrate in excess of the maximum contaminant  
 42.2 level of ten milligrams per liter and located in  
 42.3 Dodge, Fillmore, Goodhue, Houston, Mower,  
 42.4 Olmsted, Wabasha, or Winona County. The  
 42.5 commissioner must prioritize households at  
 42.6 or below 300 percent of the federal poverty  
 42.7 guideline and households with infants or  
 42.8 pregnant individuals. The commissioner may  
 42.9 also use this appropriation for education,  
 42.10 outreach, and technical assistance to  
 42.11 homeowners. Notwithstanding Minnesota  
 42.12 Statutes, section 16B.98, subdivision 14, the  
 42.13 commissioner may use up to 6.5 percent of  
 42.14 this appropriation for administrative costs.  
 42.15 This is a onetime appropriation and is  
 42.16 available until June 30, 2027.

42.17 (p) \$223,000 the second year is for transfer to  
 42.18 the commissioner of health for the private well  
 42.19 drinking-water assistance program. This is a  
 42.20 onetime transfer and is available until June  
 42.21 30, 2027.

42.22 **Subd. 3. Agricultural Marketing and**  
 42.23 **Development**

5,165,000

4,985,000

42.24 (a) \$150,000 the first year and \$150,000 the  
 42.25 second year are to expand international trade  
 42.26 opportunities and markets for Minnesota  
 42.27 agricultural products.

42.28 (b) \$186,000 the first year and \$186,000 the  
 42.29 second year are for transfer to the Minnesota  
 42.30 grown account and may be used as grants for  
 42.31 Minnesota grown promotion under Minnesota  
 42.32 Statutes, section 17.102. Notwithstanding  
 42.33 Minnesota Statutes, section 16A.28, the  
 42.34 appropriations encumbered under contract on  
 42.35 or before June 30, 2025, for Minnesota grown

43.1 grants in this paragraph are available until June  
43.2 30, 2027.

43.3 (c) \$634,000 the first year and \$634,000 the  
43.4 second year are for the continuation of the  
43.5 dairy development and profitability  
43.6 enhancement programs, including dairy  
43.7 profitability teams and dairy business planning  
43.8 grants under Minnesota Statutes, section  
43.9 32D.30.

43.10 (d) The commissioner may use funds  
43.11 appropriated in this subdivision for annual  
43.12 cost-share payments to resident farmers or  
43.13 entities that sell, process, or package  
43.14 agricultural products in this state for the costs  
43.15 of organic certification. The commissioner  
43.16 may allocate these funds for assistance to  
43.17 persons transitioning from conventional to  
43.18 organic agriculture.

43.19 (e) \$600,000 the first year and \$420,000 the  
43.20 second year are to maintain the current level  
43.21 of service delivery. The base for this  
43.22 appropriation is ~~\$490,000~~ \$510,000 for fiscal  
43.23 year 2026 and each year thereafter.

43.24 (f) \$100,000 the first year and \$100,000 the  
43.25 second year are for mental health outreach and  
43.26 support to farmers, ranchers, and others in the  
43.27 agricultural community and for farm safety  
43.28 grant and outreach programs under Minnesota  
43.29 Statutes, section 17.1195. Mental health  
43.30 outreach and support may include a 24-hour  
43.31 hotline, stigma reduction, and education.  
43.32 Notwithstanding Minnesota Statutes, section  
43.33 16A.28, any unencumbered balance does not  
43.34 cancel at the end of the first year and is

44.1 available in the second year. This is a onetime  
 44.2 appropriation.

44.3 (g) \$100,000 the first year and \$100,000 the  
 44.4 second year are to award and administer grants  
 44.5 ~~for infrastructure~~ and other forms of financial  
 44.6 assistance to support EBT, SNAP, SFMNP,  
 44.7 and related programs at farmers markets.

44.8 Notwithstanding Minnesota Statutes, section  
 44.9 16A.28, any unencumbered balance does not  
 44.10 cancel at the end of the first year and is  
 44.11 available in the second year. This is a onetime  
 44.12 appropriation.

44.13 (h) \$200,000 the first year and \$200,000 the  
 44.14 second year are to award cooperative grants  
 44.15 under Minnesota Statutes, section 17.1016.

44.16 The commissioner may use up to 6.5 percent  
 44.17 of the appropriation each year to administer  
 44.18 the grant program. Notwithstanding Minnesota  
 44.19 Statutes, section 16A.28, any unencumbered  
 44.20 balance does not cancel at the end of the first  
 44.21 year and is available in the second year. This  
 44.22 is a onetime appropriation.

44.23 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 44.24 **Advancement**

37,809,000  
33,809,000

33,809,000  
38,109,000

44.25 (a) \$10,702,000 the first year and \$10,702,000  
 44.26 the second year are for the agriculture  
 44.27 research, education, extension, and technology  
 44.28 transfer program under Minnesota Statutes,  
 44.29 section 41A.14. Except as provided below,  
 44.30 the appropriation each year is for transfer to  
 44.31 the agriculture research, education, extension,  
 44.32 and technology transfer account under  
 44.33 Minnesota Statutes, section 41A.14,  
 44.34 subdivision 3, and the commissioner shall  
 44.35 transfer funds each year to the Board of

45.1 Regents of the University of Minnesota for  
45.2 purposes of Minnesota Statutes, section  
45.3 41A.14. To the extent practicable, money  
45.4 expended under Minnesota Statutes, section  
45.5 41A.14, subdivision 1, clauses (1) and (2),  
45.6 must supplement and not supplant existing  
45.7 sources and levels of funding. The  
45.8 commissioner may use up to one percent of  
45.9 this appropriation for costs incurred to  
45.10 administer the program.

45.11 Of the amount appropriated for the agriculture  
45.12 research, education, extension, and technology  
45.13 transfer grant program under Minnesota  
45.14 Statutes, section 41A.14:

45.15 (1) \$600,000 the first year and \$600,000 the  
45.16 second year are for the Minnesota Agricultural  
45.17 Experiment Station's agriculture rapid  
45.18 response fund under Minnesota Statutes,  
45.19 section 41A.14, subdivision 1, clause (2);

45.20 (2) up to \$1,000,000 the first year and up to  
45.21 \$1,000,000 the second year are for research  
45.22 on avian influenza, salmonella, and other  
45.23 turkey-related diseases and disease prevention  
45.24 measures;

45.25 (3) \$2,250,000 the first year and \$2,250,000  
45.26 the second year are for grants to the Minnesota  
45.27 Agricultural Education Leadership Council to  
45.28 enhance agricultural education with priority  
45.29 given to Farm Business Management  
45.30 challenge grants;

45.31 (4) \$450,000 the first year is for the cultivated  
45.32 wild rice breeding project at the North Central  
45.33 Research and Outreach Center to include a  
45.34 tenure track/research associate plant breeder;

46.1 (5) \$350,000 the first year and \$350,000 the  
46.2 second year are for potato breeding;

46.3 (6) \$802,000 the first year and \$802,000 the  
46.4 second year are to fund the Forever Green  
46.5 Initiative and protect the state's natural  
46.6 resources while increasing the efficiency,  
46.7 profitability, and productivity of Minnesota  
46.8 farmers by incorporating perennial and  
46.9 winter-annual crops into existing agricultural  
46.10 practices. The base for the allocation under  
46.11 this clause is \$802,000 in fiscal year 2026 and  
46.12 each year thereafter. By February 1 each year,  
46.13 the dean of the College of Food, Agricultural  
46.14 and Natural Resource Sciences must submit  
46.15 a report to the chairs and ranking minority  
46.16 members of the legislative committees with  
46.17 jurisdiction over agriculture finance and policy  
46.18 and higher education detailing uses of the  
46.19 funds in this paragraph, including  
46.20 administrative costs, and the achievements  
46.21 these funds contributed to; and

46.22 (7) \$350,000 each year is for farm-scale winter  
46.23 greenhouse research and development  
46.24 coordinated by University of Minnesota  
46.25 Extension Regional Sustainable Development  
46.26 Partnerships. The allocation in this clause is  
46.27 onetime.

46.28 (b) The base for the agriculture research,  
46.29 education, extension, and technology transfer  
46.30 program is \$10,352,000 in fiscal year 2026  
46.31 and \$10,352,000 in fiscal year 2027.

46.32 (c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and~~  
46.33 ~~\$23,107,000 the second year are~~ is for the  
46.34 agricultural growth, research, and innovation  
46.35 program under Minnesota Statutes, section

47.1 41A.12. Except as provided below, the  
47.2 commissioner may allocate this appropriation  
47.3 ~~each year~~ among the following areas:  
47.4 facilitating the start-up, modernization,  
47.5 improvement, or expansion of livestock  
47.6 operations, including beginning and  
47.7 transitioning livestock operations with  
47.8 preference given to robotic dairy-milking  
47.9 equipment; assisting value-added agricultural  
47.10 businesses to begin or expand, to access new  
47.11 markets, or to diversify, including aquaponics  
47.12 systems, with preference given to hemp fiber  
47.13 processing equipment; facilitating the start-up,  
47.14 modernization, or expansion of other  
47.15 beginning and transitioning farms, including  
47.16 by providing loans under Minnesota Statutes,  
47.17 section 41B.056; sustainable agriculture  
47.18 on-farm research and demonstration; the  
47.19 development or expansion of food hubs and  
47.20 other alternative community-based food  
47.21 distribution systems; enhancing renewable  
47.22 energy infrastructure and use; crop research,  
47.23 including basic and applied turf seed research;  
47.24 Farm Business Management tuition assistance;  
47.25 and good agricultural practices and good  
47.26 handling practices certification assistance. The  
47.27 commissioner may use up to 6.5 percent of  
47.28 this appropriation for costs incurred to  
47.29 administer the program.

47.30 Of the amount appropriated for the agricultural  
47.31 growth, research, and innovation program  
47.32 under Minnesota Statutes, section 41A.12:

47.33 (1) \$1,000,000 the first year ~~and \$1,000,000~~  
47.34 ~~the second year~~ are is for distribution in equal

48.1 amounts to each of the state's county fairs to  
48.2 preserve and promote Minnesota agriculture;  
48.3 ~~(2) \$5,750,000 the first year and \$5,750,000~~  
48.4 ~~the second year are~~ is for incentive payments  
48.5 under Minnesota Statutes, sections 41A.16,  
48.6 41A.17, 41A.18, and 41A.20. Notwithstanding  
48.7 Minnesota Statutes, section 16A.28, the first  
48.8 year appropriation is available until June 30,  
48.9 2025, ~~and the second year appropriation is~~  
48.10 ~~available until June 30, 2026.~~ If this  
48.11 appropriation exceeds the total amount for  
48.12 which all producers are eligible in a fiscal  
48.13 year, the balance of the appropriation is  
48.14 available for other purposes under this  
48.15 paragraph. ~~The base under this clause is~~  
48.16 ~~\$3,000,000 in fiscal year 2026 and each year~~  
48.17 ~~thereafter;~~

48.18 (3) \$3,375,000 the first year ~~and \$3,375,000~~  
48.19 ~~the second year are~~ is for grants that enable  
48.20 retail petroleum dispensers, fuel storage tanks,  
48.21 and other equipment to dispense biofuels to  
48.22 the public in accordance with the biofuel  
48.23 replacement goals established under  
48.24 Minnesota Statutes, section 239.7911. A retail  
48.25 petroleum dispenser selling petroleum for use  
48.26 in spark ignition engines for vehicle model  
48.27 years after 2000 is eligible for grant money  
48.28 under this clause if the retail petroleum  
48.29 dispenser has no more than 10 retail petroleum  
48.30 dispensing sites and each site is located in  
48.31 Minnesota. The grant money must be used to  
48.32 replace or upgrade equipment that does not  
48.33 have the ability to be certified for E25. A grant  
48.34 award must not exceed 65 percent of the cost  
48.35 of the appropriate technology. A grant award



49.1 must not exceed \$200,000 per station. The  
49.2 commissioner must cooperate with biofuel  
49.3 stakeholders in the implementation of the grant  
49.4 program. The commissioner, in cooperation  
49.5 with any economic or community development  
49.6 financial institution and any other entity with  
49.7 which the commissioner contracts, must  
49.8 submit a report on the biofuels infrastructure  
49.9 financial assistance program by January 15 of  
49.10 each year to the chairs and ranking minority  
49.11 members of the legislative committees and  
49.12 divisions with jurisdiction over agriculture  
49.13 policy and finance. The annual report must  
49.14 include but not be limited to a summary of the  
49.15 following metrics: (i) the number and types  
49.16 of projects financed; (ii) the amount of dollars  
49.17 leveraged or matched per project; (iii) the  
49.18 geographic distribution of financed projects;  
49.19 (iv) any market expansion associated with  
49.20 upgraded infrastructure; (v) the demographics  
49.21 of the areas served; (vi) the costs of the  
49.22 program; and (vii) the number of grants to  
49.23 minority-owned or female-owned businesses.  
49.24 ~~The base under this clause is \$3,000,000 for~~  
49.25 ~~fiscal year 2026 and each year thereafter;~~  
49.26 (4) \$1,250,000 the first year ~~and \$1,250,000~~  
49.27 ~~the second year are~~ is for grants to facilitate  
49.28 the start-up, modernization, or expansion of  
49.29 meat, poultry, egg, and milk processing  
49.30 facilities. A grant award under this clause must  
49.31 not exceed \$200,000. Any unencumbered  
49.32 balance at the end of the second year does not  
49.33 cancel until June 30, 2026, and may be used  
49.34 for other purposes under this paragraph. ~~The~~  
49.35 ~~base under this clause is \$250,000 in fiscal~~  
49.36 ~~year 2026 and each year thereafter;~~

50.1 ~~(5) \$1,150,000 the first year and \$1,150,000~~  
50.2 ~~the second year are~~ is for providing more  
50.3 fruits, vegetables, meat, poultry, grain, and  
50.4 dairy for children in school and early  
50.5 childhood education ~~centers~~ settings,  
50.6 including, at the commissioner's discretion,  
50.7 providing grants to reimburse schools and  
50.8 early childhood education ~~centers~~ and child  
50.9 care providers for purchasing equipment and  
50.10 agricultural products. Organizations must  
50.11 participate in the National School Lunch  
50.12 Program or the Child and Adult Care Food  
50.13 Program to be eligible. Of the amount  
50.14 appropriated, \$150,000 ~~each year~~ is for a  
50.15 statewide coordinator of farm-to-institution  
50.16 strategy and programming. The coordinator  
50.17 must consult with relevant stakeholders and  
50.18 provide technical assistance and training for  
50.19 participating farmers and eligible grant  
50.20 recipients. ~~The base under this clause is~~  
50.21 ~~\$1,294,000 in fiscal year 2026 and each year~~  
50.22 ~~thereafter;~~

50.23 ~~(6) \$4,000,000 the first year is for Dairy~~  
50.24 ~~Assistance, Investment, Relief Initiative~~  
50.25 ~~(DAIRI) grants and other forms of financial~~  
50.26 ~~assistance to Minnesota dairy farms that enroll~~  
50.27 ~~in coverage under a federal dairy risk~~  
50.28 ~~protection program and produced no more~~  
50.29 ~~than 16,000,000 pounds of milk in 2022. The~~  
50.30 ~~commissioner must make DAIRI payments~~  
50.31 ~~based on the amount of milk produced in~~  
50.32 ~~2022, up to 5,000,000 pounds per participating~~  
50.33 ~~farm, at a rate determined by the commissioner~~  
50.34 ~~within the limits of available funding. Any~~  
50.35 ~~unencumbered balance does not cancel at the~~  
50.36 ~~end of the first year and is available in the~~

51.1 ~~second year. Any unencumbered balance at~~  
51.2 ~~the end of the second year does not cancel~~  
51.3 ~~until June 30, 2026, and may be used for other~~  
51.4 ~~purposes under this paragraph. The allocation~~  
51.5 ~~in this clause is onetime;~~  
51.6 ~~(7) (6) \$2,000,000 the first year and~~  
51.7 ~~\$2,000,000 the second year are~~ is for urban  
51.8 youth agricultural education or urban  
51.9 agriculture community development; and  
51.10 ~~(8) (7) \$1,000,000 the first year and~~  
51.11 ~~\$1,000,000 the second year are~~ is for the good  
51.12 food access program under Minnesota  
51.13 Statutes, section 17.1017.  
51.14 Notwithstanding Minnesota Statutes, section  
51.15 16A.28, any unencumbered balance does not  
51.16 cancel at the end of the first year and is  
51.17 available for the second year, and  
51.18 appropriations encumbered under contract on  
51.19 or before June 30, 2025, for agricultural  
51.20 growth, research, and innovation grants are  
51.21 available until June 30, 2028.  
51.22 (d) \$27,407,000 the second year is for the  
51.23 agricultural growth, research, and innovation  
51.24 program under Minnesota Statutes, section  
51.25 41A.12. Except as provided below, the  
51.26 commissioner may allocate this appropriation  
51.27 among the following areas: facilitating the  
51.28 start-up, modernization, improvement, or  
51.29 expansion of livestock operations, including  
51.30 beginning and transitioning livestock  
51.31 operations with preference given to robotic  
51.32 dairy-milking equipment; assisting  
51.33 value-added agricultural businesses to begin  
51.34 or expand, to access new markets, or to  
51.35 diversify, including aquaponics systems, with

52.1 preference given to hemp fiber processing  
52.2 equipment; facilitating the start-up,  
52.3 modernization, or expansion of other  
52.4 beginning and transitioning farms, including  
52.5 by providing loans under Minnesota Statutes,  
52.6 section 41B.056; sustainable agriculture  
52.7 on-farm research and demonstration; the  
52.8 development or expansion of food hubs and  
52.9 other alternative community-based food  
52.10 distribution systems; enhancing renewable  
52.11 energy infrastructure and use; crop research,  
52.12 including basic and applied turf seed research;  
52.13 Farm Business Management tuition assistance;  
52.14 and good agricultural practices and good  
52.15 handling practices certification assistance. The  
52.16 commissioner may use up to 6.5 percent of  
52.17 this appropriation for costs incurred to  
52.18 administer the program.

52.19 Of the amount appropriated for the agricultural  
52.20 growth, research, and innovation program  
52.21 under Minnesota Statutes, section 41A.12:

52.22 (1) \$1,000,000 the second year is for  
52.23 distribution in equal amounts to each of the  
52.24 state's county fairs to preserve and promote  
52.25 Minnesota agriculture;

52.26 (2) \$5,750,000 the second year is for incentive  
52.27 payments under Minnesota Statutes, sections  
52.28 41A.16, 41A.17, 41A.18, and 41A.20.  
52.29 Notwithstanding Minnesota Statutes, section  
52.30 16A.28, this appropriation is available until  
52.31 June 30, 2027. If this appropriation exceeds  
52.32 the total amount for which all producers are  
52.33 eligible in a fiscal year, the balance of the  
52.34 appropriation is available for other purposes  
52.35 under this paragraph. The base under this

53.1 clause is \$3,000,000 in fiscal year 2026 and  
53.2 each year thereafter;  
53.3 (3) \$3,475,000 the second year is for grants  
53.4 that enable retail petroleum dispensers, fuel  
53.5 storage tanks, and other equipment to dispense  
53.6 biofuels to the public in accordance with the  
53.7 biofuel replacement goals established under  
53.8 Minnesota Statutes, section 239.7911. A retail  
53.9 petroleum dispenser selling petroleum for use  
53.10 in spark ignition engines for vehicle model  
53.11 years after 2000 is eligible for grant money  
53.12 under this clause if the retail petroleum  
53.13 dispenser has no more than ten retail  
53.14 petroleum dispensing sites and each site is  
53.15 located in Minnesota. The grant money must  
53.16 be used to replace or upgrade equipment that  
53.17 does not have the ability to be certified for  
53.18 E25. A grant award must not exceed 65  
53.19 percent of the cost of the appropriate  
53.20 technology. A grant award must not exceed  
53.21 \$200,000 per station. The commissioner must  
53.22 cooperate with biofuel stakeholders in the  
53.23 implementation of the grant program. The  
53.24 commissioner, in cooperation with any  
53.25 economic or community development  
53.26 financial institution and any other entity with  
53.27 which the commissioner contracts, must  
53.28 submit a report on the biofuels infrastructure  
53.29 financial assistance program by January 15 of  
53.30 each year to the chairs and ranking minority  
53.31 members of the legislative committees and  
53.32 divisions with jurisdiction over agriculture  
53.33 policy and finance. The annual report must  
53.34 include but not be limited to a summary of the  
53.35 following metrics: (i) the number and types  
53.36 of projects financed; (ii) the amount of money

54.1 leveraged or matched per project; (iii) the  
54.2 geographic distribution of financed projects;  
54.3 (iv) any market expansion associated with  
54.4 upgraded infrastructure; (v) the demographics  
54.5 of the areas served; (vi) the costs of the  
54.6 program; and (vii) the number of grants to  
54.7 minority-owned or female-owned businesses.  
54.8 The base under this clause is \$3,000,000 for  
54.9 fiscal year 2026 and each year thereafter;  
54.10 (4) \$1,250,000 the second year is for grants  
54.11 to facilitate the start-up, modernization, or  
54.12 expansion of meat, poultry, egg, and milk  
54.13 processing facilities. A grant award under this  
54.14 clause must not exceed \$200,000. Any  
54.15 unencumbered balance at the end of the second  
54.16 year does not cancel until June 30, 2027, and  
54.17 may be used for other purposes under this  
54.18 paragraph. The base under this clause is  
54.19 \$250,000 in fiscal year 2026 and each year  
54.20 thereafter;  
54.21 (5) \$1,350,000 the second year is for providing  
54.22 more fruits, vegetables, meat, poultry, grain,  
54.23 and dairy for children in school and early  
54.24 childhood education settings, including, at the  
54.25 commissioner's discretion, providing grants  
54.26 to reimburse schools and early childhood  
54.27 education and child care providers for  
54.28 purchasing equipment and agricultural  
54.29 products. Organizations must participate in  
54.30 the National School Lunch Program or the  
54.31 Child and Adult Care Food Program to be  
54.32 eligible. Of the amount appropriated, \$150,000  
54.33 is for a statewide coordinator of  
54.34 farm-to-institution strategy and programming.  
54.35 The coordinator must consult with relevant

55.1 stakeholders and provide technical assistance  
55.2 and training for participating farmers and  
55.3 eligible grant recipients. The base under this  
55.4 clause is \$1,294,000 in fiscal year 2026 and  
55.5 each year thereafter;

55.6 (6) \$4,000,000 the second year is for Dairy  
55.7 Assistance, Investment, Relief Initiative  
55.8 (DAIRI) grants and other forms of financial  
55.9 assistance to Minnesota dairy farms that enroll  
55.10 in coverage under a federal dairy risk  
55.11 protection program and produced no more  
55.12 than 16,000,000 pounds of milk in 2022. The  
55.13 commissioner must make DAIRI payments  
55.14 based on the amount of milk produced in  
55.15 2022, up to 5,000,000 pounds per participating  
55.16 farm, at a rate determined by the commissioner  
55.17 within the limits of available funding. Any  
55.18 unencumbered balance on June 30, 2026, may  
55.19 be used for other purposes under this  
55.20 paragraph. The allocation in this clause is  
55.21 onetime;

55.22 (7) \$2,000,000 the second year is for urban  
55.23 youth agricultural education or urban  
55.24 agriculture community development; and

55.25 (8) \$1,000,000 the second year is for the good  
55.26 food access program under Minnesota  
55.27 Statutes, section 17.1017.

55.28 Notwithstanding Minnesota Statutes, section  
55.29 16A.28, any unencumbered balance does not  
55.30 cancel at the end of the second year and is  
55.31 available until June 30, 2027. Appropriations  
55.32 encumbered under contract on or before June  
55.33 30, 2027, for agricultural growth, research,  
55.34 and innovation grants are available until June  
55.35 30, 2030.

56.1 ~~(d)~~ (e) The base for the agricultural growth,  
 56.2 research, and innovation program is  
 56.3 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026  
 56.4 and each year thereafter and includes \$200,000  
 56.5 each year for cooperative development grants.

56.6	<b>Subd. 5. Administration and Financial</b>		<u>14,287,000</u>
56.7	<b>Assistance</b>	16,618,000	<u>14,587,000</u>

56.8 (a) \$474,000 the first year and \$474,000 the  
 56.9 second year are for payments to county and  
 56.10 district agricultural societies and associations  
 56.11 under Minnesota Statutes, section 38.02,  
 56.12 subdivision 1. Aid payments to county and  
 56.13 district agricultural societies and associations  
 56.14 must be disbursed no later than July 15 of each  
 56.15 year. These payments are the amount of aid  
 56.16 from the state for an annual fair held in the  
 56.17 previous calendar year.

56.18 (b) \$350,000 the first year and \$350,000 the  
 56.19 second year are for grants to the Minnesota  
 56.20 Agricultural Education and Leadership  
 56.21 Council for programs of the council under  
 56.22 Minnesota Statutes, chapter 41D. The base for  
 56.23 this appropriation is \$250,000 in fiscal year  
 56.24 2026 and each year thereafter.

56.25 (c) \$2,000 the first year is for a grant to the  
 56.26 Minnesota State Poultry Association. This is  
 56.27 a onetime appropriation. Notwithstanding  
 56.28 Minnesota Statutes, section 16A.28, any  
 56.29 unencumbered balance does not cancel at the  
 56.30 end of the first year and is available for the  
 56.31 second year.

56.32 (d) \$18,000 the first year and \$18,000 the  
 56.33 second year are for grants to the Minnesota  
 56.34 Livestock Breeders Association. This is a  
 56.35 onetime appropriation.



57.1 (e) \$60,000 the first year and \$60,000 the  
57.2 second year are for grants to the Northern  
57.3 Crops Institute that may be used to purchase  
57.4 equipment. This is a onetime appropriation.

57.5 (f) \$34,000 the first year and \$34,000 the  
57.6 second year are for grants to the Minnesota  
57.7 State Horticultural Society. This is a onetime  
57.8 appropriation.

57.9 (g) \$25,000 the first year and \$25,000 the  
57.10 second year are for grants to the Center for  
57.11 Rural Policy and Development. This is a  
57.12 onetime appropriation.

57.13 (h) \$75,000 the first year and \$75,000 the  
57.14 second year are appropriated from the general  
57.15 fund to the commissioner of agriculture for  
57.16 grants to the Minnesota Turf Seed Council for  
57.17 basic and applied research on: (1) the  
57.18 improved production of forage and turf seed  
57.19 related to new and improved varieties; and (2)  
57.20 native plants, including plant breeding,  
57.21 nutrient management, pest management,  
57.22 disease management, yield, and viability. The  
57.23 Minnesota Turf Seed Council may subcontract  
57.24 with a qualified third party for some or all of  
57.25 the basic or applied research. Any  
57.26 unencumbered balance does not cancel at the  
57.27 end of the first year and is available in the  
57.28 second year. The Minnesota Turf Seed Council  
57.29 must prepare a report outlining the use of the  
57.30 grant money and related accomplishments. No  
57.31 later than January 15, 2025, the council must  
57.32 submit the report to the chairs and ranking  
57.33 minority members of the legislative  
57.34 committees and divisions with jurisdiction

58.1 over agriculture finance and policy. This is a  
58.2 onetime appropriation.

58.3 (i) \$100,000 the first year and \$100,000 the  
58.4 second year are for grants to GreenSeam for  
58.5 assistance to agriculture-related businesses to  
58.6 support business retention and development,  
58.7 business attraction and creation, talent  
58.8 development and attraction, and regional  
58.9 branding and promotion. These are onetime  
58.10 appropriations. No later than December 1,  
58.11 2024, and December 1, 2025, GreenSeam  
58.12 must report to the chairs and ranking minority  
58.13 members of the legislative committees with  
58.14 jurisdiction over agriculture and rural  
58.15 development with information on new and  
58.16 existing businesses supported, number of new  
58.17 jobs created in the region, new educational  
58.18 partnerships and programs supported, and  
58.19 regional branding and promotional efforts.

58.20 (j) \$1,950,000 the first year and \$1,950,000  
58.21 the second year are for grants to Second  
58.22 Harvest Heartland on behalf of Minnesota's  
58.23 six Feeding America food banks for the  
58.24 following purposes:

58.25 (1) at least \$850,000 each year must be  
58.26 allocated to purchase milk for distribution to  
58.27 Minnesota's food shelves and other charitable  
58.28 organizations that are eligible to receive food  
58.29 from the food banks. Milk purchased under  
58.30 the grants must be acquired from Minnesota  
58.31 milk processors and based on low-cost bids.  
58.32 The milk must be allocated to each Feeding  
58.33 America food bank serving Minnesota  
58.34 according to the formula used in the  
58.35 distribution of United States Department of

59.1 Agriculture commodities under The  
59.2 Emergency Food Assistance Program. Second  
59.3 Harvest Heartland may enter into contracts or  
59.4 agreements with food banks for shared funding  
59.5 or reimbursement of the direct purchase of  
59.6 milk. Each food bank that receives funding  
59.7 under this clause may use up to two percent  
59.8 for administrative expenses. Notwithstanding  
59.9 Minnesota Statutes, section 16A.28, any  
59.10 unencumbered balance the first year does not  
59.11 cancel and is available the second year;

59.12 (2) to compensate agricultural producers and  
59.13 processors for costs incurred to harvest and  
59.14 package for transfer surplus fruits, vegetables,  
59.15 and other agricultural commodities that would  
59.16 otherwise go unharvested, be discarded, or be  
59.17 sold in a secondary market. Surplus  
59.18 commodities must be distributed statewide to  
59.19 food shelves and other charitable organizations  
59.20 that are eligible to receive food from the food  
59.21 banks. Surplus food acquired under this clause  
59.22 must be from Minnesota producers and  
59.23 processors. Second Harvest Heartland may  
59.24 use up to 15 percent of each grant awarded  
59.25 under this clause for administrative and  
59.26 transportation expenses; and

59.27 (3) to purchase and distribute protein products,  
59.28 including but not limited to pork, poultry, beef,  
59.29 dry legumes, cheese, and eggs to Minnesota's  
59.30 food shelves and other charitable organizations  
59.31 that are eligible to receive food from the food  
59.32 banks. Second Harvest Heartland may use up  
59.33 to two percent of each grant awarded under  
59.34 this clause for administrative expenses. Protein  
59.35 products purchased under the grants must be

60.1 acquired from Minnesota processors and  
60.2 producers.

60.3 Second Harvest Heartland must submit  
60.4 quarterly reports to the commissioner and the  
60.5 chairs and ranking minority members of the  
60.6 legislative committees with jurisdiction over  
60.7 agriculture finance in the form prescribed by  
60.8 the commissioner. The reports must include  
60.9 but are not limited to information on the  
60.10 expenditure of funds, the amount of milk or  
60.11 other commodities purchased, and the  
60.12 organizations to which this food was  
60.13 distributed. The base for this appropriation is  
60.14 \$1,700,000 for fiscal year 2026 and each year  
60.15 thereafter.

60.16 (k) \$25,000 the first year and \$25,000 the  
60.17 second year are for grants to the Southern  
60.18 Minnesota Initiative Foundation to promote  
60.19 local foods through an annual event that raises  
60.20 public awareness of local foods and connects  
60.21 local food producers and processors with  
60.22 potential buyers.

60.23 (l) \$300,000 the first year and \$300,000 the  
60.24 second year are for grants to The Good Acre  
60.25 for the Local Emergency Assistance Farmer  
60.26 Fund (LEAFF) program to compensate  
60.27 ~~emerging~~ farmers experiencing limited land  
60.28 access or limited market access for crops  
60.29 donated to hunger relief organizations in  
60.30 Minnesota. For purposes of this paragraph,  
60.31 "limited land access" and "limited market  
60.32 access" have the meanings given in Minnesota  
60.33 Statutes, section 17.133, subdivision 1. This  
60.34 is a onetime appropriation.

61.1 (m) \$750,000 the first year and \$750,000 the  
61.2 second year are to expand the Emerging  
61.3 Farmers Office and provide services to  
61.4 beginning and emerging farmers to increase  
61.5 connections between farmers and market  
61.6 opportunities throughout the state. This  
61.7 appropriation may be used for grants,  
61.8 translation services, training programs, or  
61.9 other purposes in line with the  
61.10 recommendations of the Emerging Farmer  
61.11 Working Group established under Minnesota  
61.12 Statutes, section 17.055, subdivision 1. The  
61.13 base for this appropriation is \$1,000,000 in  
61.14 fiscal year 2026 and each year thereafter.

61.15 (n) \$50,000 the first year is to provide  
61.16 technical assistance and leadership in the  
61.17 development of a comprehensive and  
61.18 well-documented state aquaculture plan. The  
61.19 commissioner must provide the state  
61.20 aquaculture plan to the legislative committees  
61.21 with jurisdiction over agriculture finance and  
61.22 policy by February 15, 2025.

61.23 (o) \$337,000 the first year and \$337,000 the  
61.24 second year are for farm advocate services.  
61.25 Of these amounts, \$50,000 the first year and  
61.26 \$50,000 the second year are for the  
61.27 continuation of the farmland transition  
61.28 programs and may be used for grants to  
61.29 farmland access teams to provide technical  
61.30 assistance to potential beginning farmers.  
61.31 Farmland access teams must assist existing  
61.32 farmers and beginning farmers with  
61.33 transitioning farm ownership and farm  
61.34 operation. Services provided by teams may  
61.35 include but are not limited to mediation

62.1 assistance, designing contracts, financial  
62.2 planning, tax preparation, estate planning, and  
62.3 housing assistance.

62.4 (p) \$260,000 the first year and \$260,000 the  
62.5 second year are for a pass-through grant to  
62.6 Region Five Development Commission to  
62.7 provide, in collaboration with Farm Business  
62.8 Management, statewide mental health  
62.9 counseling support to Minnesota farm  
62.10 operators, families, and employees, and  
62.11 individuals who work with Minnesota farmers  
62.12 in a professional capacity. Region Five  
62.13 Development Commission may use up to 6.5  
62.14 percent of the grant awarded under this  
62.15 paragraph for administration.

62.16 (q) \$1,000,000 the first year is for transfer to  
62.17 the agricultural emergency account established  
62.18 under Minnesota Statutes, section 17.041.

62.19 (r) \$1,084,000 the first year and \$500,000 the  
62.20 second year are to support IT modernization  
62.21 efforts, including laying the technology  
62.22 foundations needed for improving customer  
62.23 interactions with the department for licensing  
62.24 and payments. This is a onetime appropriation.

62.25 (s) \$275,000 the first year is for technical  
62.26 assistance grants to certified community  
62.27 development financial institutions that  
62.28 participate in United States Department of  
62.29 Agriculture loan or grant programs for small  
62.30 farmers or emerging farmers experiencing  
62.31 limited land access or limited market access,  
62.32 including but not limited to the Increasing  
62.33 Land, Capital, and Market Access Program.  
62.34 For purposes of this paragraph, "~~emerging~~  
62.35 ~~farmer~~" has "limited land access" and "limited

63.1 market access" have the ~~meaning~~ meanings  
63.2 given in Minnesota Statutes, ~~section 17.055,~~  
63.3 ~~subdivision 1~~ section 17.133, subdivision 1.  
63.4 The commissioner may use up to 6.5 percent  
63.5 of this appropriation for costs incurred to  
63.6 administer the program. Notwithstanding  
63.7 Minnesota Statutes, section 16A.28, any  
63.8 unencumbered balance does not cancel at the  
63.9 end of the first year and is available in the  
63.10 second year. This is a onetime appropriation.  
63.11 (t) \$1,425,000 the first year and \$1,425,000  
63.12 the second year are for transfer to the  
63.13 agricultural and environmental revolving loan  
63.14 account established under Minnesota Statutes,  
63.15 section 17.117, subdivision 5a, for low-interest  
63.16 loans under Minnesota Statutes, section  
63.17 17.117.  
63.18 (u) \$150,000 the first year and \$150,000 the  
63.19 second year are for administrative support for  
63.20 the Rural Finance Authority.  
63.21 (v) The base in fiscal years 2026 and 2027 is  
63.22 \$150,000 each year to coordinate  
63.23 climate-related activities and services within  
63.24 the Department of Agriculture and  
63.25 counterparts in local, state, and federal  
63.26 agencies and to hire a full-time climate  
63.27 implementation coordinator. The climate  
63.28 implementation coordinator must coordinate  
63.29 efforts seeking federal funding for Minnesota's  
63.30 agricultural climate adaptation and mitigation  
63.31 efforts and develop strategic partnerships with  
63.32 the private sector and nongovernment  
63.33 organizations.  
63.34 (w) \$1,200,000 the first year and \$930,000 the  
63.35 second year are to maintain the current level

64.1 of service delivery. The base for this  
64.2 appropriation is ~~\$1,085,000~~ \$1,065,000 in  
64.3 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000  
64.4 in fiscal year 2027 and each year thereafter.

64.5 (x) \$250,000 the first year is for a grant to the  
64.6 Board of Regents of the University of  
64.7 Minnesota to purchase equipment for the  
64.8 Veterinary Diagnostic Laboratory to test for  
64.9 chronic wasting disease, African swine fever,  
64.10 avian influenza, and other animal diseases.  
64.11 The Veterinary Diagnostic Laboratory must  
64.12 report expenditures under this paragraph to  
64.13 the legislative committees with jurisdiction  
64.14 over agriculture finance and higher education  
64.15 with a report submitted by January 3, 2024,  
64.16 and a final report submitted by December 31,  
64.17 2024. The reports must include a list of  
64.18 equipment purchased, including the cost of  
64.19 each item.

64.20 (y) \$1,000,000 the first year and \$1,000,000  
64.21 the second year are to award and administer  
64.22 down payment assistance grants under  
64.23 Minnesota Statutes, section 17.133, with  
64.24 priority given to ~~emerging farmers as defined~~  
64.25 ~~in Minnesota Statutes, section 17.055,~~  
64.26 ~~subdivision 1~~ eligible applicants with no more  
64.27 than \$100,000 in annual gross farm product  
64.28 sales and eligible applicants who are producers  
64.29 of industrial hemp, cannabis, or one or more  
64.30 of the following specialty crops as defined by  
64.31 the United States Department of Agriculture  
64.32 for purposes of the specialty crop block grant  
64.33 program: fruits and vegetables, tree nuts, dried  
64.34 fruits, medicinal plants, culinary herbs and  
64.35 spices, horticulture crops, floriculture crops,



65.1 and nursery crops. Notwithstanding Minnesota  
65.2 Statutes, section 16A.28, any unencumbered  
65.3 balance at the end of the first year does not  
65.4 cancel and is available in the second year and  
65.5 appropriations encumbered under contract by  
65.6 June 30, 2025, are available until June 30,  
65.7 2027.

65.8 (z) \$222,000 the first year and \$322,000 the  
65.9 second year are for meat processing training  
65.10 and retention incentive grants under section  
65.11 5. The commissioner may use up to 6.5  
65.12 percent of this appropriation for costs incurred  
65.13 to administer the program. Notwithstanding  
65.14 Minnesota Statutes, section 16A.28, any  
65.15 unencumbered balance does not cancel at the  
65.16 end of the first year and is available in the  
65.17 second year. This is a onetime appropriation.

65.18 (aa) \$300,000 the first year and \$300,000 the  
65.19 second year are for transfer to the Board of  
65.20 Regents of the University of Minnesota to  
65.21 evaluate, propagate, and maintain the genetic  
65.22 diversity of oilseeds, grains, grasses, legumes,  
65.23 and other plants including flax, timothy,  
65.24 barley, rye, triticale, alfalfa, orchard grass,  
65.25 clover, and other species and varieties that  
65.26 were in commercial distribution and use in  
65.27 Minnesota before 1970, excluding wild rice.  
65.28 This effort must also protect traditional seeds  
65.29 brought to Minnesota by immigrant  
65.30 communities. This appropriation includes  
65.31 funding for associated extension and outreach  
65.32 to small and Black, Indigenous, and People of  
65.33 Color (BIPOC) farmers. This is a onetime  
65.34 appropriation.

66.1 (bb) \$300,000 the second year is to award and  
 66.2 administer beginning farmer equipment and  
 66.3 infrastructure grants under Minnesota Statutes,  
 66.4 section 17.055. This is a onetime  
 66.5 appropriation.

66.6 ~~(bb)~~ (cc) The commissioner shall continue to  
 66.7 increase connections with ethnic minority and  
 66.8 immigrant farmers to farming opportunities  
 66.9 and farming programs throughout the state.

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

66.11 Sec. 2. Laws 2023, chapter 43, article 1, section 4, is amended to read:

66.12	<b>Sec. 4. AGRICULTURAL UTILIZATION</b>		<b>6,143,000</b>	
66.13	<b>RESEARCH INSTITUTE</b>	<b>\$</b>	<b><u>6,393,000</u></b>	<b>\$ 4,343,000</b>

66.14 (a) \$300,000 the first year is for equipment  
 66.15 upgrades, equipment replacement, installation  
 66.16 expenses, and laboratory infrastructure at the  
 66.17 Agricultural Utilization Research Institute's  
 66.18 laboratories in the cities of Crookston,  
 66.19 Marshall, and Waseca.

66.20 (b) \$1,500,000 the first year is to replace  
 66.21 analytical and processing equipment and make  
 66.22 corresponding facility upgrades at Agricultural  
 66.23 Utilization Research Institute facilities in the  
 66.24 cities of Marshall, Crookston, and Waseca. Of  
 66.25 this amount, up to \$500,000 may be used for  
 66.26 renewable natural gas and anaerobic digestion  
 66.27 projects. This is a onetime appropriation and  
 66.28 is available until June 30, 2026.

66.29 (c) \$300,000 the first year and \$300,000 the  
 66.30 second year are to maintain the current level  
 66.31 of service delivery.

67.1 (d) \$250,000 the first year is to support food  
 67.2 businesses. This is a onetime appropriation  
 67.3 and is available until June 30, 2026.

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

67.5 **ARTICLE 6**  
 67.6 **PESTICIDE CONTROL**

67.7 Section 1. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision  
 67.8 to read:

67.9 Subd. 1d. **Application or use of a pesticide.** "Application or use of a pesticide" includes:

67.10 (1) the dispersal of a pesticide on, in, at, or directed toward a target site;

67.11 (2) preapplication activities that involve the mixing and loading of a restricted use  
 67.12 pesticide; and

67.13 (3) other restricted use pesticide-related activities, including but not limited to transporting  
 67.14 or storing pesticide containers that have been opened; cleaning equipment; and disposing  
 67.15 of excess pesticides, spray mix, equipment wash waters, pesticide containers, and other  
 67.16 materials that contain pesticide.

67.17 Sec. 2. Minnesota Statutes 2022, section 18B.26, subdivision 6, is amended to read:

67.18 Subd. 6. **Discontinuance or cancellation of registration.** (a) To ensure the complete  
 67.19 withdrawal from distribution or further use of a pesticide, a person who intends to discontinue  
 67.20 a pesticide registration must:

67.21 (1) terminate a further distribution within the state and continue to register the pesticide  
 67.22 annually for two successive years; and

67.23 (2) initiate and complete a total recall of the pesticide from all distribution in the state  
 67.24 within 60 days from the date of notification to the commissioner of intent to discontinue  
 67.25 registration; ~~or.~~

67.26 ~~(3) submit to the commissioner evidence adequate to document that no distribution of~~  
 67.27 ~~the registered pesticide has occurred in the state.~~

67.28 (b) Upon the request of a registrant, the commissioner may immediately cancel  
 67.29 registration of a pesticide product. The commissioner may immediately cancel registration  
 67.30 of a pesticide product at the commissioner's discretion. When requesting that the

68.1 commissioner immediately cancel registration of a pesticide product, a registrant must  
68.2 provide the commissioner with:

68.3 (1) a statement that the pesticide product is no longer in distribution; and

68.4 (2) documentation of pesticide gross sales from the previous year supporting the statement  
68.5 under clause (1).

68.6 Sec. 3. Minnesota Statutes 2022, section 18B.28, is amended by adding a subdivision to  
68.7 read:

68.8 Subd. 5. **Advisory panel.** Before approving the issuance of an experimental use pesticide  
68.9 product registration under this section, the commissioner must convene and consider the  
68.10 advice of a panel of outside scientific and health experts. The panel must include but is not  
68.11 limited to representatives of the Department of Health, the Department of Natural Resources,  
68.12 the Pollution Control Agency, and the University of Minnesota.

68.13 Sec. 4. **[18B.283] EXPERT ADVICE REQUIRED FOR EMERGENCY**  
68.14 **EXEMPTIONS.**

68.15 Within 30 days of submitting an emergency registration exemption application under  
68.16 section 18 of FIFRA, the commissioner must convene and consider the advice of a panel  
68.17 of outside scientific and health experts. The panel must include but is not limited to  
68.18 representatives of the Department of Health, the Department of Natural Resources, the  
68.19 Pollution Control Agency, and the University of Minnesota.

68.20 Sec. 5. Minnesota Statutes 2022, section 18B.305, subdivision 2, is amended to read:

68.21 **Subd. 2. **Training manual and examination development.**** The commissioner, in  
68.22 consultation with University of Minnesota Extension and other higher education institutions,  
68.23 shall continually revise and update pesticide applicator training manuals and examinations.  
68.24 The manuals and examinations must be written to meet or exceed the minimum competency  
68.25 standards required by the United States Environmental Protection Agency and pertinent  
68.26 state specific information. Pesticide applicator training manuals and examinations must  
68.27 meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171.  
68.28 Competency standards for training manuals and examinations must be published on the  
68.29 Department of Agriculture website. Questions in the examinations must be determined by  
68.30 the commissioner in consultation with other responsible agencies. Manuals and examinations  
68.31 must include pesticide management practices that discuss prevention of pesticide occurrence

69.1 in groundwater and surface water of the state, and economic thresholds and guidance for  
69.2 insecticide use.

69.3 Sec. 6. Minnesota Statutes 2022, section 18B.32, subdivision 1, is amended to read:

69.4 Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control  
69.5 applications:

69.6 (1) for hire without a structural pest control license; ~~and~~

69.7 (2) as a sole proprietorship, company, partnership, or corporation unless the person is  
69.8 or employs a licensed master in structural pest control operations; and

69.9 (3) unless the person is 18 years of age or older.

69.10 (b) A structural pest control licensee must have a valid license identification card to  
69.11 purchase a restricted use pesticide or apply pesticides for hire and must display it upon  
69.12 demand by an authorized representative of the commissioner or a law enforcement officer.  
69.13 The license identification card must contain information required by the commissioner.

69.14 Sec. 7. Minnesota Statutes 2022, section 18B.32, subdivision 3, is amended to read:

69.15 Subd. 3. **Application.** (a) A person must apply to the commissioner for a structural pest  
69.16 control license on forms and in the manner required by the commissioner. The commissioner  
69.17 shall require the applicant to pass a written, closed-book, monitored examination or oral  
69.18 examination, or both, ~~and may also require a practical demonstration regarding structural~~  
69.19 ~~pest control.~~ The commissioner shall establish the examination procedure, including the  
69.20 phases and contents of the examination.

69.21 (b) The commissioner may license a person as a master under a structural pest control  
69.22 license if the person has the necessary qualifications through knowledge and experience to  
69.23 properly plan, determine, and supervise the selection and application of pesticides in structural  
69.24 pest control. To demonstrate the qualifications and become licensed as a master under a  
69.25 structural pest control license, a person must:

69.26 (1) pass a closed-book test administered by the commissioner;

69.27 (2) have direct experience as a licensed journeyman under a structural pest control license  
69.28 for at least two years by this state or a state with equivalent certification requirements or as  
69.29 a full-time licensed master in another state with equivalent certification requirements; and

69.30 (3) show practical knowledge and field experience under clause (2) in the actual selection  
69.31 and application of pesticides under varying conditions.

70.1 (c) The commissioner may license a person as a journeyman under a structural pest  
70.2 control license if the person:

70.3 (1) has the necessary qualifications in the practical selection and application of pesticides;

70.4 (2) has passed a closed-book examination given by the commissioner; and

70.5 (3) is engaged as an employee of or is working under the direction of a person licensed  
70.6 as a master under a structural pest control license.

70.7 (d) The commissioner may license a person as a fumigator under a structural pest control  
70.8 license if the person:

70.9 (1) has knowledge of the practical selection and application of fumigants;

70.10 (2) has passed a closed-book examination given by the commissioner; and

70.11 (3) is licensed by the commissioner as a master or journeyman under a structural pest  
70.12 control license.

70.13 Sec. 8. Minnesota Statutes 2022, section 18B.32, subdivision 4, is amended to read:

70.14 Subd. 4. **Renewal.** (a) An applicator may apply to renew a structural pest control  
70.15 applicator license ~~may be renewed~~ on or before the expiration of an existing license subject  
70.16 to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the  
70.17 commissioner, or other requirements imposed by the commissioner to provide the applicator  
70.18 with information regarding changing technology and to help assure a continuing level of  
70.19 competency and ability to use pesticides safely and properly. A recertification workshop  
70.20 must meet or exceed the competency standards in Code of Federal Regulations, title 40,  
70.21 part 171. Competency standards for a recertification workshop must be published on the  
70.22 Department of Agriculture website. If the commissioner requires an applicator to attend a  
70.23 recertification workshop and the applicator fails to attend the workshop, the commissioner  
70.24 may require the applicator to pass a reexamination. The commissioner may require an  
70.25 additional demonstration of applicator qualification if the applicator has had a license  
70.26 suspended or revoked or has otherwise had a history of violations of this chapter.

70.27 (b) If ~~a person~~ an applicator fails to renew a structural pest control license within three  
70.28 months of its expiration, the ~~person~~ applicator must obtain a structural pest control license  
70.29 subject to the requirements, procedures, and fees required for an initial license.

71.1 Sec. 9. Minnesota Statutes 2022, section 18B.32, subdivision 5, is amended to read:

71.2 Subd. 5. **Financial responsibility.** (a) ~~A structural pest control license may not be issued~~  
71.3 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may  
71.4 suspend or revoke a structural pest control license if an applicator fails to provide proof of  
71.5 financial responsibility upon the commissioner's request. Financial responsibility may be  
71.6 demonstrated by:

71.7 (1) proof of net assets equal to or greater than \$50,000; or

71.8 (2) a performance bond or insurance of a kind and in an amount determined by the  
71.9 commissioner.

71.10 (b) The bond or insurance must cover a period of time at least equal to the term of the  
71.11 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license  
71.12 ~~of a person~~ an applicator who fails to maintain the required bond or insurance. The  
71.13 performance bond or insurance policy must contain a provision requiring the insurance or  
71.14 bonding company to notify the commissioner by ten days before the effective date of  
71.15 cancellation, termination, or any other change of the bond or insurance. If there is recovery  
71.16 against the bond or insurance, additional coverage must be secured by the applicator to  
71.17 maintain financial responsibility equal to the original amount required.

71.18 (c) An employee of a licensed person is not required to maintain an insurance policy or  
71.19 bond during the time the employer is maintaining the required insurance or bond.

71.20 (d) Applications for reinstatement of a license suspended under the provisions of this  
71.21 section must be accompanied by proof of satisfaction of judgments previously rendered.

71.22 Sec. 10. Minnesota Statutes 2022, section 18B.33, subdivision 1, is amended to read:

71.23 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a  
71.24 commercial applicator license for the appropriate use categories or a structural pest control  
71.25 license.

71.26 (b) A commercial applicator licensee must have a valid license identification card to  
71.27 purchase a restricted use pesticide or apply pesticides for hire and must display it upon  
71.28 demand by an authorized representative of the commissioner or a law enforcement officer.  
71.29 The commissioner shall prescribe the information required on the license identification  
71.30 card.

72.1 (c) A person licensed under this section is considered qualified and is not required to  
72.2 verify, document, or otherwise prove a particular need prior to use, except as required by  
72.3 the federal label.

72.4 (d) A person who uses a general-use sanitizer or disinfectant for hire in response to  
72.5 COVID-19 is exempt from the commercial applicator license requirements under this section.

72.6 (e) A person licensed under this section must be 18 years of age or older.

72.7 Sec. 11. Minnesota Statutes 2022, section 18B.33, subdivision 5, is amended to read:

72.8 Subd. 5. **Renewal application.** (a) ~~A person~~ An applicator must apply to the  
72.9 commissioner to renew a commercial applicator license. The commissioner may renew a  
72.10 commercial applicator license accompanied by the application fee, subject to reexamination,  
72.11 attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other  
72.12 requirements imposed by the commissioner to provide the applicator with information  
72.13 regarding changing technology and to help assure a continuing level of competence and  
72.14 ability to use pesticides safely and properly. ~~The applicant~~ Upon the receipt of an applicator's  
72.15 renewal application, the commissioner may require the applicator to attend a recertification  
72.16 workshop. Depending on the application category, the commissioner may require an  
72.17 applicator to complete a recertification workshop once per year, once every two years, or  
72.18 once every three years. If the commissioner requires an applicator to attend a recertification  
72.19 workshop and the applicator fails to attend the workshop, the commissioner may require  
72.20 the applicator to pass a reexamination. A recertification workshop must meet or exceed the  
72.21 competency standards in Code of Federal Regulations, title 40, part 171. Competency  
72.22 standards for a recertification workshop must be published on the Department of Agriculture  
72.23 website. An applicator may renew a commercial applicator license within 12 months after  
72.24 expiration of the license without having to meet initial testing requirements. The  
72.25 commissioner may require an additional demonstration of applicator qualification if ~~a person~~  
72.26 the applicator has had a license suspended or revoked or has had a history of violations of  
72.27 this chapter.

72.28 (b) ~~An applicant~~ applicator that meets renewal requirements by reexamination instead  
72.29 of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee  
72.30 for the reexamination as determined by the commissioner.

72.31 Sec. 12. Minnesota Statutes 2022, section 18B.33, subdivision 6, is amended to read:

72.32 Subd. 6. **Financial responsibility.** (a) ~~A commercial applicator license may not be issued~~  
72.33 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may



73.1 suspend or revoke an applicator's commercial applicator license if the applicator fails to  
73.2 provide proof of financial responsibility upon the commissioner's request. Financial  
73.3 responsibility may be demonstrated by: (1) proof of net assets equal to or greater than  
73.4 \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined  
73.5 by the commissioner.

73.6 (b) The bond or insurance must cover a period of time at least equal to the term of the  
73.7 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license  
73.8 of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The  
73.9 performance bond or insurance policy must contain a provision requiring the insurance or  
73.10 bonding company to notify the commissioner by ten days before the effective date of  
73.11 cancellation, termination, or any other change of the bond or insurance. If there is recovery  
73.12 against the bond or insurance, additional coverage must be secured by the applicator to  
73.13 maintain financial responsibility equal to the original amount required.

73.14 (c) An employee of a licensed ~~person~~ applicator is not required to maintain an insurance  
73.15 policy or bond during the time the employer is maintaining the required insurance or bond.

73.16 (d) Applications for reinstatement of a license suspended under the provisions of this  
73.17 section must be accompanied by proof of satisfaction of judgments previously rendered.

73.18 Sec. 13. Minnesota Statutes 2022, section 18B.34, subdivision 1, is amended to read:

73.19 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator, certified  
73.20 private applicator, or licensed structural pest control applicator, a person, including a  
73.21 government employee, may not purchase or use a restricted use pesticide in performance  
73.22 of official duties without having a noncommercial applicator license for an appropriate use  
73.23 category.

73.24 (b) A licensee must have a valid license identification card when applying pesticides  
73.25 and must display it upon demand by an authorized representative of the commissioner or a  
73.26 law enforcement officer. The license identification card must contain information required  
73.27 by the commissioner.

73.28 (c) A person licensed under this section is considered qualified and is not required to  
73.29 verify, document, or otherwise prove a particular need prior to use, except as required by  
73.30 the federal label.

73.31 (d) A person licensed under this section must be 18 years of age or older.

74.1 Sec. 14. Minnesota Statutes 2022, section 18B.34, subdivision 4, is amended to read:

74.2 Subd. 4. **Renewal.** (a) ~~A person~~ An applicator must apply to the commissioner to renew  
74.3 a noncommercial applicator license. The commissioner may renew a license subject to  
74.4 reexamination, attendance at ~~workshops~~ a recertification workshop approved by the  
74.5 commissioner, or other requirements imposed by the commissioner to provide the applicator  
74.6 with information regarding changing technology and to help assure a continuing level of  
74.7 competence and ability to use pesticides safely and properly. Upon the receipt of an  
74.8 applicator's renewal application, the commissioner may require the applicator to attend a  
74.9 recertification workshop. Depending on the application category, the commissioner may  
74.10 require an applicator to complete a recertification workshop once per year, once every two  
74.11 years, or once every three years. If the commissioner requires an applicator to attend a  
74.12 recertification workshop and the applicator fails to attend the workshop, the commissioner  
74.13 may require the applicator to pass a reexamination. A recertification workshop must meet  
74.14 or exceed the competency standards in Code of Federal Regulations, title 40, part 171.  
74.15 Competency standards for a recertification workshop must be published on the Department  
74.16 of Agriculture website. The commissioner may require an additional demonstration of  
74.17 applicator qualification if the applicator has had a license suspended or revoked or has  
74.18 otherwise had a history of violations of this chapter.

74.19 (b) ~~An applicant~~ applicator that meets renewal requirements by reexamination instead  
74.20 of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee  
74.21 for the reexamination as determined by the commissioner.

74.22 (c) ~~An applicant~~ applicator has 12 months to renew the license after expiration without  
74.23 having to meet initial testing requirements.

74.24 Sec. 15. Minnesota Statutes 2022, section 18B.35, subdivision 1, is amended to read:

74.25 Subdivision 1. **Establishment.** (a) The commissioner may establish categories of  
74.26 structural pest control, commercial applicator, and noncommercial applicator licenses ~~for~~  
74.27 ~~administering and enforcing this chapter.~~ and private applicator certification consistent with  
74.28 federal requirements in Code of Federal Regulations, title 40, parts 171.101 and 171.105,  
74.29 including but not limited to the federal categories that are applicable to Minnesota.  
74.30 Application categories must meet or exceed the competency standards in Code of Federal  
74.31 Regulations, title 40, part 171. Competency standards for application categories must be  
74.32 published on the Department of Agriculture website. The categories may include pest control  
74.33 operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators.  
74.34 Separate subclassifications of categories may be specified as to ground, aerial, or manual

75.1 methods to apply pesticides or to the use of pesticides to control insects, plant diseases,  
75.2 rodents, or weeds.

75.3 (b) Each category is subject to separate testing procedures and requirements.

75.4 Sec. 16. Minnesota Statutes 2022, section 18B.36, subdivision 1, is amended to read:

75.5 Subdivision 1. **Requirement.** (a) Except for a licensed commercial or noncommercial  
75.6 applicator, only a certified private applicator may use a restricted use pesticide to produce  
75.7 an agricultural commodity:

75.8 (1) as a traditional exchange of services without financial compensation;

75.9 (2) on a site owned, rented, or managed by the person or the person's employees; or

75.10 (3) when the private applicator is one of two or fewer employees and the owner or  
75.11 operator is a certified private applicator or is licensed as a noncommercial applicator.

75.12 (b) A person may not purchase a restricted use pesticide without presenting a license  
75.13 card, certified private applicator card, or the card number.

75.14 (c) A person certified under this section is considered qualified and is not required to  
75.15 verify, document, or otherwise prove a particular need prior to use, except as required by  
75.16 the federal label.

75.17 (d) A person certified under this section must be 18 years of age or older.

75.18 Sec. 17. Minnesota Statutes 2022, section 18B.36, subdivision 2, is amended to read:

75.19 Subd. 2. **Certification.** (a) The commissioner shall prescribe certification requirements  
75.20 and provide training that meets or exceeds United States Environmental Protection Agency  
75.21 standards to certify private applicators and provide information relating to changing  
75.22 technology to help ensure a continuing level of competency and ability to use pesticides  
75.23 properly and safely. Private applicator certification requirements and training must meet or  
75.24 exceed the competency standards in Code of Federal Regulations, title 40, part 171.  
75.25 Competency standards for private applicator certification and training must be published  
75.26 on the Department of Agriculture website. The training may be done through cooperation  
75.27 with other government agencies and must be a minimum of three hours in duration.

75.28 (b) A person must apply to the commissioner for certification as a private applicator.  
75.29 After completing the certification requirements, which must include ~~an~~ a proctored  
75.30 examination as determined by the commissioner, an applicant must be certified as a private

76.1 applicator to use restricted use pesticides. The certification shall expire March 1 of the third  
76.2 calendar year after the initial year of certification.

76.3 (c) The commissioner shall issue a private applicator card to a private applicator.

76.4 Sec. 18. Minnesota Statutes 2022, section 18B.37, subdivision 2, is amended to read:

76.5 Subd. 2. **Commercial and noncommercial applicators.** (a) A commercial or  
76.6 noncommercial applicator; or the applicator's authorized agent; must maintain a record of  
76.7 pesticides used on each site. Noncommercial applicators must keep records of restricted  
76.8 use pesticides. The record must include the:

76.9 (1) date of the pesticide use;

76.10 (2) time the pesticide application was completed;

76.11 (3) brand name of the pesticide, the United States Environmental Protection Agency  
76.12 registration number, and rate used;

76.13 (4) number of units treated;

76.14 (5) temperature, wind speed, and wind direction;

76.15 (6) location of the site where the pesticide was applied;

76.16 (7) name and address of the customer;

76.17 (8) name of applicator, name of company, license number of applicator, and address of  
76.18 applicator company; and

76.19 (9) any other information required by the commissioner.

76.20 (b) Portions of records not relevant to a specific type of application may be omitted upon  
76.21 approval from the commissioner.

76.22 (c) All information for this record requirement must be contained in a document for each  
76.23 pesticide application, except a map may be attached to identify treated areas. An invoice  
76.24 containing the required information may constitute the required record. The commissioner  
76.25 shall make sample forms available to meet the requirements of this paragraph.

76.26 (d) The record must be completed no later than five days after the application of the  
76.27 pesticide.

76.28 (e) A commercial applicator must give a copy of the record to the customer.

76.29 (f) Records must be retained by the applicator, company, or authorized agent for five  
76.30 years after the date of treatment.

77.1 (g) A record of a commercial or noncommercial applicator must meet or exceed the  
77.2 requirements in Code of Federal Regulations, title 40, part 171.

77.3 Sec. 19. Minnesota Statutes 2022, section 18B.37, subdivision 3, is amended to read:

77.4 Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator  
77.5 must maintain a record of each structural pest control application conducted by that person  
77.6 or by the person's employees. The record must include the:

77.7 (1) date of structural pest control application;

77.8 (2) target pest;

77.9 (3) brand name of the pesticide, United States Environmental Protection Agency  
77.10 registration number, and amount used;

77.11 (4) for fumigation, the temperature and exposure time;

77.12 (5) time the pesticide application was completed;

77.13 (6) name and address of the customer;

77.14 (7) name of structural pest control applicator, name of company and address of applicator  
77.15 or company, and license number of applicator; and

77.16 (8) any other information required by the commissioner.

77.17 (b) All information for this record requirement must be contained in a document for  
77.18 each pesticide application. An invoice containing the required information may constitute  
77.19 the record.

77.20 (c) The record must be completed no later than five days after the application of the  
77.21 pesticide.

77.22 (d) Records must be retained for five years after the date of treatment.

77.23 (e) A copy of the record must be given to a person who ordered the application that is  
77.24 present at the site where the structural pest control application is conducted, placed in a  
77.25 conspicuous location at the site where the structural pest control application is conducted  
77.26 immediately after the application of the pesticides, or delivered to the person who ordered  
77.27 an application or the owner of the site. The commissioner must make sample forms available  
77.28 that meet the requirements of this subdivision.

77.29 (f) A structural applicator must post in a conspicuous place inside a renter's apartment  
77.30 where a pesticide application has occurred a list of postapplication precautions contained

78.1 on the label of the pesticide that was applied in the apartment and any other information  
78.2 required by the commissioner.

78.3 (g) A record of a structural applicator must meet or exceed the requirements in Code of  
78.4 Federal Regulations, title 40, part 171.

78.5 Sec. 20. **COMMERCIAL APPLICATOR LICENSE EXAMINATION LANGUAGE**  
78.6 **REQUIREMENTS.**

78.7 By January 1, 2025, the commissioner of agriculture must ensure that examinations for  
78.8 a commercial applicator license under Minnesota Statutes, section 18B.33, are available in  
78.9 Spanish and that applicants are informed that the examinations can be taken in Spanish.  
78.10 The commissioner must use money appropriated from the pesticide regulatory account  
78.11 under Minnesota Statutes, section 18B.05, for this purpose.

## 78.12 ARTICLE 7

### 78.13 OTHER AGRICULTURE STATUTORY CHANGES

78.14 Section 1. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision  
78.15 to read:

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

78.18 (b) "Approved agent" means a person authorized by the Department of Agriculture to  
78.19 determine if crop or fence damage was caused by elk and to assign a monetary value to the  
78.20 crop or fence damage.

78.21 (c) "Commissioner" means the commissioner of agriculture or the commissioner's  
78.22 authorized representative.

78.23 (d) "Estimated value" means the current value of crops or fencing as determined by an  
78.24 approved agent.

78.25 (e) "Owner" means an individual, firm, corporation, copartnership, or association with  
78.26 an interest in crops or fencing damaged by elk.

78.27 Sec. 2. Minnesota Statutes 2022, section 3.7371, subdivision 2, is amended to read:

78.28 Subd. 2. **Claim form and reporting.** (a) The owner must prepare a claim on forms  
78.29 provided by the commissioner and available on the Department of ~~Agriculture's~~ Agriculture

79.1 website or by request from the commissioner. ~~The claim form must be filed with the~~  
79.2 ~~commissioner.~~

79.3 (b) After discovering crop or fence damage suspected to be caused by elk, an owner  
79.4 must promptly notify an approved agent of the damage. To submit a claim for crop or fence  
79.5 damage caused by elk, an owner must complete the required portions of the claim form  
79.6 provided by the commissioner. An owner who has submitted a claim must provide an  
79.7 approved agent with all information required to investigate the crop or fence damage.

79.8 Sec. 3. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to  
79.9 read:

79.10 Subd. 2a. **Investigation and crop valuation.** (a) Upon receiving notification of crop or  
79.11 fence damage suspected to be caused by elk, an approved agent must promptly investigate  
79.12 the damage in a timely manner. An approved agent must make written findings on the claim  
79.13 form regarding whether the crop or fence was destroyed or damaged by elk. The approved  
79.14 agent's findings must be based on physical and circumstantial evidence, including:

79.15 (1) the condition of the crop or fence;

79.16 (2) the presence of elk tracks;

79.17 (3) the geographic area of the state where the crop or fence damage occurred;

79.18 (4) any sightings of elk in the area; and

79.19 (5) any other circumstances that the approved agent considers to be relevant.

79.20 (b) The absence of affirmative evidence may be grounds for denial of a claim.

79.21 (c) On a claim form, an approved agent must make written findings of the extent of crop  
79.22 or fence damage and, if applicable, the amount of crop destroyed.

79.23 (d) For damage to standing crops, an owner may choose to have the approved agent use  
79.24 the method in clause (1) or (2) to complete the claim form and determine the amount of  
79.25 crop loss:

79.26 (1) to submit a claim form to the commissioner at the time that the suspected elk damage  
79.27 is discovered, the approved agent must record on the claim form: (i) the field's potential  
79.28 yield per acre; (ii) the field's average yield per acre that is expected on the damaged acres;  
79.29 (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon completing the  
79.30 claim form, the approved agent must submit the form to the commissioner; or

80.1 (2) to submit a claim form to the commissioner at the time that the crop is harvested,  
80.2 the approved agent must record on the claim form at the time of the investigation: (i) the  
80.3 percent of crop loss from damage; (ii) the actual yield of the damaged field when the crop  
80.4 is harvested; (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon  
80.5 completing the claim form, the approved agent must submit the form to the commissioner.

80.6 (e) For damage to stored crops, an approved agent must record on the claim form: (1)  
80.7 the type and volume of destroyed stored crops; (2) the estimated value of the crop; and (3)  
80.8 the total amount of loss.

80.9 (f) For damage to fencing, an approved agent must record on the claim form: (1) the  
80.10 type of materials damaged; (2) the linear feet of the damage; (3) the value of the materials  
80.11 per unit according to National Resource Conservation Service specifications; and (4) the  
80.12 calculated total damage to the fence.

80.13 Sec. 4. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to  
80.14 read:

80.15 Subd. 2b. **Claim form.** A completed claim form must be signed by the owner and an  
80.16 approved agent. An approved agent must submit the claim form to the commissioner for  
80.17 the commissioner's review and payment. The commissioner must return an incomplete claim  
80.18 form to the approved agent. When returning an incomplete claim form to an approved agent,  
80.19 the commissioner must indicate which information is missing from the claim form.

80.20 Sec. 5. Minnesota Statutes 2022, section 3.7371, subdivision 3, is amended to read:

80.21 Subd. 3. **Compensation.** (a) ~~The crop~~ An owner is entitled to the ~~target price or the~~  
80.22 ~~market price, whichever is greater,~~ estimated value of the damaged or destroyed crop ~~plus~~  
80.23 ~~adjustments for yield loss determined according to agricultural stabilization and conservation~~  
80.24 ~~service programs for individual farms, adjusted annually, as determined by the commissioner,~~  
80.25 ~~upon recommendation of the commissioner's approved agent for the owner's county or~~  
80.26 fence. Verification of crop or fence damage or destruction by elk may be provided by  
80.27 submitting photographs or other evidence and documentation ~~together with a statement~~  
80.28 ~~from an independent witness~~ using forms prescribed by the commissioner. The commissioner,  
80.29 upon recommendation of the commissioner's approved agent, shall determine whether the  
80.30 crop damage or destruction or damage to or destruction of a fence surrounding a crop or  
80.31 pasture is caused by elk and, if so, the amount of the crop or fence that is damaged or  
80.32 destroyed. In any fiscal year, an owner may not be compensated for a damaged or destroyed  
80.33 crop or fence surrounding a crop or pasture that is less than \$100 in value and may be



81.1 compensated up to \$20,000, as determined under this section, ~~if normal harvest procedures~~  
81.2 ~~for the area are followed.~~ An owner may not be compensated more than \$1,800 per fiscal  
81.3 year for damage to fencing surrounding a crop or pasture.

81.4 (b) In any fiscal year, the commissioner may provide compensation for claims filed  
81.5 under this section up to the amount expressly appropriated for this purpose.

81.6 Sec. 6. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended  
81.7 to read:

81.8 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner  
81.9 may award and administer equipment and infrastructure grants to beginning farmers. The  
81.10 commissioner shall give preference to applicants who are ~~emerging farmers~~ experiencing  
81.11 limited land access or limited market access as those terms are defined in section 17.133,  
81.12 subdivision 1. Grant money may be used for equipment and infrastructure development.

81.13 (b) The commissioner shall develop competitive eligibility criteria and may allocate  
81.14 grants on a needs basis.

81.15 (c) Grant projects may continue for up to two years.

81.16 Sec. 7. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

81.19 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

81.20 (1) is a resident of Minnesota who intends to acquire farmland located within the state  
81.21 and provide the majority of the day-to-day physical labor and management of the farm;

81.22 (2) grosses no more than \$250,000 per year from the sale of farm products; ~~and~~

81.23 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership  
81.24 interest in farmland; and

81.25 (4) is not, and whose spouse is not, related by blood or marriage to an owner of the  
81.26 farmland that the individual intends to acquire.

81.27 (c) "Farm down payment" means an initial, partial payment required by a lender or seller  
81.28 to purchase farmland.

81.29 (d) "Incubator farm" means a farm where:

82.1 (1) individuals are given temporary, exclusive, and affordable access to small parcels  
82.2 of land, infrastructure, and often training, for the purpose of honing skills and launching a  
82.3 farm business; and

82.4 (2) a majority of the individuals farming the small parcels of land grow industrial hemp,  
82.5 cannabis, or one or more of the following specialty crops as defined by the United States  
82.6 Department of Agriculture for purposes of the specialty crop block grant program: fruits  
82.7 and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture  
82.8 crops, floriculture crops, and nursery crops.

82.9 (e) "Limited land access" means farming land that the individual does not own when:

82.10 (1) the individual or the individual's child rents or leases the land, with the term of each  
82.11 rental or lease agreement not exceeding three years in duration, from a person who is not  
82.12 related to the individual or the individual's spouse by blood or marriage; or

82.13 (2) the individual rents the land from an incubator farm.

82.14 (f) "Limited market access" means the majority of the individual's annual farm product  
82.15 sales are direct sales to the consumer.

82.16 Sec. 8. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended  
82.17 to read:

82.18 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,  
82.19 the commissioner must provide a report to the chairs and ranking minority members of the  
82.20 legislative committees having jurisdiction over agriculture and rural development, in  
82.21 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants  
82.22 under this section. The report must include:

82.23 (1) background information on beginning farmers in Minnesota and any other information  
82.24 that the commissioner and authority find relevant to evaluating the effect of the grants on  
82.25 increasing opportunities for and the number of beginning farmers;

82.26 (2) the number and amount of grants;

82.27 (3) the geographic distribution of grants by county;

82.28 (4) the number of grant recipients who are emerging farmers;

82.29 (5) the number of grant recipients who were experiencing limited land access or limited  
82.30 market access when the grant was awarded;

82.31 ~~(5)~~ (6) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

83.1 ~~(6)~~ (7) the number of farmers who cease to own land and are subject to payment of a  
83.2 penalty, along with the reasons for the land ownership cessation; and

83.3 ~~(7)~~ (8) the number and amount of grant applications that exceeded the allocation available  
83.4 in each year.

83.5 Sec. 9. Minnesota Statutes 2023 Supplement, section 17.134, is amended by adding a  
83.6 subdivision to read:

83.7 Subd. 3a. **Grant requirements.** In addition to the applicable grants management  
83.8 requirements under sections 16B.97 to 16B.991, as a condition of receiving a soil health  
83.9 financial assistance grant under this section, an owner or lessee of farmland must commit  
83.10 to:

83.11 (1) if not certified under sections 17.9891 to 17.993, achieve certification no later than  
83.12 24 months after the grant agreement is fully executed;

83.13 (2) not lease or rent the equipment to another for economic gain; and

83.14 (3) if selling the equipment, sell the equipment for no more than the owner's or lessee's  
83.15 documented share of the total purchase price.

83.16 Sec. 10. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
83.17 to read:

83.18 Subd. 1c. **Beneficial substance.** "Beneficial substance" means any substance or  
83.19 compound other than a primary, secondary, and micro plant nutrient that can be demonstrated  
83.20 by scientific research to be beneficial to one or more species of plants, soil, or media.

83.21 Sec. 11. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
83.22 to read:

83.23 Subd. 7b. **Diammonium phosphate.** "Diammonium phosphate" or "DAP" means a  
83.24 fertilizer containing 18 percent total nitrogen and 46 percent available phosphate.

83.25 Sec. 12. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
83.26 to read:

83.27 Subd. 11a. **Finished sewage sludge product.** "Finished sewage sludge product" means  
83.28 a fertilizer product consisting in whole or in part of sewage sludge that is disinfected by  
83.29 means of composting, pasteurization, wet air oxidation, heat treatment, or other means and  
83.30 sold to the public.

84.1 Sec. 13. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
84.2 to read:

84.3 Subd. 18b. **Liquid 28.** "Liquid 28" means a liquid nitrogen solution containing 28 percent  
84.4 total nitrogen.

84.5 Sec. 14. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
84.6 to read:

84.7 Subd. 18c. **Liquid 32.** "Liquid 32" means a liquid nitrogen solution containing 32 percent  
84.8 total nitrogen.

84.9 Sec. 15. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
84.10 to read:

84.11 Subd. 19b. **Monoammonium phosphate.** "Monoammonium phosphate" or "MAP"  
84.12 means a fertilizer containing ten to 11 percent total nitrogen and 48 to 55 percent available  
84.13 phosphate.

84.14 Sec. 16. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
84.15 to read:

84.16 Subd. 20a. **Nitrogen fertilizer.** "Nitrogen fertilizer" means any fertilizer, soil amendment,  
84.17 or plant amendment totally or partially comprised of nitrogen, including but not limited to  
84.18 anhydrous ammonia, urea, liquid 28, liquid 32, DAP, and MAP.

84.19 Sec. 17. Minnesota Statutes 2022, section 18C.005, subdivision 33, is amended to read:

84.20 Subd. 33. **Soil amendment.** "Soil amendment" means a substance intended to improve  
84.21 the structural, physical, chemical, biochemical, or biological characteristics of the soil or  
84.22 modify organic matter at or near the soil surface, except fertilizers, agricultural liming  
84.23 materials, pesticides, and other materials exempted by the commissioner's rules.

84.24 Sec. 18. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision  
84.25 to read:

84.26 Subd. 37a. **Urea.** "Urea" means a white crystalline solid containing 46 percent nitrogen.

84.27 Sec. 19. Minnesota Statutes 2022, section 18C.115, subdivision 2, is amended to read:

84.28 Subd. 2. **Adoption of national standards.** Applicable national standards contained in  
84.29 the 1996 official publication, number 49, most recently published version of the official

85.1 publication of the Association of American Plant Food Control Officials including the rules  
85.2 and regulations, statements of uniform interpretation and policy, and the official fertilizer  
85.3 terms and definitions, and not otherwise adopted by the commissioner, may be adopted as  
85.4 fertilizer rules of this state.

85.5 Sec. 20. Minnesota Statutes 2022, section 18C.215, subdivision 1, is amended to read:

85.6 Subdivision 1. **Packaged fertilizers.** (a) A person may not sell or distribute specialty  
85.7 fertilizer in bags or other containers in this state unless a label is placed on or affixed to the  
85.8 bag or container stating in a clear, legible, and conspicuous form the following information:

85.9 (1) the net weight and volume, if applicable;

85.10 (2) the brand and grade, except the grade is not required if primary nutrients are not  
85.11 claimed;

85.12 (3) the guaranteed analysis;

85.13 (4) the name and address of the guarantor;

85.14 (5) directions for use, except directions for use are not required for custom blend specialty  
85.15 fertilizers; and

85.16 (6) a derivatives statement.

85.17 (b) A person may not sell or distribute fertilizer for agricultural purposes in bags or other  
85.18 containers in this state unless a label is placed on or affixed to the bag or container stating  
85.19 in a clear, legible, and conspicuous form the information listed in paragraph (a), clauses (1)  
85.20 to (4), except:

85.21 (1) the grade is not required if primary nutrients are not claimed; and

85.22 (2) the grade on the label is optional if the fertilizer is used only for agricultural purposes  
85.23 and the guaranteed analysis statement is shown in the complete form as in section 18C.211.

85.24 (c) The labeled information must appear:

85.25 (1) on the front or back side of the container;

85.26 (2) on the upper one-third of the side of the container;

85.27 (3) on the upper end of the container; or

85.28 (4) printed on a tag affixed to the upper end of the container.

85.29 (d) If a person sells a custom blend specialty fertilizer in bags or other containers, the  
85.30 information required in paragraph (a) must either be affixed to the bag or container as

86.1 required in paragraph (c) or be furnished to the customer on an invoice or delivery ticket  
86.2 in written or printed form.

86.3 Sec. 21. Minnesota Statutes 2022, section 18C.221, is amended to read:

86.4 **18C.221 FERTILIZER PLANT FOOD CONTENT.**

86.5 (a) Products that are deficient in plant food content are subject to this subdivision.

86.6 (b) An analysis must show that a fertilizer is deficient:

86.7 (1) in one or more of its guaranteed primary plant nutrients beyond the investigational  
86.8 allowances and compensations as established by regulation; or

86.9 (2) if the overall index value of the fertilizer is shown below the level established by  
86.10 rule.

86.11 (c) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity  
86.12 is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly  
86.13 subject to official action.

86.14 (d) For the purpose of determining the commercial index value to be applied, the  
86.15 commissioner shall determine at least annually the values per unit of nitrogen, available  
86.16 ~~phosphoric acid~~ phosphate, and soluble potash in fertilizers in this state.

86.17 (e) If a fertilizer in the possession of the consumer is found by the commissioner to be  
86.18 short in weight, the registrant or licensee of the fertilizer must submit a penalty payment of  
86.19 two times the value of the actual shortage to the consumer within 30 days after official  
86.20 notice from the commissioner.

86.21 Sec. 22. Minnesota Statutes 2023 Supplement, section 18C.421, subdivision 1, is amended  
86.22 to read:

86.23 Subdivision 1. **Annual tonnage report.** (a) Each registrant under section 18C.411 and  
86.24 licensee under section 18C.415 shall file an annual tonnage report for the previous year  
86.25 ending June 30 with the commissioner, on forms provided or approved by the commissioner,  
86.26 utilizing uniform fertilizer tonnage reporting system codes and stating the number of net  
86.27 tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed  
86.28 in this state or the number of net tons and grade of each raw fertilizer material distributed  
86.29 in this state during the reporting period.

87.1 (b) A tonnage report is not required to be submitted and an inspection fee under section  
87.2 18C.425, subdivision 6, is not required to be paid to the commissioner by a licensee who  
87.3 distributes fertilizer solely by custom application.

87.4 (c) The annual tonnage report must be submitted to the commissioner on or before July  
87.5 31 of each year.

87.6 (d) The inspection fee under section 18C.425, subdivision 6, must accompany the  
87.7 statement.

87.8 (e) The commissioner must produce an annual fertilizer sales report and post this report  
87.9 on the commissioner's website.

87.10 Sec. 23. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended  
87.11 to read:

87.12 **Subd. 6. Payment of inspection fee.** (a) The person who registers and distributes in the  
87.13 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall  
87.14 pay the inspection fee to the commissioner.

87.15 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person  
87.16 not required to be so licensed shall pay the inspection fee to the commissioner, except as  
87.17 exempted under section 18C.421, subdivision 1, paragraph (b).

87.18 (c) The person responsible for payment of the inspection fees for fertilizers, soil  
87.19 amendments, or plant amendments sold and used in this state must pay the inspection fee  
87.20 set under paragraph (e); and ~~until June 30, 2024,~~ an additional 40 cents per ton, of fertilizer,  
87.21 soil amendment, and plant amendment sold or distributed in this state, with a minimum of  
87.22 \$10 on all tonnage reports. Notwithstanding section 18C.131, until June 30, 2025, the  
87.23 commissioner must deposit all revenue from the additional 40 cents per ton fee in the  
87.24 agricultural fertilizer research and education account in section 18C.80; and after June 30,  
87.25 2025, the commissioner must deposit all revenue from the additional 40 cents per ton fee  
87.26 in the private well drinking-water assistance account established in section 18C.90. Products  
87.27 sold or distributed to manufacturers or exchanged between them are exempt from the  
87.28 inspection fee imposed by this subdivision if the products are used exclusively for  
87.29 manufacturing purposes.

87.30 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant  
87.31 amendment, or soil amendment distribution amounts and inspection fees paid for a period  
87.32 of three years.

88.1 (e) By commissioner's order, the commissioner must set the inspection fee at no less  
88.2 than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a  
88.3 public meeting before increasing the fee by more than five cents per ton.

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

88.5 Sec. 24. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

88.6 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2026.

88.7 Sec. 25. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

88.8 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2026.

88.9 Sec. 26. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

88.10 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2026.

88.11 Sec. 27. **[18C.90] PRIVATE WELL DRINKING-WATER ASSISTANCE PROGRAM.**

88.12 Subdivision 1. **Account; appropriation.** A private well drinking-water assistance account  
88.13 is established in the agricultural fund. Money in the account, including interest earned, is  
88.14 appropriated to the commissioner for aid payments to community health boards under  
88.15 subdivision 2.

88.16 Subd. 2. **Aid payments.** (a) At least annually, the commissioner must make aid payments  
88.17 to community health boards established under chapter 145A for purposes of assisting eligible  
88.18 residents under subdivision 3.

88.19 (b) The commissioner must award proportional aid payments to eligible community  
88.20 health boards based on each board's share of total private drinking-water wells in the state  
88.21 with documented nitrate in excess of ten milligrams per liter, as determined by the  
88.22 commissioner in consultation with the commissioners of health and the Pollution Control  
88.23 Agency.

88.24 Subd. 3. **Provision of safe drinking water.** (a) For purposes of this section, "safe  
88.25 drinking water" means water required for drinking, cooking, and maintaining oral hygiene  
88.26 that has a nitrate level of no more than ten milligrams per liter.

88.27 (b) Community health boards must use aid payments received under subdivision 2 to  
88.28 assist residents in obtaining safe drinking water when the documented level of nitrate in the  
88.29 resident's private drinking-water well is more than ten milligrams per liter, with priority  
88.30 given to pregnant women and children under the age of one.



89.1 (c) Community health boards must assist eligible residents in obtaining safe drinking  
89.2 water through one or more of the following methods:

89.3 (1) convenient bottled water distribution or delivery;

89.4 (2) reverse osmosis treatment unit acquisition, installation, and maintenance;

89.5 (3) connection to a public water system; or

89.6 (4) another method, as determined by the commissioner of health, that provides eligible  
89.7 residents with a sufficient quantity of safe drinking water.

89.8 Subd. 4. **Reports.** No later than January 15 each year, the commissioner must report  
89.9 outcomes achieved under this section and any corresponding recommendations to the chairs  
89.10 and ranking minority members of the legislative committees with jurisdiction over agriculture  
89.11 and health.

89.12 Sec. 28. Minnesota Statutes 2022, section 18D.301, subdivision 1, is amended to read:

89.13 Subdivision 1. **Enforcement required.** (a) The commissioner shall enforce this chapter  
89.14 and chapters 18B, 18C, and 18F.

89.15 (b) Violations of chapter 18B, 18C, or 18F or rules adopted under chapter 18B, 18C, or  
89.16 18F, or section 103H.275, subdivision 2, are a violation of this chapter.

89.17 (c) Upon the request of the commissioner, county attorneys, sheriffs, and other officers  
89.18 having authority in the enforcement of the general criminal laws shall take action to the  
89.19 extent of their authority necessary or proper for the enforcement of this chapter or special  
89.20 orders, standards, stipulations, and agreements of the commissioner.

89.21 Sec. 29. Minnesota Statutes 2023 Supplement, section 18K.06, is amended to read:

89.22 **18K.06 RULEMAKING.**

89.23 (a) The commissioner ~~shall adopt rules governing the production, testing, processing,~~  
89.24 ~~and licensing of industrial hemp. Notwithstanding the two-year limitation for exempt rules~~  
89.25 ~~under section 14.388, subdivision 1, Minnesota Rules, chapter 1565, published in the State~~  
89.26 ~~Register on August 16, 2021, is effective until August 16, 2025, or until permanent rules~~  
89.27 ~~implementing chapter 18K are adopted, whichever occurs first~~ may adopt or amend rules  
89.28 governing the production, testing, processing, and licensing of industrial hemp using the  
89.29 procedure in section 14.386, paragraph (a). Section 14.386, paragraph (b), does not apply  
89.30 to rules adopted or amended under this section.

90.1 (b) Rules adopted under paragraph (a) must include but not be limited to provisions  
90.2 governing:

90.3 (1) the supervision and inspection of industrial hemp during its growth and harvest;

90.4 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

90.5 (3) the use of background check results required under section 18K.04 to approve or  
90.6 deny a license application; and

90.7 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

90.8 (c) Rules issued under this section must be consistent with federal law regarding the  
90.9 production, distribution, and sale of industrial hemp.

90.10 Sec. 30. Minnesota Statutes 2022, section 28A.10, is amended to read:

90.11 **28A.10 POSTING OF LICENSE; RULES.**

90.12 All such licenses shall be issued for a period of one year and shall be posted or displayed  
90.13 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~  
90.14 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~  
90.15 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

90.16 The commissioner may adopt such rules in conformity with law as the commissioner deems  
90.17 necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

90.18 Sec. 31. Minnesota Statutes 2022, section 28A.21, subdivision 6, is amended to read:

90.19 Subd. 6. **Expiration.** This section expires June 30, ~~2027~~ 2037.

90.20 Sec. 32. Minnesota Statutes 2022, section 31.74, is amended to read:

90.21 **~~31.74 SALE OF IMITATION HONEY.~~**

90.22 Subdivision 1. **Honey defined.** As used in this section "honey" means the nectar and  
90.23 saccharine exudation of plants, gathered, modified and stored in the comb by honey bees,  
90.24 which is levorotatory, contains not more than 25 percent of water, not more than 25/100  
90.25 percent of ash, and not more than eight percent sucrose.

90.26 Subd. 2. **Prohibited sale.** Notwithstanding any law or rule to the contrary, it is unlawful  
90.27 for any person to sell or offer for sale any product which is in semblance of honey and which  
90.28 is labeled, advertised, or otherwise represented to be honey, if it is not honey. The word  
90.29 "imitation" shall not be used in the name of a product which is in semblance of honey  
90.30 whether or not it contains any honey. The label for a product which is not in semblance of

91.1 honey and which contains honey may include the word "honey" in the name of the product  
91.2 and the relative position of the word "honey" in the product name, and in the list of  
91.3 ingredients, when required, shall be determined by its prominence as an ingredient in the  
91.4 product.

91.5 Subd. 4. Food consisting of honey and another sweetener. Consistent with the federal  
91.6 act, the federal regulations incorporated under section 31.101, subdivision 7, and the  
91.7 prohibition against misbranding in sections 31.02 and 34A.03, the label for a food in  
91.8 semblance of honey and consisting of honey and another sweetener must include but is not  
91.9 limited to the following elements:

91.10 (1) a statement of identity that accurately identifies or describes the nature of the food  
91.11 or its characterizing properties or ingredients; and

91.12 (2) the common or usual name of each ingredient in the ingredient statement, in  
91.13 descending order of predominance by weight.

91.14 Sec. 33. Minnesota Statutes 2022, section 31.94, is amended to read:

91.15 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

91.16 (a) In order to promote opportunities for organic agriculture in Minnesota, the  
91.17 commissioner shall:

91.18 (1) survey producers and support services and organizations to determine information  
91.19 and research needs in the area of organic agriculture practices;

91.20 (2) work with the University of Minnesota and other research and education institutions  
91.21 to demonstrate the on-farm applicability of organic agriculture practices to conditions in  
91.22 this state;

91.23 (3) direct the programs of the department so as to work toward the promotion of organic  
91.24 agriculture in this state;

91.25 (4) inform agencies about state or federal programs that support organic agriculture  
91.26 practices; and

91.27 (5) work closely with producers, producer organizations, the University of Minnesota,  
91.28 and other appropriate agencies and organizations to identify opportunities and needs as well  
91.29 as ensure coordination and avoid duplication of state agency efforts regarding research,  
91.30 teaching, marketing, and extension work relating to organic agriculture.

91.31 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in  
91.32 conjunction with the task force created in paragraph (c), shall report on the status of organic

92.1 agriculture in Minnesota to the legislative policy and finance committees and divisions with  
92.2 jurisdiction over agriculture. The report must include available data on organic acreage and  
92.3 production, available data on the sales or market performance of organic products, and  
92.4 recommendations regarding programs, policies, and research efforts that will benefit  
92.5 Minnesota's organic agriculture sector.

92.6 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the  
92.7 University of Minnesota on policies and programs that will improve organic agriculture in  
92.8 Minnesota, including how available resources can most effectively be used for outreach,  
92.9 education, research, and technical assistance that meet the needs of the organic agriculture  
92.10 sector. The task force must consist of the following residents of the state:

92.11 (1) three organic farmers;

92.12 (2) one wholesaler or distributor of organic products;

92.13 (3) one representative of organic certification agencies;

92.14 (4) two organic processors;

92.15 (5) one representative from University of Minnesota Extension;

92.16 (6) one University of Minnesota faculty member;

92.17 (7) one representative from a nonprofit organization representing producers;

92.18 (8) two public members;

92.19 (9) one representative from the United States Department of Agriculture;

92.20 (10) one retailer of organic products; and

92.21 (11) one organic consumer representative.

92.22 The commissioner, in consultation with the director of the Minnesota Agricultural Experiment  
92.23 Station; the dean and director of University of Minnesota Extension and the dean of the  
92.24 College of Food, Agricultural and Natural Resource Sciences, shall appoint members to  
92.25 serve three-year terms.

92.26 Compensation and removal of members are governed by section 15.059, subdivision 6.  
92.27 The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

92.28 (d) For the purposes of expanding, improving, and developing production and marketing  
92.29 of the organic products of Minnesota agriculture, the commissioner may receive funds from  
92.30 state and federal sources and spend them, including through grants or contracts, to assist  
92.31 producers and processors to achieve certification, to conduct education or marketing

93.1 activities, to enter into research and development partnerships, or to address production or  
 93.2 marketing obstacles to the growth and well-being of the industry.

93.3 (e) The commissioner may facilitate the registration of state organic production and  
 93.4 handling operations including those exempt from organic certification according to Code  
 93.5 of Federal Regulations, title 7, section 205.101, and accredited certification agencies  
 93.6 operating within the state.

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

93.8 Sec. 34. Minnesota Statutes 2022, section 32D.30, is amended to read:

93.9 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

93.10 Subdivision 1. **Program.** The commissioner must implement a dairy development and  
 93.11 profitability enhancement program consisting of a dairy profitability enhancement ~~teams~~  
 93.12 and program, dairy business planning grants, and other services to support the dairy industry.

93.13 Subd. 2. **Dairy profitability enhancement ~~teams~~ program.** (a) The dairy profitability  
 93.14 enhancement ~~teams~~ program must provide ~~one-on-one~~ information and technical assistance  
 93.15 to dairy farms of all sizes to enhance their financial success and long-term sustainability.  
 93.16 ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state  
 93.17 ~~and.~~ Assistance to producers from the program may consist of be provided individually, as  
 93.18 a team, or through other methods by farm business management instructors, dairy extension  
 93.19 specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities  
 93.20 ~~including such as~~ comprehensive financial analysis, risk management education, enhanced  
 93.21 milk marketing tools and technologies, ~~and~~ facilitating or improving production systems,  
 93.22 including rotational grazing and other sustainable agriculture methods, and value-added  
 93.23 opportunities.

93.24 (b) The commissioner must make grants to regional or statewide organizations qualified  
 93.25 to manage the various components of the ~~teams~~ program and serve as program administrators.  
 93.26 Each regional or statewide organization must designate a coordinator responsible for  
 93.27 overseeing the program and submitting periodic reports to the commissioner regarding  
 93.28 aggregate changes in producer financial stability, productivity, product quality, animal  
 93.29 health, environmental protection, and other performance measures attributable to the program.  
 93.30 The organizations must submit this information in a format that maintains the confidentiality  
 93.31 of individual dairy producers.

93.32 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business  
 93.33 planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive~~

94.1 ~~business plans~~ use technical assistance services for evaluating operations, transitional  
 94.2 changes, expansions, improvements, and other business modifications. Producers and  
 94.3 processors must not use dairy business planning grants for capital improvements.

94.4 Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate  
 94.5 dairy development and profitability enhancement program dollars ~~among~~ for the permissible  
 94.6 uses specified in this section and other needs to support the dairy industry, including efforts  
 94.7 to improve the quality of milk produced in the state, in the proportions that the commissioner  
 94.8 deems most beneficial to the state's dairy farmers.

94.9 Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a  
 94.10 detailed accomplishment report and work plan detailing future plans for, and the actual and  
 94.11 anticipated accomplishments from, expenditures under this section to the chairs and ranking  
 94.12 minority members of the legislative committees and divisions with jurisdiction over  
 94.13 agriculture policy and finance. If the commissioner significantly modifies a submitted work  
 94.14 plan during the fiscal year, the commissioner must notify the chairs and ranking minority  
 94.15 members.

94.16 Sec. 35. Minnesota Statutes 2023 Supplement, section 41A.19, is amended to read:

94.17 **41A.19 REPORT; INCENTIVE PROGRAMS.**

94.18 By January 15 each year, the commissioner shall report on the incentive and tax credit  
 94.19 programs under sections 41A.16, 41A.17, 41A.18, ~~and~~ 41A.20, and 41A.30 to the legislative  
 94.20 committees with jurisdiction over environment policy and finance and agriculture policy  
 94.21 and finance. The report shall include information on production ~~and~~, blending, incentive  
 94.22 expenditures, and tax credit certificates awarded under the programs-, as well as the following  
 94.23 information that the commissioner must require of each producer or blender who receives  
 94.24 a payment or a tax credit certificate during the reporting period:

94.25 (1) the producer's or blender's business structure;

94.26 (2) the name and address of the producer's or blender's parent company, if any;

94.27 (3) a cumulative list of all financial assistance received from all public grantors for the  
 94.28 project;

94.29 (4) goals for the number of jobs created and progress in achieving these goals, which  
 94.30 may include separate goals for the number of part-time or full-time jobs, or, in cases where  
 94.31 job loss is specific and demonstrable, goals for the number of jobs retained;

94.32 (5) equity hiring goals and progress in achieving these goals;

- 95.1 (6) wage goals and progress in achieving these goals for all jobs created or maintained  
95.2 by the producer or blender;
- 95.3 (7) board member and executive compensation;
- 95.4 (8) evidence of compliance with environmental permits;
- 95.5 (9) the producer's or blender's intended and actual use of payments from, or tax credits  
95.6 approved by, the commissioner; and
- 95.7 (10) if applicable, the latest financial audit opinion statement produced by a certified  
95.8 public accountant in accordance with standards established by the American Institute of  
95.9 Certified Public Accountants.

95.10 Sec. 36. Minnesota Statutes 2022, section 41B.039, subdivision 2, is amended to read:

95.11 Subd. 2. **State participation.** The state may participate in a new real estate loan with  
95.12 an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount  
95.13 of the loan or ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms  
95.14 of the authority's participation interest may be different than the interest rates and repayment  
95.15 terms of the lender's retained portion of the loan.

95.16 Sec. 37. Minnesota Statutes 2022, section 41B.04, subdivision 8, is amended to read:

95.17 Subd. 8. **State participation.** With respect to loans that are eligible for restructuring  
95.18 under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall  
95.19 enter into a participation agreement or other financial arrangement whereby it shall participate  
95.20 in a restructured loan to the extent of 45 percent of the primary principal or ~~\$525,000~~  
95.21 \$625,000, whichever is less. The authority's portion of the loan must be protected during  
95.22 the authority's participation by the first mortgage held by the eligible lender to the extent  
95.23 of its participation in the loan.

95.24 Sec. 38. Minnesota Statutes 2022, section 41B.042, subdivision 4, is amended to read:

95.25 Subd. 4. **Participation limit; interest.** The authority may participate in new  
95.26 seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or  
95.27 ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the  
95.28 authority's participation interest may be different than the interest rates and repayment terms  
95.29 of the seller's retained portion of the loan.

96.1 Sec. 39. Minnesota Statutes 2022, section 41B.043, subdivision 1b, is amended to read:

96.2 Subd. 1b. **Loan participation.** The authority may participate in an agricultural  
96.3 improvement loan with an eligible lender to a farmer who meets the requirements of section  
96.4 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming.  
96.5 Participation is limited to 45 percent of the principal amount of the loan or ~~\$400,000~~  
96.6 \$500,000, whichever is less. The interest rates and repayment terms of the authority's  
96.7 participation interest may be different than the interest rates and repayment terms of the  
96.8 lender's retained portion of the loan.

96.9 Sec. 40. Minnesota Statutes 2022, section 41B.045, subdivision 2, is amended to read:

96.10 Subd. 2. **Loan participation.** The authority may participate in a livestock expansion  
96.11 and modernization loan with an eligible lender to a livestock farmer who meets the  
96.12 requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively  
96.13 engaged in a livestock operation. A prospective borrower must have a total net worth,  
96.14 including assets and liabilities of the borrower's spouse and dependents, of less than  
96.15 \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by  
96.16 multiplying that amount by the cumulative inflation rate as determined by the United States  
96.17 All-Items Consumer Price Index.

96.18 Participation is limited to 45 percent of the principal amount of the loan or ~~\$525,000~~  
96.19 \$625,000, whichever is less. The interest rates and repayment terms of the authority's  
96.20 participation interest may be different from the interest rates and repayment terms of the  
96.21 lender's retained portion of the loan.

96.22 Sec. 41. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

96.23 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster  
96.24 recovery loan program to help farmers:

96.25 (1) clean up, repair, or replace farm structures and septic and water systems, as well as  
96.26 replace seed, other crop inputs, feed, and livestock;

96.27 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems  
96.28 and practices, and feed when drought is the cause of the purchase;

96.29 (3) restore farmland;

96.30 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue  
96.31 when the replacement, improvements, or loss of revenue is due to the confirmed presence



97.1 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial  
97.2 livestock operation, located in Minnesota; or

97.3 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease  
97.4 for which the governor has declared a peacetime emergency under section 12.31.

97.5 Sec. 42. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

97.6 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer  
97.7 licensed under this chapter must annually submit to the commissioner a financial statement  
97.8 prepared by a third-party independent accountant or certified public accountant in accordance  
97.9 with ~~generally accepted accounting principles~~ national or international accounting standards.

97.10 The annual financial statement required under this subdivision must also:

97.11 (1) include; but not be limited to the following:

97.12 (i) a balance sheet;

97.13 (ii) a statement of income (profit and loss);

97.14 (iii) a statement of retained earnings;

97.15 (iv) a statement of ~~changes in financial position~~ cash flow; and

97.16 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the  
97.17 grain buyer;

97.18 (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared  
97.19 by a grain commission firm or a management firm approved by the commissioner or by an  
97.20 independent public accountant, in accordance with standards established by the American  
97.21 Institute of Certified Public Accountants or similar international standards;

97.22 ~~(3) be accompanied by a certification by the chief executive officer or the chief executive~~  
97.23 ~~officer's designee of the licensee, and where applicable, all members of the governing board~~  
97.24 ~~of directors under penalty of perjury, that the financial statement accurately reflects the~~  
97.25 ~~financial condition of the licensee for the period specified in the statement;~~

97.26 ~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a~~  
97.27 ~~certified public accountant in accordance with standards established by the American Institute~~  
97.28 ~~of Certified Public Accountants, and must show that the financial statements are free from~~  
97.29 ~~material misstatements; and~~

97.30 ~~(5)~~ (3) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited or  
97.31 reviewed by a certified public accountant in accordance with standards established by the

98.1 American Institute of Certified Public Accountants ~~and~~ or similar international standards.  
98.2 An audit must include an opinion statement from the certified public accountant performing  
98.3 the audit; and

98.4 (4) for grain buyers purchasing \$20,000,000 or more of grain annually, be audited by a  
98.5 certified public accountant in accordance with standards established by the American Institute  
98.6 of Certified Public Accountants or similar international standards. The audit must include  
98.7 an opinion statement from the certified public accountant performing the audit.

98.8 (b) Only one financial statement must be filed for a chain of warehouses owned or  
98.9 operated as a single business entity, unless otherwise required by the commissioner. All  
98.10 financial statements filed with the commissioner are private or nonpublic data as provided  
98.11 in section 13.02.

98.12 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a  
98.13 ~~certified check; a cashier's check; or a postal, bank, or express money order,~~ as defined in  
98.14 section 223.16, subdivision 2a, paragraph (b), is exempt from this subdivision if the grain  
98.15 buyer's gross annual purchases are \$1,000,000 or less.

98.16 (d) For an entity that qualifies for the exemption in paragraph (c), the commissioner  
98.17 retains the right to require the entity to provide the commissioner with financial reporting  
98.18 based on inspections, any report of nonpayment, or other documentation related to violations  
98.19 of this chapter, chapter 232, or Minnesota Rules, chapter 1562.

98.20 (e) To ensure compliance with this chapter, the commissioner must annually review  
98.21 financial statements submitted under paragraph (a).

98.22 ~~(d)~~ (f) The commissioner shall annually provide information on a person's fiduciary  
98.23 duties to each licensee. ~~To the extent practicable, the commissioner must direct each licensee~~  
98.24 ~~to provide this information to all persons required to certify the licensee's financial statement~~  
98.25 ~~under paragraph (a), clause (3).~~

98.26 (g) The commissioner may require an entity to provide additional financial statements  
98.27 or financial reporting, including audited financial statements.

98.28 Sec. 43. Minnesota Statutes 2022, section 232.21, subdivision 3, is amended to read:

98.29 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the  
98.30 commissioner's designee.

99.1 Sec. 44. Minnesota Statutes 2022, section 232.21, subdivision 7, is amended to read:

99.2 Subd. 7. **Grain.** "Grain" means any ~~cereal grain, coarse grain, or oilseed in unprocessed~~  
99.3 ~~form for which a standard has been established by the United States Secretary of Agriculture,~~  
99.4 ~~dry edible beans, or agricultural crops designated by the commissioner by rule~~ product  
99.5 commonly referred to as grain, including wheat, corn, oats, barley, rye, rice, soybeans,  
99.6 emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed, rapeseed, canola,  
99.7 safflower, flaxseed, mustard seed, crambe, sesame seed, and other products ordinarily stored  
99.8 in grain warehouses.

99.9 Sec. 45. Minnesota Statutes 2022, section 232.21, subdivision 11, is amended to read:

99.10 Subd. 11. **Producer.** "Producer" means a person who ~~owns or manages a grain producing~~  
99.11 ~~or growing operation and holds or shares the responsibility for marketing that grain produced~~  
99.12 grows grain on land owned or leased by the person.

99.13 Sec. 46. Minnesota Statutes 2022, section 232.21, subdivision 12, is amended to read:

99.14 Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator" means:  
99.15 (1) a person licensed to operate operating a grain warehouse in which grain belonging to  
99.16 persons other than the grain warehouse operator is accepted for storage or purchase, ~~or~~; (2)  
99.17 a person who offers grain storage or grain warehouse facilities to the public for hire; or (3)  
99.18 a feed-processing plant that receives and stores grain, the equivalent of which, it processes  
99.19 and returns to the grain's owner in amounts, at intervals, and with added ingredients that  
99.20 are mutually agreeable to the grain's owner and the person operating the plant.

99.21 Sec. 47. Minnesota Statutes 2022, section 232.21, subdivision 13, is amended to read:

99.22 Subd. 13. **Scale ticket.** "Scale ticket" means a memorandum ~~showing the weight, grade~~  
99.23 ~~and kind of grain which is issued by a grain elevator or warehouse operator to a depositor~~  
99.24 at the time the grain is delivered.

99.25 Sec. 48. **CREDIT MARKET REPORT REQUIRED.**

99.26 The commissioner of agriculture must convene a stakeholder working group to explore  
99.27 the state establishing a market for carbon credits, ecosystem services credits, or other credits  
99.28 generated by farmers who implement clean water, climate-smart, and soil-healthy farming  
99.29 practices. To the extent practicable, the stakeholder working group must include but is not  
99.30 limited to farmers; representatives of agricultural organizations; experts in geoscience,  
99.31 carbon storage, greenhouse gas modeling, and agricultural economics; industry

100.1 representatives with experience in carbon markets and supply chain sustainability; and  
100.2 representatives of environmental organizations with expertise in carbon sequestration and  
100.3 agriculture. No later than February 1, 2025, the commissioner must report recommendations  
100.4 to the legislative committees with jurisdiction over agriculture. The commissioner must  
100.5 provide participating stakeholders an opportunity to include written testimony in the  
100.6 commissioner's report.

100.7 Sec. 49. **REPEALER.**

100.8 (a) Minnesota Statutes 2022, sections 3.7371, subdivision 7; and 34.07, are repealed.

100.9 (b) Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030;  
100.10 1506.0035; and 1506.0040, are repealed.

## 100.11 **ARTICLE 8**

### 100.12 **BROADBAND**

100.13 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision  
100.14 to read:

100.15 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year  
100.16 appropriation between the border-to-border broadband program, low density population  
100.17 broadband program, and the broadband line extension program to meet demand.

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

100.19 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**  
100.20 **FUNDING; APPROPRIATION.**

100.21 (a) The commissioner of employment and economic development must prepare and  
100.22 submit an application to the United States Department of Commerce requesting State Digital  
100.23 Equity Capacity Grant Funding made available under Public Law 117-58, the Infrastructure  
100.24 Investment and Jobs Act.

100.25 (b) The amount awarded to Minnesota pursuant to the application submitted under  
100.26 paragraph (a) is appropriated to the commissioner of employment and economic development  
100.27 for purposes of the commissioner's Minnesota Digital Opportunity Plan.

## 100.28 **ARTICLE 9**

### 100.29 **GENERAL FUND ENERGY APPROPRIATIONS**

100.30 Section 1. **APPROPRIATIONS.**

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

101.6			<b><u>APPROPRIATIONS</u></b>	
101.7			<b><u>Available for the Year</u></b>	
101.8			<b><u>Ending June 30</u></b>	
101.9			<b><u>2024</u></b>	<b><u>2025</u></b>

101.10 **Sec. 2. DEPARTMENT OF COMMERCE**      **\$**                      **-0-** **\$**                      **1,133,000**

101.11 (a) \$500,000 in fiscal year 2025 is for a study  
 101.12 to identify suitable sites statewide for the  
 101.13 installation of thermal energy networks. This  
 101.14 is a onetime appropriation and is available  
 101.15 until December 31, 2025.

101.16 (b) \$500,000 in fiscal year 2025 is for transfer  
 101.17 to the SolarAPP+ program account established  
 101.18 under Minnesota Statutes, section 216C.48,  
 101.19 for the awarding of incentives to local units  
 101.20 of government that deploy federally developed  
 101.21 software to automate the review of  
 101.22 applications and issuance of permits for  
 101.23 residential solar projects. Incentives may only  
 101.24 be awarded to local units of government  
 101.25 located outside the electric service territory of  
 101.26 the public utility required to make payments  
 101.27 under Minnesota Statutes, section 116C.779,  
 101.28 subdivision 1. This is a onetime transfer and  
 101.29 is available until June 30, 2028.

101.30 (c) \$133,000 in fiscal year 2025 is for  
 101.31 participation in a Minnesota Public Utilities  
 101.32 Commission proceeding to review electric  
 101.33 transmission line owners' plans to deploy  
 101.34 grid-enhancing technologies and issue an order  
 101.35 to implement the plans. The base in fiscal year  
 101.36 2026 is \$265,000 and the base in fiscal year

102.1 2027 is \$265,000. The base in fiscal year 2028  
 102.2 is \$0.

102.3 **Sec. 3. PUBLIC UTILITIES COMMISSION     \$                     -0- \$                     433,000**

102.4 (a) \$39,000 in fiscal year 2025 is for support  
 102.5 of the Thermal Energy Network Deployment  
 102.6 Workgroup and preparation of a report. The  
 102.7 base in fiscal year 2026 is \$77,000, and the  
 102.8 base in fiscal year 2027 is \$0.

102.9 (b) \$117,000 in fiscal year 2025 is for review  
 102.10 of electric transmission line owners' plans to  
 102.11 deploy grid-enhancing technologies and  
 102.12 development of a commission order to  
 102.13 implement approved plans. The base in fiscal  
 102.14 year 2026 is \$157,000 and the base in fiscal  
 102.15 year 2027 is \$157,000. The base in fiscal year  
 102.16 2028 is \$0.

102.17 (c) \$111,000 in fiscal year 2025 is for  
 102.18 conducting a proceeding to develop a  
 102.19 cost-sharing mechanism enabling developers  
 102.20 of distributed generation projects to pay  
 102.21 utilities to expand distribution line capacity in  
 102.22 order to interconnect to the grid. The base in  
 102.23 fiscal year 2026 is \$111,000 and the base in  
 102.24 fiscal year 2027 is \$77,000. The base in fiscal  
 102.25 year 2028 is \$0.

102.26 (d) \$166,000 in fiscal year 2025 is for  
 102.27 participating in Public Utilities Commission  
 102.28 proceedings to issue site and route permits for  
 102.29 electric power facilities under revised  
 102.30 administrative procedures. The base in fiscal  
 102.31 year 2026 and thereafter is \$121,000.

102.32 **ARTICLE 10**  
 102.33 **RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**  
 102.34 **Section 1. APPROPRIATIONS.**

103.1 (a) The sums shown in the columns marked "Appropriations" are appropriated to the  
 103.2 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,  
 103.3 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable  
 103.4 development account in the special revenue fund established in Minnesota Statutes, section  
 103.5 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.  
 103.6 The figures "2024" and "2025" used in this article mean that the appropriations listed under  
 103.7 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

103.8 (b) If an appropriation in this article is enacted more than once in the 2024 regular or  
 103.9 special legislative session, the appropriation must be given effect only once.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2024</u>	<u>2025</u>
103.10			
103.11			
103.12			
103.13			
103.14	Sec. 2. <b><u>DEPARTMENT OF COMMERCE</u></b> <b>\$</b>	<b><u>-0-</u></b> <b>\$</b>	<b><u>14,200,000</u></b>

103.15 (a) \$5,000,000 in fiscal year 2025 is for a grant  
 103.16 for construction of a geothermal energy system  
 103.17 at Sabathani Community Center in  
 103.18 Minneapolis. This is a onetime appropriation  
 103.19 and is available until June 30, 2028.

103.20 (b) \$2,500,000 in fiscal year 2025 is for  
 103.21 transfer to the geothermal planning grant  
 103.22 account established under Minnesota Statutes,  
 103.23 section 216C.47, for planning grants to  
 103.24 political subdivisions to assess the feasibility  
 103.25 and cost of constructing geothermal energy  
 103.26 systems. This is a onetime appropriation and  
 103.27 is available until June 30, 2027.

103.28 (c) \$5,000,000 in fiscal year 2025 is for a grant  
 103.29 to Ramsey County Recycling and Energy  
 103.30 Center and Dem-Con HZI Bioenergy LLC to  
 103.31 construct an anaerobic digester energy system  
 103.32 in Louisville Township. This is a onetime  
 103.33 appropriation and is available until June 30,  
 103.34 2028.

104.1 (d) \$1,700,000 in fiscal year 2025 is for  
 104.2 transfer to the SolarAPP+ program account  
 104.3 established under Minnesota Statutes, section  
 104.4 216C.48, for the awarding of incentives to  
 104.5 local units of government that deploy federally  
 104.6 developed software to automate the review of  
 104.7 applications and issuance of permits for  
 104.8 residential solar projects. Incentives may only  
 104.9 be awarded to political subdivisions located  
 104.10 within the electric service territory of the  
 104.11 public utility that is required to make payments  
 104.12 under Minnesota Statutes, section 116C.779,  
 104.13 subdivision 1. This is a onetime transfer.

## ARTICLE 11

### GEOTHERMAL ENERGY

104.14  
 104.15  
 104.16 Section 1. Minnesota Statutes 2022, section 216B.2427, subdivision 1, is amended to read:

104.17 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428,  
 104.18 the following terms have the meanings given.

104.19 (b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of  
 104.20 biomass, or other effective conversion processes.

104.21 (c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise  
 104.22 be released into the atmosphere.

104.23 (d) "Carbon-free resource" means an electricity generation facility whose operation does  
 104.24 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,  
 104.25 subdivision 2.

104.26 (e) "Disadvantaged community" means a community in Minnesota that is:

104.27 (1) defined as disadvantaged by the federal agency disbursing federal funds, when the  
 104.28 federal agency is providing funds for an innovative resource; or

104.29 (2) an environmental justice area, as defined under section 216B.1691, subdivision 1.

104.30 ~~(e)~~ (f) "District energy" means a heating or cooling system that is solar thermal powered  
 104.31 or that uses the constant temperature of the earth or underground aquifers as a thermal  
 104.32 exchange medium to heat or cool multiple buildings connected through a piping network.



105.1 ~~(f)~~ (g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1,  
105.2 paragraph (f), but does not include energy conservation investments that the commissioner  
105.3 determines could reasonably be included in a utility's conservation improvement program.

105.4 ~~(g)~~ (h) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous  
105.5 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by  
105.6 anthropogenic sources within Minnesota and from the generation of electricity imported  
105.7 from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected  
105.8 into geological formations to prevent its release to the atmosphere in compliance with  
105.9 applicable laws.

105.10 ~~(h)~~ (i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen,  
105.11 power-to-ammonia, carbon capture, strategic electrification, district energy, and energy  
105.12 efficiency.

105.13 ~~(i)~~ (j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas  
105.14 emissions resulting from the production, processing, transmission, and consumption of an  
105.15 energy resource.

105.16 ~~(j)~~ (k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas  
105.17 emissions per unit of energy delivered to an end user.

105.18 ~~(k)~~ (l) "Nonexempt customer" means a utility customer that has not been included in a  
105.19 utility's innovation plan under subdivision 3, paragraph (f).

105.20 ~~(l)~~ (m) "Power-to-ammonia" means the production of ammonia from hydrogen produced  
105.21 via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity  
105.22 than does natural gas produced from conventional geologic sources.

105.23 ~~(m)~~ (n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free  
105.24 resource to produce hydrogen.

105.25 ~~(n)~~ (o) "Renewable energy" has the meaning given in section 216B.2422, subdivision  
105.26 1.

105.27 ~~(o)~~ (p) "Renewable natural gas" means biogas that has been processed to be  
105.28 interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural  
105.29 gas produced from conventional geologic sources.

105.30 ~~(p)~~ (q) "Solar thermal" has the meaning given to qualifying solar thermal project in  
105.31 section 216B.2411, subdivision 2, paragraph (d).

106.1 ~~(q)~~ (r) "Strategic electrification" means the installation of electric end-use equipment in  
106.2 an existing building in which natural gas is a primary or back-up fuel source, or in a newly  
106.3 constructed building in which a customer receives natural gas service for one or more  
106.4 end-uses, provided that the electric end-use equipment:

106.5 (1) results in a net reduction in statewide greenhouse gas emissions, as defined in section  
106.6 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient  
106.7 commercially available natural gas alternative; and

106.8 (2) is installed and operated in a manner that improves the load factor of the customer's  
106.9 electric utility.

106.10 Strategic electrification does not include investments that the commissioner determines  
106.11 could reasonably be included in the natural gas utility's conservation improvement program  
106.12 under section 216B.241.

106.13 (s) "Thermal energy network" means a project that provides heating and cooling to  
106.14 multiple buildings connected via underground piping containing fluids that, in concert with  
106.15 heat pumps, exchange thermal energy from the earth, underground or surface waters,  
106.16 wastewater, or other heat sources.

106.17 ~~(r)~~ (t) "Total incremental cost" means the calculation of the following components of a  
106.18 utility's innovation plan approved by the commission under subdivision 2:

106.19 (1) the sum of:

106.20 (i) return of and on capital investments for the production, processing, pipeline  
106.21 interconnection, storage, and distribution of innovative resources;

106.22 (ii) incremental operating costs associated with capital investments in infrastructure for  
106.23 the production, processing, pipeline interconnection, storage, and distribution of innovative  
106.24 resources;

106.25 (iii) incremental costs to procure innovative resources from third parties;

106.26 (iv) incremental costs to develop and administer programs; and

106.27 (v) incremental costs for research and development related to innovative resources;

106.28 (2) less the sum of:

106.29 (i) value received by the utility upon the resale of innovative resources or innovative  
106.30 resource by-products, including any environmental credits included with the resale of  
106.31 renewable gaseous fuels or value received by the utility when innovative resources are used  
106.32 as vehicle fuel;

107.1 (ii) cost savings achieved through avoidance of purchases of natural gas produced from  
107.2 conventional geologic sources, including but not limited to avoided commodity purchases  
107.3 and avoided pipeline costs; and

107.4 (iii) other revenues received by the utility that are directly attributable to the utility's  
107.5 implementation of an innovation plan.

107.6 ~~(s)~~ (u) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that  
107.7 provides natural gas sales or natural gas transportation services to customers in Minnesota.

107.8 Sec. 2. Minnesota Statutes 2022, section 216B.2427, is amended by adding a subdivision  
107.9 to read:

107.10 Subd. 9a. **Thermal energy networks.** Innovation plans filed after July 1, 2024, under  
107.11 this section by a utility with more than 800,000 customers must include spending of at least  
107.12 15 percent of the utility's proposed total incremental costs over the five-year term of the  
107.13 proposed innovation plan for thermal energy networks projects. If the utility has developed  
107.14 or is developing thermal energy network projects outside of an approved innovation plan,  
107.15 the utility may apply the budget for the projects toward the 15 percent minimum requirement  
107.16 without counting the costs against the limitations on utility customer costs under subdivision  
107.17 3.

107.18 Sec. 3. [216C.47] GEOTHERMAL PLANNING GRANTS.

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

107.21 (b) "Eligible applicant" means a county, city, town, or the Metropolitan Council.

107.22 (c) "Geothermal energy system" means a system that heats and cools one or more  
107.23 buildings by using the constant temperature of the earth as both a heat source and heat sink,  
107.24 and a heat exchanger consisting of an underground closed loop system of piping containing  
107.25 a liquid to absorb and relinquish heat within the earth. Geothermal energy system includes:

107.26 (1) a bored geothermal heat exchanger, as defined in section 103I.005;

107.27 (2) a groundwater thermal exchange device, as defined in section 103I.005; and

107.28 (3) a submerged closed loop heat exchanger, as defined in section 103I.005.

107.29 Subd. 2. **Establishment.** A geothermal planning grant program is established in the  
107.30 department to provide financial assistance to eligible applicants to examine the technical  
107.31 and economic feasibility of installing geothermal energy systems.

108.1 Subd. 3. **Account established.** (a) The geothermal planning grant account is established  
108.2 as a separate account in the special revenue fund in the state treasury. The commissioner  
108.3 must credit to the account appropriations and transfers to the account. Earnings, including  
108.4 interest, dividends, and any other earnings arising from assets of the account, must be  
108.5 credited to the account. Money remaining in the account at the end of a fiscal year does not  
108.6 cancel to the general fund, but remains in the account until June 30, 2027. The commissioner  
108.7 must manage the account.

108.8 (b) Money in the account is appropriated to the commissioner to (1) award geothermal  
108.9 planning grants to eligible applicants, and (2) reimburse the reasonable costs incurred by  
108.10 the department to administer this section.

108.11 Subd. 4. **Application process.** An applicant seeking a grant under this section must  
108.12 submit an application to the commissioner on a form developed by the commissioner. The  
108.13 commissioner must develop administrative procedures to govern the application and grant  
108.14 award process. The commissioner may contract with a third party to conduct some or all of  
108.15 the program's operations.

108.16 Subd. 5. **Grant awards.** (a) A grant awarded under this process may be used to pay the  
108.17 total cost of the activities eligible for funding under subdivision 6, up to a limit of \$150,000.

108.18 (b) The commissioner must endeavor to award grants to eligible applicants in all regions  
108.19 of Minnesota.

108.20 (c) Grants may be awarded under this section only to projects whose work is completed  
108.21 after July 1, 2024.

108.22 Subd. 6. **Eligible grant expenditures.** Activities that may be funded with a grant awarded  
108.23 under this section include:

108.24 (1) analysis of the heating and cooling demand of the building or buildings that consume  
108.25 energy from the geothermal energy system;

108.26 (2) evaluation of equipment that could be combined with a geothermal energy system  
108.27 to meet the building's heating and cooling requirement;

108.28 (3) analysis of the geologic conditions of the earth in which a geothermal energy system  
108.29 operates, including the drilling of one or more test wells to characterize geologic materials  
108.30 and to measure properties of the earth and aquifers that impact the feasibility of installing  
108.31 and operating a geothermal energy system; and

108.32 (4) preparation of a financial analysis of the project.

109.1 Subd. 7. **Contractor and subcontractor requirements.** Contractors and subcontractors  
109.2 performing work funded with a grant awarded under this section must have experience  
109.3 installing geothermal energy systems.

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

109.5 Sec. 4. **THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.**

109.6 Subdivision 1. **Direction.** The Public Utilities Commission must establish and appoint  
109.7 a thermal energy network deployment work group to examine (1) the potential regulatory  
109.8 opportunities for regulated natural gas utilities to deploy thermal energy networks, and (2)  
109.9 potential barriers to development. The work group must examine the public benefits, costs,  
109.10 and impacts of deployment of thermal energy networks, as well as examine rate design  
109.11 options.

109.12 Subd. 2. **Membership.** (a) The work group consists of at least the following:

109.13 (1) representatives of the Department of Commerce;

109.14 (2) representatives of the Department of Health;

109.15 (3) representatives of the Pollution Control Agency;

109.16 (4) representatives of the Department of Natural Resources;

109.17 (5) representatives of the Office of the Attorney General;

109.18 (6) representatives from utilities;

109.19 (7) representatives from clean energy advocacy organizations;

109.20 (8) representatives from labor organizations;

109.21 (9) geothermal technology providers;

109.22 (10) representatives from consumer protection organizations;

109.23 (11) representatives from cities; and

109.24 (12) representatives from low-income communities.

109.25 (b) The executive secretary of the Public Utilities Commission may invite others to  
109.26 participate in one or more meetings of the work group.

109.27 (c) In appointing members to the work group, the Public Utilities Commission shall  
109.28 endeavor to ensure that all geographic regions of Minnesota are represented.

110.1 Subd. 3. **Duties.** The work group must prepare a report containing findings and  
110.2 recommendations regarding how to deploy thermal energy networks within a regulated  
110.3 context in a manner that protects the public interest and considers reliability, affordability,  
110.4 environmental impacts, and socioeconomic impacts.

110.5 Subd. 4. **Report to legislature.** The work group must submit a report detailing the work  
110.6 group's findings and recommendations to the chairs and ranking minority members of the  
110.7 legislative committees and divisions with jurisdiction over energy policy and finance by  
110.8 December 31, 2025. The work group terminates the day after the report under this subdivision  
110.9 is submitted.

110.10 Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities  
110.11 Commission must file the completed report in Public Utilities Commission Docket No.  
110.12 G-999/CI-21-565 and provide notice to all docket participants and other interested persons  
110.13 that comments on the findings and recommendations may be filed in the docket.

110.14 Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means  
110.15 a project that provides heating and cooling to multiple buildings connected via underground  
110.16 pipng containing fluids that, in concert with heat pumps, exchange thermal energy from  
110.17 the earth, underground or surface waters, wastewater, or other heat sources.

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

110.19 Sec. 5. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

110.20 (a) The Department of Commerce shall conduct or contract for a study to determine the  
110.21 suitability of sites to deploy thermal energy networks statewide.

110.22 (b) The study must:

110.23 (1) identify areas more and less suitable for deployment of thermal energy networks  
110.24 statewide; and

110.25 (2) identify potential barriers to the deployment of thermal energy networks and potential  
110.26 ways to address the barriers.

110.27 (c) In determining site suitability, the study must consider:

110.28 (1) geologic or hydrologic access to thermal storage;

110.29 (2) the existing built environment, including but not limited to age, density, building  
110.30 uses, existing heating and cooling systems, and existing electrical services;

110.31 (3) the condition of existing natural gas infrastructure;

111.1 (4) road and street conditions, including planned replacement or maintenance;

111.2 (5) local land use regulations;

111.3 (6) area permitting requirements; and

111.4 (7) whether the area is an environmental justice area, as defined in section 116.065,

111.5 subdivision 1, paragraph (e).

111.6 (d) No later than January 15, 2026, the Department of Commerce must submit a written

111.7 report documenting the study's findings to the chairs and ranking minority members of the

111.8 senate and house of representatives committees with jurisdiction over energy policy and

111.9 finance.

111.10 (e) For the purposes of this section, "thermal energy network" means a project that

111.11 provides heating and cooling to multiple buildings connected via underground piping

111.12 containing fluids that, in concert with heat pumps, exchange thermal energy from the earth,

111.13 underground or surface waters, wastewater, or other heat sources.

111.14

## ARTICLE 12

111.15

### ELECTRIC TRANSMISSION

111.16 Section 1. Minnesota Statutes 2022, section 216B.2421, subdivision 2, is amended to read:

111.17 Subd. 2. **Large energy facility.** "Large energy facility" means:

111.18 (1) any electric power generating plant or combination of plants at a single site with a

111.19 combined capacity of 50,000 kilowatts or more and transmission lines directly associated

111.20 with the plant that are necessary to interconnect the plant to the transmission system;

111.21 (2) any high-voltage transmission line with a capacity of ~~200~~ 300 kilovolts or more and

111.22 greater than ~~1,500 feet~~ 30 miles in length;

111.23 ~~(3) any high-voltage transmission line with a capacity of 100 kilovolts or more with~~

111.24 ~~more than ten miles of its length in Minnesota or that crosses a state line;~~

111.25 ~~(4)~~ (3) any pipeline greater than six inches in diameter and having more than 50 miles

111.26 of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum

111.27 fuels or oil, or their derivatives;

111.28 ~~(5)~~ (4) any pipeline for transporting natural or synthetic gas at pressures in excess of

111.29 200 pounds per square inch with more than 50 miles of its length in Minnesota;

111.30 ~~(6)~~ (5) any facility designed for or capable of storing on a single site more than 100,000

111.31 gallons of liquefied natural gas or synthetic gas;

112.1 ~~(7)~~ (6) any underground gas storage facility requiring a permit pursuant to section  
112.2 103I.681;

112.3 ~~(8)~~ (7) any nuclear fuel processing or nuclear waste storage or disposal facility; and

112.4 ~~(9)~~ (8) any facility intended to convert any material into any other combustible fuel and  
112.5 having the capacity to process in excess of 75 tons of the material per hour.

112.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
112.7 applies to any project that has filed an application for a certificate of need or a site or route  
112.8 permit from the commission on or after that date.

112.9 Sec. 2. Minnesota Statutes 2022, section 216B.2425, subdivision 1, is amended to read:

112.10 Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage  
112.11 transmission line and grid enhancing technology projects.

112.12 **EFFECTIVE DATE.** This section is effective June 1, 2025.

112.13 Sec. 3. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision  
112.14 to read:

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

112.17 (b) "Capacity" means the maximum amount of electricity that can flow through a  
112.18 transmission line while observing industry safety standards.

112.19 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents  
112.20 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

112.21 (d) "Dynamic line rating" means hardware or software used to calculate the thermal  
112.22 limit of existing transmission lines at a specific point in time by incorporating information  
112.23 on real-time and forecasted weather conditions.

112.24 (e) "Grid enhancing technology" means hardware or software that reduces congestion  
112.25 or enhances the flexibility of the transmission system by increasing the capacity of a  
112.26 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,  
112.27 while maintaining industry safety standards. Grid enhancing technologies include but are  
112.28 not limited to dynamic line rating, advanced power flow controllers, and topology  
112.29 optimization.

112.30 (f) "Power flow controller" means hardware and software used to reroute electricity  
112.31 from overloaded transmission lines to underutilized transmission lines.



113.1 (g) "Thermal limit" means the temperature a transmission line reaches when heat from  
113.2 the electric current flow within the transmission line causes excessive sagging of the  
113.3 transmission line.

113.4 (h) "Topology optimization" means a software technology that uses mathematical models  
113.5 to identify reconfigurations in the transmission grid in order to reroute electricity from  
113.6 overloaded transmission lines to underutilized transmission lines.

113.7 (i) "Transmission line" has the meaning given to "high-voltage transmission line" in  
113.8 section 216E.01. subdivision 4.

113.9 (j) "Transmission system" means a network of high-voltage transmission lines owned  
113.10 or operated by an entity subject to this section that transports electricity to Minnesota  
113.11 customers.

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

113.13 Sec. 4. Minnesota Statutes 2022, section 216B.2425, subdivision 2, is amended to read:

113.14 Subd. 2. **List development; transmission and grid enhancing technology projects**  
113.15 **report.** (a) By November 1 of each odd-numbered year, a transmission projects report must  
113.16 be submitted to the commission by each utility, organization, or company that:

113.17 (1) is a public utility, a municipal utility, a cooperative electric association, the generation  
113.18 and transmission organization that serves each utility or association, or a transmission  
113.19 company; and

113.20 (2) owns or operates electric transmission lines in Minnesota, except a company or  
113.21 organization that owns a transmission line that serves a single customer or interconnects a  
113.22 single generating facility.

113.23 (b) The report may be submitted jointly or individually to the commission.

113.24 (c) The report must:

113.25 (1) list specific present and reasonably foreseeable future inadequacies in the transmission  
113.26 system in Minnesota;

113.27 (2) identify alternative means of addressing each inadequacy listed, including grid  
113.28 enhancing technologies such as dynamic line rating, power flow controllers, topology  
113.29 optimization, and other hardware or software that reduce congestion or enhance the flexibility  
113.30 of the transmission system;

114.1 (3) identify general economic, environmental, and social issues associated with each  
114.2 alternative; and

114.3 (4) provide a summary of public input related to the list of inadequacies and the role of  
114.4 local government officials and other interested persons in assisting to develop the list and  
114.5 analyze alternatives.

114.6 (d) To meet the requirements of this subdivision, reporting parties may rely on available  
114.7 information and analysis developed by a regional transmission organization or any subgroup  
114.8 of a regional transmission organization and may develop and include additional information  
114.9 as necessary.

114.10 (e) In addition to providing the information required under this subdivision, a utility  
114.11 operating under a multiyear rate plan approved by the commission under section 216B.16,  
114.12 subdivision 19, shall identify in its report investments that it considers necessary to modernize  
114.13 the transmission and distribution system by enhancing reliability, improving security against  
114.14 cyber and physical threats, and by increasing energy conservation opportunities by facilitating  
114.15 communication between the utility and its customers through the use of two-way meters,  
114.16 control technologies, energy storage and microgrids, technologies to enable demand response,  
114.17 and other innovative technologies.

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

114.19 Sec. 5. Minnesota Statutes 2022, section 216B.243, subdivision 3, is amended to read:

114.20 Subd. 3. **Showing required for construction.** No proposed large energy facility shall  
114.21 be certified for construction unless the applicant can show that demand for electricity cannot  
114.22 be met more cost effectively through energy conservation and load-management measures  
114.23 and unless the applicant has otherwise justified its need. In assessing need, the commission  
114.24 shall evaluate:

114.25 (1) the accuracy of the long-range energy demand forecasts on which the necessity for  
114.26 the facility is based;

114.27 (2) the effect of existing or possible energy conservation programs under sections 216C.05  
114.28 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

114.29 (3) the relationship of the proposed facility to overall state energy needs, as described  
114.30 in the most recent state energy policy and conservation report prepared under section  
114.31 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed  
114.32 line to regional energy needs, as presented in the transmission plan submitted under section  
114.33 216B.2425;

- 115.1 (4) promotional activities that may have given rise to the demand for this facility;
- 115.2 (5) benefits of this facility, including its uses to protect or enhance environmental quality,  
115.3 and to increase reliability of energy supply in Minnesota and the region;
- 115.4 (6) possible alternatives for satisfying the energy demand or transmission needs including  
115.5 but not limited to potential for increased efficiency and upgrading of existing energy  
115.6 generation and transmission facilities, load-management programs, and distributed generation,  
115.7 except that the commission shall not evaluate alternative endpoints for a high-voltage  
115.8 transmission line unless (i) the alternative endpoints are consistent with endpoints identified  
115.9 in a Transmission Expansion Plan approved by the board of directors of the Midcontinent  
115.10 Independent System Operator, or (ii) the applicant agrees to the evaluation of the alternative  
115.11 endpoints;
- 115.12 (7) the policies, rules, and regulations of other state and federal agencies and local  
115.13 governments;
- 115.14 (8) any feasible combination of energy conservation improvements, required under  
115.15 section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed  
115.16 facility, and (ii) compete with it economically;
- 115.17 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional  
115.18 reliability, access, or deliverability to the extent these factors improve the robustness of the  
115.19 transmission system or lower costs for electric consumers in Minnesota;
- 115.20 (10) whether the applicant or applicants are in compliance with applicable provisions  
115.21 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date  
115.22 certain an application for certificate of need under this section or for certification as a priority  
115.23 electric transmission project under section 216B.2425 for any transmission facilities or  
115.24 upgrades identified under section 216B.2425, subdivision 7;
- 115.25 (11) whether the applicant has made the demonstrations required under subdivision 3a;  
115.26 and
- 115.27 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's  
115.28 assessment of the risk of environmental costs and regulation on that proposed facility over  
115.29 the expected useful life of the plant, including a proposed means of allocating costs associated  
115.30 with that risk.
- 115.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
115.32 applies to dockets pending at the Public Utilities Commission on or after that date.

116.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 216B.243, subdivision 8, is amended  
116.2 to read:

116.3 Subd. 8. **Exemptions.** (a) This section does not apply to:

116.4 (1) cogeneration or small power production facilities as defined in the Federal Power  
116.5 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and  
116.6 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less  
116.7 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or  
116.8 any case where the commission has determined after being advised by the attorney general  
116.9 that its application has been preempted by federal law;

116.10 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve  
116.11 the demand of a single customer at a single location, unless the applicant opts to request  
116.12 that the commission determine need under this section or section 216B.2425;

116.13 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand  
116.14 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to  
116.15 request that the commission determine need under this section or section 216B.2425;

116.16 (4) a high-voltage transmission line of one mile or less required to connect a new or  
116.17 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

116.18 (5) conversion of the fuel source of an existing electric generating plant to using natural  
116.19 gas;

116.20 (6) the modification of an existing electric generating plant to increase efficiency, as  
116.21 long as the capacity of the plant is not increased more than ten percent or more than 100  
116.22 megawatts, whichever is greater;

116.23 (7) a large wind energy conversion system, as defined in section ~~216F.01~~ 216E.01,  
116.24 subdivision ~~2~~ 6a, or a solar energy generating system, as defined in section 216E.01,  
116.25 subdivision 9a, for which a site permit application is submitted by an independent power  
116.26 producer under chapter 216E or 216F; ~~or~~

116.27 (8) a large wind energy conversion system, as defined in section ~~216F.01~~ 216E.01,  
116.28 subdivision ~~2~~ 6a, or a solar energy generating system that is a large energy facility, as defined  
116.29 in section 216B.2421, subdivision 2, engaging in a repowering project that:

116.30 (i) will not result in the system exceeding the nameplate capacity under its most recent  
116.31 interconnection agreement; or

117.1 (ii) will result in the system exceeding the nameplate capacity under its most recent  
117.2 interconnection agreement, provided that the Midcontinent Independent System Operator  
117.3 has provided a signed generator interconnection agreement that reflects the expected net  
117.4 power increase;

117.5 (9) a transmission line directly associated with and necessary to interconnect any of the  
117.6 following facilities with the electric transmission grid:

117.7 (i) a large wind energy conversion system, as defined in section 216E.01, subdivision  
117.8 6a;

117.9 (ii) a solar energy generating system that is a large electric power generating plant; or

117.10 (iii) an energy storage system, as defined in section 216E.01, subdivision 3a;

117.11 (10) an energy storage system, as defined in section 216E.01, subdivision 3a; or

117.12 (11) relocation of an existing high-voltage transmission line, provided the line's voltage  
117.13 is not increased.

117.14 (b) For the purpose of this subdivision, "repowering project" means:

117.15 (1) modifying a large wind energy conversion system or a solar energy generating system  
117.16 that is a large energy facility to increase its efficiency without increasing its nameplate  
117.17 capacity;

117.18 (2) replacing turbines in a large wind energy conversion system without increasing the  
117.19 nameplate capacity of the system; or

117.20 (3) increasing the nameplate capacity of a large wind energy conversion system.

117.21 Sec. 7. Minnesota Statutes 2022, section 216B.243, subdivision 9, is amended to read:

117.22 Subd. 9. **Renewable energy standard and carbon-free energy standard facilities.** This  
117.23 section does not apply to a wind energy conversion system or a solar electric generation  
117.24 facility that is intended to be used to meet the obligations of section 216B.1691, subdivision  
117.25 2a or 2g; provided that, after notice and comment, the commission determines that the  
117.26 facility is a reasonable and prudent approach to meeting a utility's obligations under that  
117.27 section. When making this determination, the commission must consider:

117.28 (1) the size of the facility relative to a utility's total need for renewable resources;

117.29 (2) alternative approaches for supplying the renewable energy to be supplied by the  
117.30 proposed facility;

118.1 (3) the facility's ability to promote economic development, as required under section  
118.2 216B.1691, subdivision 9;

118.3 (4) the facility's ability to maintain electric system reliability;

118.4 (5) impacts on ratepayers; and

118.5 (6) other criteria as the commission may determine are relevant.

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

118.7 Sec. 8. Minnesota Statutes 2022, section 216B.246, subdivision 3, is amended to read:

118.8 Subd. 3. **Commission procedure.** (a) If an electric transmission line has been approved  
118.9 for construction in a federally registered planning authority transmission plan, the incumbent  
118.10 electric transmission owner, or owners if there is more than one owner, shall give notice to  
118.11 the commission, in writing, within ~~90~~ 30 days of approval, regarding its intent to construct,  
118.12 own, and maintain the electric transmission line. If an incumbent electric transmission owner  
118.13 gives notice of intent to build the electric transmission line then, unless exempt from the  
118.14 requirements of section 216B.243, within ~~18~~ 12 months from the date of the notice described  
118.15 in this paragraph ~~or such longer time approved by the commission~~, the incumbent electric  
118.16 transmission owner shall file an application for a certificate of need under section 216B.243  
118.17 or certification under section 216B.2425.

118.18 (b) If the incumbent electric transmission owner indicates that it does not intend to build  
118.19 the transmission line, such notice shall fully explain the basis for that decision. If the  
118.20 incumbent electric transmission owner, or owners, gives notice of intent not to build the  
118.21 electric transmission line, then the commission may determine whether the incumbent  
118.22 electric transmission owner or other entity will build the electric transmission line, taking  
118.23 into consideration issues such as cost, efficiency, reliability, and other factors identified in  
118.24 this chapter.

118.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
118.26 applies to any electric transmission line that has been approved for construction in a federally  
118.27 registered planning authority transmission plan on or after that date.

119.1 Sec. 9. Minnesota Statutes 2022, section 216E.03, as amended by Laws 2023, chapter 7,  
119.2 sections 25, 26, 27, and 28, and Laws 2023, chapter 60, article 12, sections 50, 51, 52, 53,  
119.3 and 54, is amended to read:

119.4 **216E.03 DESIGNATING SITES AND ROUTES.**

119.5 Subdivision 1. **Site permit.** ~~No person may construct~~ A large electric generating plant  
119.6 ~~or, an energy storage system, or a large wind energy conversion system that has not received~~  
119.7 a site permit from a county under section 216E.05, subdivision 4, may not be constructed:  
119.8 (1) without a site permit from the commission. ~~A large electric generating plant or an energy~~  
119.9 ~~storage system may be constructed only; and (2) on a site other than the site approved by~~  
119.10 the commission. The commission must incorporate into one proceeding the route selection  
119.11 for a high-voltage transmission line that is directly associated with and necessary to  
119.12 interconnect ~~the~~ a large electric generating plant, energy storage system, or large wind  
119.13 energy conversion system to the transmission system and whose need is certified under  
119.14 section 216B.243.

119.15 Subd. 2. **Route permit.** No person may construct a high-voltage transmission line without  
119.16 a route permit from the commission. A high-voltage transmission line may be constructed  
119.17 only along a route approved by the commission.

119.18 Subd. 2a. **Preapplication coordination.** (a) At least 30 days before filing an application  
119.19 with the commission, an applicant must provide notice to:

119.20 (1) each local unit of government within which a site or route may be proposed;

119.21 (2) Minnesota Tribal governments, as defined under section 10.65, subdivision 2;

119.22 (3) the state agencies that are represented on the Environmental Quality Board; and

119.23 (4) the State Historic Preservation Office.

119.24 (b) The notice must describe the proposed project and provide the entities receiving the  
119.25 notice an opportunity for preapplication coordination or feedback.

119.26 Subd. 2b. **Preapplication review.** (a) Before submitting an application under this chapter,  
119.27 an applicant must provide a draft application to commissioner of commerce for review. A  
119.28 draft application must not be filed electronically.

119.29 (b) The commissioner of commerce's draft application review must focus on the  
119.30 application's completeness and clarifications that may assist the commission's review of the  
119.31 application. Upon completion of the preapplication review under this subdivision,  
119.32 commissioner of commerce must provide the applicant a summary of the completeness

120.1 review. The applicant may include the completeness review summary with the applicant's  
120.2 application under subdivision 3.

120.3 Subd. 3. **Application.** (a) Any person seeking to construct a large electric power facility  
120.4 must apply to the commission for a site or route permit, as applicable. The application shall  
120.5 contain such information as the commission may require. The applicant shall propose at  
120.6 least two sites a single site for a large electric power facility and two routes one route for a  
120.7 high-voltage transmission line. Neither of the two proposed routes may be designated as a  
120.8 preferred route and all proposed routes must be numbered and designated as alternatives.  
120.9 The commission shall determine whether an application is complete and advise the applicant  
120.10 of any deficiencies within ten days of receipt. An application is not incomplete if information  
120.11 not in the application can be obtained from the applicant during the first phase of the process  
120.12 and that information is not essential for notice and initial public meetings.

120.13 (b) The commission's designee must determine whether an application is complete and  
120.14 advise the applicant of any deficiencies within ten days of the date an application is received.

120.15 (c) An application is not incomplete if:

120.16 (1) information that is not included in the application may be obtained from the applicant  
120.17 prior to the initial public meeting; and

120.18 (2) the information that is not included in the application is not essential to provide  
120.19 adequate notice.

120.20 ~~Subd. 3a. **Project notice.** At least 90 days before filing an application with the~~  
120.21 ~~commission, the applicant shall provide notice to each local unit of government within~~  
120.22 ~~which a route may be proposed. The notice must describe the proposed project and the~~  
120.23 ~~opportunity for a preapplication consultation meeting with local units of government as~~  
120.24 ~~provided in subdivision 3b.~~

120.25 ~~Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project~~  
120.26 ~~notice, local units of government may request the applicant to hold a consultation meeting~~  
120.27 ~~with local units of government. Upon receiving notice from a local unit of government~~  
120.28 ~~requesting a preapplication consultation meeting, the applicant shall arrange the meeting at~~  
120.29 ~~a location chosen by the local units of government. A single public meeting for which each~~  
120.30 ~~local government unit requesting a meeting is given notice satisfies the meeting requirement~~  
120.31 ~~of this subdivision.~~

120.32 Subd. 4. **Application notice.** Within 15 days after submission of an application to the  
120.33 commission, the applicant shall publish notice of the application in a legal newspaper of



121.1 general circulation in each county in which the site or route is proposed and send a copy of  
121.2 the application by certified mail to any regional development commission, county,  
121.3 incorporated municipality, and town in which any part of the site or route is proposed.  
121.4 Within the same 15 days, the applicant shall also send a notice of the submission of the  
121.5 application and description of the proposed project to each owner whose property is on or  
121.6 adjacent to any of the proposed sites for the power plant or along any of the proposed routes  
121.7 for the transmission line. The notice must identify a location where a copy of the application  
121.8 can be reviewed. For the purpose of giving mailed notice under this subdivision, owners  
121.9 are those shown on the records of the county auditor or, in any county where tax statements  
121.10 are mailed by the county treasurer, on the records of the county treasurer; but other  
121.11 appropriate records may be used for this purpose. The failure to give mailed notice to a  
121.12 property owner, or defects in the notice, does not invalidate the proceedings, provided a  
121.13 bona fide attempt to comply with this subdivision has been made. Within the same 15 days,  
121.14 the applicant shall also send the same notice of the submission of the application and  
121.15 description of the proposed project to those persons who have requested to be placed on a  
121.16 list maintained by the commission for receiving notice of proposed large electric generating  
121.17 power plants and high voltage transmission lines.

121.18 **Subd. 5. Environmental review.** ~~(a) The commissioner of the Department of Commerce~~  
121.19 ~~shall prepare for the commission an environmental impact statement on each proposed large~~  
121.20 ~~electric power facility for which a complete application has been submitted. The~~  
121.21 ~~commissioner shall not consider whether or not the project is needed. No other state~~  
121.22 ~~environmental review documents shall be required. The commissioner shall study and~~  
121.23 ~~evaluate any site or route proposed by an applicant and any other site or route the commission~~  
121.24 ~~deems necessary that was proposed in a manner consistent with rules concerning the form,~~  
121.25 ~~content, and timeliness of proposals for alternate sites or routes, excluding any alternate~~  
121.26 ~~site for a solar energy generating system that was not proposed by an applicant.~~

121.27 ~~(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a~~  
121.28 ~~large electric power generating plant and is not proposed by a utility, the commissioner~~  
121.29 ~~must make a finding in the environmental impact statement whether the project is likely to~~  
121.30 ~~result in a net reduction of carbon dioxide emissions, considering both the utility providing~~  
121.31 ~~electric service to the proposed cogeneration facility and any reduction in carbon dioxide~~  
121.32 ~~emissions as a result of increased efficiency from the production of thermal energy on the~~  
121.33 ~~part of the customer operating or owning the proposed cogeneration facility.~~

121.34 **Subd. 6. Public hearing.** The commission shall hold a public hearing on an application  
121.35 for a site or route permit for a large electric power facility. All hearings held for designating

122.1 ~~a site or route shall be conducted by an administrative law judge from the Office of~~  
122.2 ~~Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice~~  
122.3 ~~of the hearing shall be given by the commission at least ten days in advance but no earlier~~  
122.4 ~~than 45 days prior to the commencement of the hearing. Notice shall be by publication in~~  
122.5 ~~a legal newspaper of general circulation in the county in which the public hearing is to be~~  
122.6 ~~held and by certified mail to chief executives of the regional development commissions,~~  
122.7 ~~counties, organized towns, townships, and the incorporated municipalities in which a site~~  
122.8 ~~or route is proposed. Any person may appear at the hearings and offer testimony and exhibits~~  
122.9 ~~without the necessity of intervening as a formal party to the proceedings. The administrative~~  
122.10 ~~law judge may allow any person to ask questions of other witnesses. The administrative~~  
122.11 ~~law judge shall hold a portion of the hearing in the area where the power plant or transmission~~  
122.12 ~~line is proposed to be located.~~

122.13 Subd. 5a. **Public meeting.** (a) Within 20 days after the date the commission determines  
122.14 an application is complete, to the extent practicable, the commission must hold at least one  
122.15 public meeting in a location near the proposed project's location to explain the permitting  
122.16 process, present major issues, and respond to questions raised by the public.

122.17 (b) At the public meeting and in written comments that the commission must accept for  
122.18 at least ten days following the date of the public meeting, members of the public may submit  
122.19 comments on potential impacts, permit conditions, and alternatives the commission should  
122.20 evaluate when considering the application.

122.21 Subd. 6a. **Draft permit.** Within 30 days after the date the public comment period closes  
122.22 following the public hearing in section 216.035, subdivision 2, or section 216E.04,  
122.23 subdivision 6, to the extent practicable, the commission must:

122.24 (1) prepare a draft site or route permit for the proposed facility. The draft permit must  
122.25 identify the person or persons who are the permittee, describe the proposed project, and  
122.26 include proposed permit conditions. A draft site or route permit does not authorize a person  
122.27 to construct a proposed facility. The commission may change the draft site permit in any  
122.28 respect before final issuance or may deny the permit; and

122.29 (2) identify any issues or alternatives that must be evaluated in an addendum to an  
122.30 environmental assessment prepared under section 216E.041 or an environmental impact  
122.31 statement prepared under section 216E.035.

122.32 **Subd. 7. Considerations in designating sites and routes.** (a) The commission's site  
122.33 and route permit determinations must be guided by the state's goals to conserve resources,  
122.34 minimize environmental impacts, minimize human settlement and other land use conflicts,

123.1 and ensure the state's electric energy security through efficient, cost-effective power supply  
123.2 and electric transmission infrastructure.

123.3 (b) To facilitate the study, research, evaluation, and designation of sites and routes, the  
123.4 commission shall be guided by, but not limited to, the following considerations:

123.5 (1) evaluation of research and investigations relating to the effects on land, water and  
123.6 air resources of large electric power facilities and the effects of water and air discharges  
123.7 and electric and magnetic fields resulting from such facilities on public health and welfare,  
123.8 vegetation, animals, materials and aesthetic values, including baseline studies, predictive  
123.9 modeling, and evaluation of new or improved methods for minimizing adverse impacts of  
123.10 water and air discharges and other matters pertaining to the effects of power plants on the  
123.11 water and air environment;

123.12 (2) environmental evaluation of sites and routes proposed for future development and  
123.13 expansion and their relationship to the land, water, air and human resources of the state;

123.14 (3) evaluation of the effects of new electric power generation and transmission  
123.15 technologies and systems related to power plants designed to minimize adverse environmental  
123.16 effects;

123.17 (4) evaluation of the potential for beneficial uses of waste energy from proposed large  
123.18 electric power generating plants;

123.19 (5) analysis of the direct and indirect economic impact of proposed sites and routes  
123.20 including, but not limited to, productive agricultural land lost or impaired;

123.21 (6) evaluation of adverse direct and indirect environmental effects that cannot be avoided  
123.22 should the proposed site and route be accepted;

123.23 (7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant  
123.24 to subdivisions 1 and 2;

123.25 (8) evaluation of potential routes that would use or parallel existing railroad and highway  
123.26 rights-of-way;

123.27 (9) evaluation of governmental survey lines and other natural division lines of agricultural  
123.28 land so as to minimize interference with agricultural operations;

123.29 (10) evaluation of the future needs for additional high-voltage transmission lines in the  
123.30 same general area as any proposed route, and the advisability of ordering the construction  
123.31 of structures capable of expansion in transmission capacity through multiple circuiting or  
123.32 design modifications;

124.1 (11) evaluation of irreversible and irretrievable commitments of resources should the  
124.2 proposed site or route be approved;

124.3 (12) when appropriate, consideration of problems raised by other state and federal  
124.4 agencies and local entities;

124.5 (13) evaluation of the benefits of the proposed facility with respect to (i) the protection  
124.6 and enhancement of environmental quality, and (ii) the reliability of state and regional  
124.7 energy supplies;

124.8 (14) evaluation of the proposed facility's impact on socioeconomic factors; and

124.9 (15) evaluation of the proposed facility's employment and economic impacts in the  
124.10 vicinity of the facility site and throughout Minnesota, including the quantity and quality of  
124.11 construction and permanent jobs and their compensation levels. The commission must  
124.12 consider a facility's local employment and economic impacts, and may reject or place  
124.13 conditions on a site or route permit based on the local employment and economic impacts.

124.14 (c) If the commission's rules are substantially similar to existing regulations of a federal  
124.15 agency to which the utility in the state is subject, the federal regulations must be applied by  
124.16 the commission.

124.17 (d) No site or route shall be designated which violates state agency rules.

124.18 (e) The commission must make specific findings that it has considered locating a route  
124.19 for a high-voltage transmission line on an existing high-voltage transmission route and the  
124.20 use of parallel existing highway right-of-way and, to the extent those are not used for the  
124.21 route, the commission must state the reasons.

124.22 **Subd. 8. Recording of survey points.** The permanent location of monuments or markers  
124.23 found or placed by a utility in a survey of right-of-way for a route shall be placed on record  
124.24 in the office of the county recorder or registrar of titles. No fee shall be charged to the utility  
124.25 for recording this information.

124.26 ~~Subd. 9. **Timing.** The commission shall make a final decision on an application within~~  
124.27 ~~60 days after receipt of the report of the administrative law judge. A final decision on the~~  
124.28 ~~request for a site permit or route permit shall be made within one year after the commission's~~  
124.29 ~~determination that an application is complete. The commission may extend this time limit~~  
124.30 ~~for up to three months for just cause or upon agreement of the applicant.~~

124.31 ~~Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site~~  
124.32 ~~selection standards and criteria established in this section and in rules adopted by the~~  
124.33 ~~commission. When the commission designates a site, it shall issue a site permit to the~~

125.1 ~~applicant with any appropriate conditions. The commission shall publish a notice of its~~  
125.2 ~~decision in the State Register within 30 days of issuance of the site permit.~~

125.3 ~~(b) No route permit shall be issued in violation of the route selection standards and~~  
125.4 ~~criteria established in this section and in rules adopted by the commission. When the~~  
125.5 ~~commission designates a route, it shall issue a permit for the construction of a high-voltage~~  
125.6 ~~transmission line specifying the design, routing, right-of-way preparation, and facility~~  
125.7 ~~construction it deems necessary, and with any other appropriate conditions. The commission~~  
125.8 ~~may order the construction of high-voltage transmission line facilities that are capable of~~  
125.9 ~~expansion in transmission capacity through multiple circuiting or design modifications. The~~  
125.10 ~~commission shall publish a notice of its decision in the State Register within 30 days of~~  
125.11 ~~issuance of the permit.~~

125.12 ~~(e) The commission must require as a condition of permit issuance, including issuance~~  
125.13 ~~of a modified permit for a repowering project, as defined in section 216B.243, subdivision~~  
125.14 ~~8, paragraph (b), that the recipient of a site permit to construct a large electric power~~  
125.15 ~~generating plant, including all of the permit recipient's construction contractors and~~  
125.16 ~~subcontractors on the project: (1) pay no less than the prevailing wage rate, as defined in~~  
125.17 ~~section 177.42; and (2) be subject to the requirements and enforcement provisions under~~  
125.18 ~~sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.~~

125.19 **Subd. 11. Department of Commerce to provide technical expertise and other**  
125.20 **assistance.** (a) The commissioner of the Department of Commerce shall consult with other  
125.21 state agencies and provide technical expertise and other assistance to the commission or to  
125.22 individual members of the commission for activities and proceedings under this chapter  
125.23 ~~and chapters 216F~~ and chapter 216G. This assistance shall include the sharing of power  
125.24 plant siting and routing staff and other resources as necessary. The commissioner shall  
125.25 periodically report to the commission concerning the Department of Commerce's costs of  
125.26 providing assistance. The report shall conform to the schedule and include the required  
125.27 contents specified by the commission. The commission shall include the costs of the  
125.28 assistance in assessments for activities and proceedings under those sections and reimburse  
125.29 the special revenue fund for those costs. If either the commissioner or the commission deems  
125.30 it necessary, the department and the commission shall enter into an interagency agreement  
125.31 establishing terms and conditions for the provision of assistance and sharing of resources  
125.32 under this subdivision.

125.33 (b) Notwithstanding the requirements of section 216B.33, the commissioner may take  
125.34 any action required or requested by the commission related to the environmental review

126.1 requirements under chapter 216E ~~or 216F~~ immediately following a hearing and vote by the  
126.2 commission, prior to issuing a written order, finding, authorization, or certificate.

126.3 Subd. 12. **Prevailing wage.** The commission must require as a condition of permit  
126.4 issuance, including issuance of a modified permit for a repowering project, as defined in  
126.5 section 216B.243, subdivision 8, paragraph (b), that the recipient of a site permit to construct  
126.6 a large electric power generating plant, including all of the permit recipient's construction  
126.7 contractors and subcontractors on the project:

126.8 (1) pay no less than the prevailing wage rate, as defined in section 177.42; and

126.9 (2) is subject to the requirements and enforcement provisions under sections 177.27,  
126.10 177.30, 177.32, 177.41 to 177.435, and 177.45.

126.11 Subd. 13. **Application.** This section applies to applications for a site or route permit  
126.12 filed under section 216E.035 or 216E.04.

126.13 **Sec. 10. [216E.031] APPLICABILITY DETERMINATION.**

126.14 Subdivision 1. **Generally.** This section may be used to determine:

126.15 (1) whether a proposal is subject to the commission's siting or routing jurisdiction under  
126.16 this chapter; or

126.17 (2) which review process is applicable at the time of the initial application.

126.18 Subd. 2. **Size determination.** An applicant must follow the provisions of section  
126.19 216E.021 or 216E.022, as applicable, to determine the size of a solar energy generating  
126.20 system or a wind energy conversion system. In determining the size of an energy storage  
126.21 system, an applicant must combine the alternating current nameplate capacity of any other  
126.22 energy storage system that:

126.23 (1) is constructed within the same 12-month period as the energy storage system; and

126.24 (2) exhibits characteristics of being a single development, including but not limited to  
126.25 ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing  
126.26 arrangements, and common debt or equity financing.

126.27 Subd. 3. **Transmission lines.** For transmission lines, the applicant must describe the  
126.28 applicability issue and provide sufficient facts to support the determination.

126.29 Subd. 4. **Forms; assistance; written determination.** (a) The commission must provide  
126.30 forms and assistance to help applicants make a request for an applicability determination.

127.1 (b) Upon written request from an applicant, the commission must provide a written  
127.2 determination regarding applicability under this section. To the extent practicable, the  
127.3 commission must provide the written determination within 30 days of the date the request  
127.4 was received or 30 days of the date information that the commission requested from the  
127.5 applicant is received, whichever is later. This written determination constitutes a final  
127.6 decision of the commission.

127.7 Sec. 11. **[216E.035] APPLICATIONS; MAJOR REVIEW.**

127.8 Subdivision 1. **Environmental review.** (a) The commissioner of commerce shall prepare  
127.9 for the commission an environmental impact statement on each proposed large electric  
127.10 power facility for which a complete application has been submitted. The commissioner shall  
127.11 not consider whether or not the project is needed. No other state environmental review  
127.12 documents are required. The commissioner shall study and evaluate any site or route proposed  
127.13 by an applicant and any other site or route the commission deems necessary that was proposed  
127.14 in a manner consistent with rules concerning the form, content, and timeliness of proposals  
127.15 for alternate sites or routes, excluding any alternate site for a solar energy generating system  
127.16 that was not proposed by an applicant.

127.17 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a  
127.18 large electric power generating plant and is not proposed by a utility, the commissioner  
127.19 must make a finding in the environmental impact statement whether the project is likely to  
127.20 result in a net reduction of carbon dioxide emissions, considering both the utility providing  
127.21 electric service to the proposed cogeneration facility and any reduction in carbon dioxide  
127.22 emissions as a result of increased efficiency from the production of thermal energy on the  
127.23 part of the customer operating or owning the proposed cogeneration facility.

127.24 Subd. 2. **Public hearing.** (a) In addition to the public meeting required under section  
127.25 216E.03, subdivision 5a, the commission shall hold a public hearing on an application for  
127.26 a site or route permit for a large electric power facility. A hearing held for designating a  
127.27 site or route shall be conducted by an administrative law judge from the Office of  
127.28 Administrative Hearings pursuant to the contested case procedures of chapter 14 only if  
127.29 commission staff determines that a disputed matter exists that may require clarification  
127.30 through expert testimony. Notice of the hearing shall be given by the commission at least  
127.31 ten days in advance but no earlier than 45 days prior to the commencement of the hearing.  
127.32 Notice shall be by publication in a legal newspaper of general circulation in the county in  
127.33 which the public hearing is to be held and by certified mail to chief executives of the regional  
127.34 development commissions, Tribal governments, counties, organized towns, townships, and

128.1 the incorporated municipalities in which a site or route is proposed. Any person may appear  
128.2 at the hearings and offer testimony and exhibits without the necessity of intervening as a  
128.3 formal party to the proceedings. The administrative law judge may allow any person to ask  
128.4 questions of other witnesses. The administrative law judge shall hold a portion of the hearing  
128.5 in the area where the power plant or transmission line is proposed to be located.

128.6 (b) The commission must accept written comments submitted for at least ten days  
128.7 following the hearing regarding project impacts, permit conditions, and alternatives the  
128.8 commission should evaluate when considering the application.

128.9 Subd. 3. **Timing.** (a) The commission shall make a final decision on an application  
128.10 within 60 days after receipt of the report of the administrative law judge, if applicable. A  
128.11 final decision on the request for a site permit or route permit shall be made within one year  
128.12 after the commission's determination that an application is complete. The commission may  
128.13 extend the time limit under this paragraph for up to three months for just cause or upon  
128.14 agreement with the applicant.

128.15 (b) To ensure that a final decision complies with the requirements of this subdivision,  
128.16 the commission shall establish deadlines for the submission of comments by state agencies  
128.17 on applications and environmental review documents that expedite the siting and route  
128.18 permitting process.

128.19 Subd. 4. **Final decision.** (a) No site permit shall be issued by the commission: (1) in  
128.20 violation of the site selection standards and criteria established in this section and in rules  
128.21 adopted by the commission; or (2) if the commission determines that the proposed project  
128.22 is not in the public interest. When the commission designates a site, the commission shall  
128.23 issue a site permit to the applicant with any appropriate conditions. The commission shall  
128.24 publish a notice of the commission's decision in the State Register within 30 days of issuance  
128.25 of the site permit.

128.26 (b) No route permit shall be issued by the commission: (1) in violation of the route  
128.27 selection standards and criteria established in this section and in rules adopted by the  
128.28 commission; or (2) if the commission determines that the proposed project is not in the  
128.29 public interest. When the commission designates a route, the commission shall issue a permit  
128.30 for the construction of a high-voltage transmission line specifying the design, routing,  
128.31 right-of-way preparation, and facility construction the commission deems necessary, and  
128.32 with any other appropriate conditions. The commission may order the construction of  
128.33 high-voltage transmission line facilities that are capable of expansion in transmission capacity  
128.34 through multiple circuiting or design modifications. The commission shall publish a notice



129.1 of the commission's decision in the State Register within 30 days of issuance of the permit,  
 129.2 to the extent practicable.

129.3 (c) Immediately following the commission's vote granting an applicant a site or route  
 129.4 permit, and prior to issuance of a written commission order embodying that decision, the  
 129.5 applicant may submit to commission staff for review preconstruction compliance filings  
 129.6 specifying details of the applicant's proposed site operations.

129.7 Sec. 12. Minnesota Statutes 2022, section 216E.04, as amended by Laws 2023, chapter  
 129.8 7, section 29, and Laws 2023, chapter 60, article 12, section 55, is amended to read:

129.9 **216E.04 ALTERNATIVE APPLICATIONS; STANDARD REVIEW OF**  
 129.10 **APPLICATIONS.**

129.11 Subdivision 1. **Alternative Standard review.** An applicant who seeks a site permit or  
 129.12 route permit for one of the projects identified in this section shall have the option of following  
 129.13 the procedures in this section rather than the procedures in section ~~216E.03~~ 216E.035. The  
 129.14 applicant shall notify the commission at the time the application is submitted which procedure  
 129.15 the applicant chooses to follow.

129.16 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to  
 129.17 the following projects, as presented in the application submitted to the commission:

129.18 (1) large electric power generating plants with a capacity of less than 80 megawatts that  
 129.19 are not fueled by natural gas;

129.20 ~~(2) large electric power generating plants that are fueled by natural gas;~~

129.21 ~~(3) (2) high-voltage transmission lines of between 100 and 200 kilovolts~~ below 345  
 129.22 kilovolts and less than 30 miles of length in Minnesota;

129.23 (3) high-voltage transmission lines of between 100 and 300 kilovolts of any length;

129.24 ~~(4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in~~  
 129.25 ~~length in Minnesota;~~

129.26 ~~(5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of~~  
 129.27 ~~the distance of the line in Minnesota will be located along existing high-voltage transmission~~  
 129.28 ~~line right-of-way;~~

129.29 ~~(6) a high-voltage transmission line service extension to a single customer between 200~~  
 129.30 ~~and 300 kilovolts and less than ten miles in length;~~

130.1 ~~(7)~~ (4) a high-voltage transmission line rerouting to serve the demand of a single customer  
130.2 when the rerouted line will be located at least 80 percent on property owned or controlled  
130.3 by the customer or the owner of the transmission line;

130.4 ~~(8)~~ (5) large electric power generating plants that are powered by solar energy; ~~and~~

130.5 (6) a wind energy conversion system of five megawatts or greater alternating current  
130.6 capacity; and

130.7 ~~(9)~~ (7) energy storage systems.

130.8 Subd. 3. **Application.** The applicant for a site or route permit for any of the projects  
130.9 listed in subdivision 2 who chooses to follow these procedures shall submit information as  
130.10 the commission may require, but the applicant shall not be required to propose a second  
130.11 site or route for the project. The applicant shall identify in the application any other sites  
130.12 or routes that were rejected by the applicant and the commission may identify additional  
130.13 sites or routes to consider during the processing of the application. The commission shall  
130.14 determine whether an application is complete and advise the applicant of any deficiencies.

130.15 Subd. 4. **Notice of application.** Upon submission of an application under this section,  
130.16 the applicant shall provide the same notice as required ~~by~~ under section 216E.03, subdivision  
130.17 4.

130.18 Subd. 5. **Environmental review.** ~~For the projects identified in subdivision 2 and~~  
130.19 ~~following these procedures, the commissioner of the Department of Commerce~~ The applicant  
130.20 shall prepare for the commission an environmental assessment for projects identified in  
130.21 subdivision 2 that follows the procedures in section 216E.041. ~~The environmental assessment~~  
130.22 ~~shall contain information on the human and environmental impacts of the proposed project~~  
130.23 ~~and other sites or routes identified by the commission and shall address mitigating measures~~  
130.24 ~~for all of the sites or routes considered. The environmental assessment shall be the only~~  
130.25 ~~state environmental review document required to be prepared on the project.~~

130.26 Subd. 6. **Public hearing.** (a) In addition to the public meeting required under section  
130.27 216E.03, subdivision 5a, the commission shall hold a public hearing in the area where the  
130.28 facility is proposed to be located. The commission shall give notice of the public hearing  
130.29 in the same manner as notice under section ~~216E.03, subdivision 6~~ 216E.035, subdivision  
130.30 2. The commission shall conduct the public hearing under procedures established by the  
130.31 commission. The applicant shall be present at the hearing to present evidence and to answer  
130.32 questions. The commission shall provide opportunity at the public hearing for any person  
130.33 to present comments and to ask questions of the applicant and commission staff. The

131.1 commission shall also afford interested persons an opportunity to submit written comments  
131.2 into the record.

131.3 (b) The commission must accept written comments submitted for at least ten days  
131.4 following the hearing regarding project impact, permit conditions, and alternatives the  
131.5 commission should evaluate when considering the application.

131.6 Subd. 7. **Timing.** (a) The commission shall make a final decision on an application  
131.7 within 60 days after completion of the public hearing. A final decision on the request for a  
131.8 site permit or route permit under this section shall be made within six months after the  
131.9 commission's determination that an application is complete. The commission may extend  
131.10 this time limit for up to three months for just cause or upon agreement of the applicant.

131.11 (b) To ensure that a final decision complies with the requirements of this subdivision,  
131.12 the commission shall establish deadlines for the submission of comments by state agencies  
131.13 on applications and environmental review documents that expedite the siting and route  
131.14 permitting process.

131.15 ~~Subd. 8. **Considerations.** The considerations in section 216E.03, subdivision 7, shall~~  
131.16 ~~apply to any projects subject to this section.~~

131.17 Subd. 9. **Final decision.** (a) No site permit shall be issued by the commission: (1) in  
131.18 violation of the site selection standards and criteria established in this section and in rules  
131.19 adopted by the commission; or (2) if the commission determines that the proposed project  
131.20 is not in the public interest. When the commission designates a site, it shall issue a site  
131.21 permit to the applicant with any appropriate conditions. The commission shall publish a  
131.22 notice of its decision in the State Register within 30 days of issuance of the site permit.

131.23 (b) No route ~~designation shall be made~~ shall be issued: (1) in violation of the route  
131.24 selection standards and criteria established in this section and in rules adopted by the  
131.25 commission; or (2) if the commission determines that the proposed project is not in the  
131.26 public interest. When the commission designates a route, it shall issue a permit for the  
131.27 construction of a high-voltage transmission line specifying the design, routing, right-of-way  
131.28 preparation, and facility construction it deems necessary and with any other appropriate  
131.29 conditions. The commission may order the construction of high-voltage transmission line  
131.30 facilities that are capable of expansion in transmission capacity through multiple circuiting  
131.31 or design modifications. The commission shall publish a notice of its decision in the State  
131.32 Register within 30 days of issuance of the permit.

131.33 (c) Immediately following the commission's vote granting an applicant a site or route  
131.34 permit, and prior to issuance of a written commission order embodying the decision, the

132.1 applicant may submit to commission staff for review preconstruction compliance filings  
132.2 specifying details of the applicant's proposed site operations.

132.3 **Sec. 13. [216E.041] ENVIRONMENTAL ASSESSMENT PREPARATION.**

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

132.6 (b) "Commissioner" means the commissioner of commerce.

132.7 (c) "General list" means a list maintained by the commission of persons who request to  
132.8 be notified of the acceptance of applications for site permits or route permits.

132.9 (d) "Project contact list" means a list maintained by the commission of persons who  
132.10 request to receive notices regarding a specific project for which a site permit or route permit  
132.11 is sought.

132.12 **Subd. 2. Environmental assessment; content.** The applicant shall prepare and submit  
132.13 with the permit application an environmental assessment on each proposed project being  
132.14 reviewed under section 216E.04. The environmental assessment must contain, at a minimum:

132.15 (1) a general description of the proposed facility;

132.16 (2) a list of any alternative sites or routes that were considered and rejected by the  
132.17 applicant;

132.18 (3) a discussion of the potential impacts of the proposed project and each alternative site  
132.19 or route on the human and natural environment;

132.20 (4) a discussion of mitigative measures that could reasonably be implemented to eliminate  
132.21 or minimize any adverse impacts identified for the proposed project and each alternative  
132.22 site or route analyzed;

132.23 (5) an analysis of the feasibility of each alternative site or route considered; and

132.24 (6) a list of permits required for the project.

132.25 **Subd. 3. Environmental assessment; notification of availability.** Upon receipt of the  
132.26 environmental assessment from the applicant, the commissioner shall publish notice in the  
132.27 EQB Monitor of the availability of the environmental assessment and mail notice of the  
132.28 availability of the document to those persons on the general list or the project contact list.  
132.29 The commissioner shall provide a copy of the environmental assessment to any public  
132.30 agency with authority to permit or approve the proposed project. The commissioner shall  
132.31 post the environmental assessment on the agency's web page.

133.1 Subd. 4. **Environmental assessment; comments; addendum.** (a) The commissioner  
133.2 shall provide the public with an opportunity to comment on the environmental assessment  
133.3 by holding a public meeting and by soliciting public comments. The commissioner shall  
133.4 mail notice of the meeting to those persons on either the general list or the project contact  
133.5 list at least ten days before the meeting. The commissioner shall provide at least seven days  
133.6 from the date of the public meeting for the public to submit comments on the environmental  
133.7 assessment.

133.8 (b) Any person or any member agency of the Environmental Quality Board may, at the  
133.9 public meeting or in written comments submitted to the commissioner, request that the  
133.10 Department of Commerce analyze any of the following issues in an addendum to the  
133.11 environmental assessment:

133.12 (1) one or more alternative sites or routes;

133.13 (2) additional mitigation measures for environmental impacts identified in the  
133.14 environmental assessment; or

133.15 (3) specific human or environmental impacts that were not addressed or not addressed  
133.16 adequately in the environmental assessment.

133.17 (c) A person requesting additional environmental analysis in an addendum under  
133.18 paragraph (b) must submit to the commissioner (1) an explanation of why the request should  
133.19 be accepted, and (2) all supporting information the person wants the commissioner to  
133.20 consider. The commissioner shall provide the applicant with an opportunity to respond to  
133.21 each request. The commissioner shall prepare an addendum in response to a request, or at  
133.22 the commissioner's own discretion, only if the commissioner determines that the additional  
133.23 analysis assists the commission's ultimate decision on the permit application, including the  
133.24 establishment of permit conditions.

133.25 (d) In making the commission's final decision, the commission must consider the  
133.26 environmental assessment, the addendum to the environmental assessment, if any, comments  
133.27 received at or after the public meeting, and the entirety of the record on environmental and  
133.28 human health impacts.

133.29 (e) The commissioner shall follow the notification procedures established for an  
133.30 environmental assessment in subdivision 3 with respect to an addendum prepared under  
133.31 subdivision 4.

133.32 Subd. 5. **Matters excluded.** If the commission has issued a certificate of need to an  
133.33 applicant for a large electric power generating plant or high-voltage transmission line or

134.1 placed a high-voltage transmission line on the certified project list maintained by the  
134.2 commission under section 216B.2425, subdivision 3, the environmental assessment of the  
134.3 project shall not address (1) questions of need, including size, type, and timing; (2) questions  
134.4 of alternative system configurations; or (3) questions of voltage.

134.5 Subd. 6. **No additional environmental review.** An environmental assessment and  
134.6 addendum, if prepared, must be the only state environmental review documents required  
134.7 to be prepared by the commissioner on a project qualifying for review under section 216E.04.  
134.8 An environmental assessment worksheet or environmental impact statement is not required.  
134.9 Environmental review at the certificate of need stage before the commission must be  
134.10 performed in accordance with Minnesota Rules, parts 7849.1000 to 7849.2100.

134.11 Subd. 7. **Cost.** The commissioner shall assess the department's cost to prepare an  
134.12 addendum to an environmental assessment to the applicant.

134.13 **Sec. 14. [216E.042] PERMIT AMENDMENTS.**

134.14 Subdivision 1. **Applicability.** (a) This section applies to a request by the owner of a  
134.15 large electric power facility to modify any provision or condition of a site or route permit  
134.16 issued by the commission, including permit amendments to:

134.17 (1) upgrade or rebuild an existing electric line and associated facilities to a voltage  
134.18 capable of operating between 100 kilovolts and 300 kilovolts; or

134.19 (2) repower or refurbish a large electric power generating plant, a large wind energy  
134.20 conversion system, a solar energy generating system, or an energy storage system that  
134.21 increases the efficiency of the facility. For a large electric power generating plant, an increase  
134.22 in efficiency means a reduction in the amount of British thermal units required to generate  
134.23 a kilowatt hour of electricity at the facility.

134.24 (b) A permit amendment must not be approved under this section if the permit  
134.25 amendment:

134.26 (1) results in significant changes in the environmental or human health impacts of the  
134.27 facility;

134.28 (2) increases the developed area within the permitted site; or

134.29 (3) increases the facility's nameplate capacity above the nameplate capacity in the facility's  
134.30 most recent interconnection agreement.

135.1 Subd. 2. **Application.** A person seeking a permit amendment under this section must  
135.2 submit an application in writing to the commissioner on a form prescribed by the  
135.3 commissioner. The application must describe:

135.4 (1) the permit modification sought;

135.5 (2) how the request meets the applicability criteria under subdivision 1; and

135.6 (3) any changes in environmental or health impacts that would result from implementation  
135.7 of the amendment that were not addressed in the environmental document accompanying  
135.8 the initial permit application.

135.9 Subd. 3. **Notice.** The commission must provide notice that the application was received  
135.10 to persons on the general list and, if applicable, to persons on the project contact list.

135.11 Subd. 4. **Public comment.** The commission must accept written comments on the  
135.12 application and requests to bring the amendment to the commission for consideration for  
135.13 at least ten days following service of notice. The applicant must respond to comments within  
135.14 seven days of the close of the comment period.

135.15 Subd. 5. **Timing.** Within 20 days of the date the public comment period closes, the  
135.16 commission's designee must decide whether to authorize the permit amendment, bring the  
135.17 matter to the commission for consideration, or determine that the application requires a  
135.18 permitting decision under another section in this chapter.

135.19 Subd. 6. **Decision.** The commission may approve an amendment that places reasonable  
135.20 conditions on the permittee. The commission must notify the applicant in writing of the  
135.21 commission's decision and send a copy of the decision to any person who requested  
135.22 notification or filed comments on the application.

135.23 Subd. 7. **Local review.** An owner or operator of a large electric power generating plant  
135.24 or high-voltage transmission line that was not issued a permit by the commission may seek  
135.25 approval to modify a project listed under subdivision 1, clause (1) or (2), from the local unit  
135.26 of government if the facility qualifies for standard review under section 216E.04 or local  
135.27 review under section 216E.05.

135.28 Sec. 15. **[216E.051] EXEMPT PROJECTS.**

135.29 Subdivision 1. **Permit not required.** A permit issued by the commission is not required  
135.30 to construct:

135.31 (1) a small wind energy conversion system;

135.32 (2) a power plant or solar generating system with a capacity of less than 50 megawatts;

136.1 (3) an energy storage system with a capacity of less than ten megawatts;

136.2 (4) a transmission line that (i) has a capacity of 100 kilovolts or more, and (ii) is less  
136.3 than 1,500 feet in length; or

136.4 (5) a transmission line that has a capacity of less than 100 kilovolts.

136.5 Subd. 2. **Other approval.** A person that proposes a facility listed in subdivision 1 must  
136.6 (1) obtain any approval required by local, state, or federal units of government with  
136.7 jurisdiction over the project, and (2) comply with the environmental review requirements  
136.8 under chapter 116D and Minnesota Rules, chapter 4410.

136.9 Sec. 16. **[216E.055] COST AND ECONOMIC IMPACT REVIEW.**

136.10 Subdivision 1. **Applicability.** If a project proposed by a public utility applying for a site  
136.11 or route permit under this chapter was not required to obtain a certificate of need under  
136.12 section 216B.243, the commission must review the proposed cost of the project and the  
136.13 project's estimated economic impact on Minnesota ratepayers. The commission may reject  
136.14 a site or route permit application based solely on project costs that the commission determines  
136.15 are not reasonable and prudent.

136.16 Subd. 2. **Review content.** In determining a proposed facility's cost and economic impact,  
136.17 the commission must analyze and consider the following:

136.18 (1) the construction cost of the proposed facility and the cost of the energy the proposed  
136.19 facility generates, compared to the costs of reasonable alternatives;

136.20 (2) the economic impact of the proposed facility, or a suitable modification of the  
136.21 proposed facility, compared to:

136.22 (i) the impact of reasonable alternatives; and

136.23 (ii) not building the facility; and

136.24 (3) the cost and economic impact of the proposed facility compared with similar facilities  
136.25 located elsewhere.

136.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
136.27 applies to any site or route permit filed by the commission on or after that date.



137.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 3, is amended  
137.2 to read:

137.3 Subd. 3. **State agency participation.** (a) State agencies authorized to issue permits  
137.4 required for construction or operation of large electric power facilities shall participate  
137.5 during routing and siting at public hearings and all other activities of the commission on  
137.6 specific site or route designations and design considerations of the commission, and shall  
137.7 clearly state whether the site or route being considered for designation or permit and other  
137.8 design matters under consideration for approval will be in compliance with state agency  
137.9 standards, rules, or policies.

137.10 (b) An applicant for a permit under this section or under chapter 216G shall notify the  
137.11 commissioner of agriculture if the proposed project will impact cultivated agricultural land,  
137.12 as that term is defined in section 216G.01, subdivision 4. The commissioner may participate  
137.13 and advise the commission as to whether to grant a permit for the project and the best options  
137.14 for mitigating adverse impacts to agricultural lands if the permit is granted. The Department  
137.15 of Agriculture shall be the lead agency on the development of any agricultural mitigation  
137.16 plan required for the project.

137.17 (c) The State Historic Preservation Office must comply with the requirements of this  
137.18 section. The commission's consideration of the State Historic Preservation Office's comments  
137.19 satisfies the requirements of section 138.665, when applicable.

137.20 Sec. 18. Minnesota Statutes 2022, section 216F.02, is amended to read:

137.21 **216F.02 EXEMPTIONS.**

137.22 ~~(a) The requirements of chapter 216E do not apply to the siting of LWECs, except for~~  
137.23 ~~sections 216E.01; 216E.03, subdivision 7; 216E.08; 216E.11; 216E.12; 216E.14; 216E.15;~~  
137.24 ~~216E.17; and 216E.18, subdivision 3, which do apply.~~

137.25 ~~(b)~~ (a) Any person may construct an SWECS without complying with chapter 216E or  
137.26 this chapter.

137.27 ~~(c)~~ (b) Nothing in this chapter shall preclude a local governmental unit from establishing  
137.28 requirements for the siting and construction of SWECS.

137.29 Sec. 19. **GRID ENHANCING TECHNOLOGIES REPORT; PUBLIC UTILITIES**  
137.30 **COMMISSION ORDER.**

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

138.1 (b) "Capacity" means the maximum amount of electricity that can flow through a  
138.2 transmission line while observing industry safety standards.

138.3 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents  
138.4 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

138.5 (d) "Dynamic line rating" means hardware or software used to calculate the thermal  
138.6 limit of existing transmission lines at a specific point in time by incorporating information  
138.7 on real-time and forecasted weather conditions.

138.8 (e) "Grid enhancing technology" means hardware or software that reduces congestion  
138.9 or enhances the flexibility of the transmission system by increasing the capacity of a  
138.10 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,  
138.11 while maintaining industry safety standards. Grid enhancing technologies include but are  
138.12 not limited to dynamic line rating, advanced power flow controllers, and topology  
138.13 optimization.

138.14 (f) "Line rating methodology" means a methodology used to calculate the maximum  
138.15 amount of electricity that can be carried by a transmission line without exceeding thermal  
138.16 limits designed to ensure safety.

138.17 (g) "Power flow controller" means hardware and software used to reroute electricity  
138.18 from overloaded transmission lines to underutilized transmission lines.

138.19 (h) "Thermal limit" means the temperature a transmission line reaches when heat from  
138.20 the electric current flow within the transmission line causes excessive sagging of the  
138.21 transmission line.

138.22 (i) "Topology optimization" means a software technology that uses mathematical models  
138.23 to identify reconfigurations in the transmission grid in order to reroute electricity from  
138.24 overloaded transmission lines to underutilized transmission lines.

138.25 (j) "Transmission line" has the meaning given to "high-voltage transmission line" in  
138.26 section 216E.01, subdivision 4.

138.27 (k) "Transmission system" means a network of high-voltage transmission lines owned  
138.28 or operated by an entity subject to this section that transports electricity to Minnesota  
138.29 customers.

138.30 Subd. 2. **Report; content.** An entity that owns more than 750 miles of transmission  
138.31 lines in Minnesota, as reported in the state transmission report submitted to the Public  
138.32 Utilities Commission under Minnesota Statutes, section 216B.2425, by November 1, 2025,  
138.33 must include in that report information that:

139.1 (1) identifies, during each of the last three years, locations that experienced 168 hours  
139.2 or more of congestion, or the ten locations at which the most costly congestion occurred,  
139.3 whichever measure produces the greater number of locations;

139.4 (2) estimates the frequency of congestion at each location and the increased cost to  
139.5 ratepayers resulting from the substitution of higher-priced electricity;

139.6 (3) identifies locations on each transmission system that are likely to experience high  
139.7 levels of congestion during the next five years;

139.8 (4) evaluates the technical feasibility and estimates the cost of installing one or more  
139.9 grid enhancing technologies to address each instance of grid congestion identified in clause  
139.10 (1), and projects the grid enhancing technology's efficacy in reducing congestion;

139.11 (5) analyzes the cost-effectiveness of installing grid enhancing technologies to address  
139.12 each instance of congestion identified in clause (1) by using the information developed in  
139.13 clause (2) to calculate the payback period of each installation, using a methodology developed  
139.14 by the commission;

139.15 (6) proposes an implementation plan, including a schedule and cost estimate, to install  
139.16 grid enhancing technologies at each congestion point identified in clause (1) at which the  
139.17 payback period is less than or equal to a value determined by the commission, in order to  
139.18 maximize transmission system capacity; and

139.19 (7) explains the transmission owner's current line rating methodology.

139.20 Subd. 3. **Commission review; order.** (a) The commission shall review the  
139.21 implementation plans proposed by each reporting entity as required in subdivision 2, clause  
139.22 (6), and must:

139.23 (1) review, and may approve, reject, or modify, the plan; and

139.24 (2) issue an order requiring implementation of an approved plan.

139.25 (b) Within 90 days of the commission's issuance of an order under this subdivision each  
139.26 public utility shall file with the commission a plan containing a workplan, cost estimate,  
139.27 and schedule for implementing the elements of the plan approved by the commission that  
139.28 are located within the public utility's electric service area. For each entity required to report  
139.29 under this section that is not a public utility, the commission's order is advisory.

139.30 Subd. 4. **Cost recovery.** Notwithstanding any other provision of this chapter, the  
139.31 commission may approve cost recovery under Minnesota Statutes, section 216B.16, including  
139.32 an appropriate rate of return, of any prudent and reasonable investments made or expenses

140.1 incurred by a public utility to administer and implement a grid enhancing technologies plan  
 140.2 approved by the commission under this section.

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

140.4 Sec. 20. **REVISOR INSTRUCTION.**

140.5 The revisor of statutes shall renumber each section of Minnesota Statutes listed in column  
 140.6 A with the number listed in column B. The revisor shall also make necessary cross-reference  
 140.7 changes consistent with the renumbering.

	<u>Column A</u>	<u>Column B</u>
140.9	<u>216F.01, subdivision 2</u>	<u>216E.01, subdivision 6a</u>
140.10	<u>216F.01, subdivision 3</u>	<u>216E.01, subdivision 9b</u>
140.11	<u>216F.01, subdivision 4</u>	<u>216E.01, subdivision 11</u>
140.12	<u>216F.011</u>	<u>216E.022</u>
140.13	<u>216F.02</u>	<u>216E.023</u>
140.14	<u>216F.06</u>	<u>216E.055</u>
140.15	<u>216F.07</u>	<u>216E.10, subdivision 1a</u>
140.16	<u>216F.08</u>	<u>216E.05, subdivision 4</u>
140.17	<u>216F.081</u>	<u>216E.05, subdivision 5</u>
140.18	<u>216F.084</u>	<u>216E.125</u>

140.19 Sec. 21. **REPEALER.**

140.20 (a) Minnesota Statutes 2022, sections 216E.08, subdivisions 1 and 4; 216F.01, subdivision  
 140.21 1; 216F.012; 216F.015; and 216F.03, are repealed.

140.22 (b) Minnesota Statutes 2023 Supplement, section 216F.04, is repealed.

140.23 (c) Minnesota Rules, parts 7850.2400; and 7850.3600, are repealed.

140.24 **EFFECTIVE DATE.** This section is effective September 1, 2024, and applies to site  
 140.25 and route applications filed with the commission on or after that date.

## 140.26 **ARTICLE 13**

### 140.27 **SOLAR ENERGY**

140.28 Section 1. Minnesota Statutes 2022, section 216B.16, subdivision 7b, is amended to read:

140.29 Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of  
 140.30 this chapter, the commission may approve a tariff mechanism for the automatic annual  
 140.31 adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

141.1 (1) new transmission facilities that have been separately filed and reviewed and approved  
141.2 by the commission under section 216B.243 or new transmission or distribution facilities  
141.3 that are certified as a priority project or deemed to be a priority transmission project under  
141.4 section 216B.2425;

141.5 (2) new transmission facilities approved by the regulatory commission of the state in  
141.6 which the new transmission facilities are to be constructed, to the extent approval is required  
141.7 by the laws of that state, and determined by the Midcontinent Independent System Operator  
141.8 to benefit the utility or integrated transmission system; and

141.9 (3) charges incurred by a utility under a federally approved tariff that accrue from other  
141.10 transmission owners' regionally planned transmission projects that have been determined  
141.11 by the Midcontinent Independent System Operator to benefit the utility or integrated  
141.12 transmission system.

141.13 (b) Upon filing by a public utility or utilities providing transmission service, the  
141.14 commission may approve, reject, or modify, after notice and comment, a tariff that:

141.15 (1) allows the utility to recover on a timely basis the costs net of revenues of facilities  
141.16 approved under section 216B.243 or certified or deemed to be certified under section  
141.17 216B.2425 or exempt from the requirements of section 216B.243;

141.18 (2) allows the utility to recover charges incurred under a federally approved tariff that  
141.19 accrue from other transmission owners' regionally planned transmission projects that have  
141.20 been determined by the Midcontinent Independent System Operator to benefit the utility or  
141.21 integrated transmission system. These charges must be reduced or offset by revenues received  
141.22 by the utility and by amounts the utility charges to other regional transmission owners, to  
141.23 the extent those revenues and charges have not been otherwise offset;

141.24 (3) allows the utility to recover on a timely basis the costs net of revenues of facilities  
141.25 approved by the regulatory commission of the state in which the new transmission facilities  
141.26 are to be constructed and determined by the Midcontinent Independent System Operator to  
141.27 benefit the utility or integrated transmission system;

141.28 (4) allows the utility to recover costs associated with distribution planning required under  
141.29 section 216B.2425;

141.30 (5) allows the utility to recover costs associated with investments in distribution facilities  
141.31 to modernize the utility's grid that have been certified by the commission under section  
141.32 216B.2425;

142.1 (6) allows the utility to recover on a timely basis the costs of upgrades to distribution  
142.2 facilities that are not allocated to participating owners of distributed generation facilities  
142.3 under the cost-sharing interconnection process established by the commission order required  
142.4 under section 3 of this article;

142.5 (7) allows a return on investment at the level approved in the utility's last general rate  
142.6 case, unless a different return is found to be consistent with the public interest;

142.7 ~~(7)~~ (8) provides a current return on construction work in progress, provided that recovery  
142.8 from Minnesota retail customers for the allowance for funds used during construction is  
142.9 not sought through any other mechanism;

142.10 ~~(8)~~ (9) allows for recovery of other expenses if shown to promote a least-cost project  
142.11 option or is otherwise in the public interest;

142.12 ~~(9)~~ (10) allocates project costs appropriately between wholesale and retail customers;

142.13 ~~(10)~~ (11) provides a mechanism for recovery above cost, if necessary to improve the  
142.14 overall economics of the project or projects or is otherwise in the public interest; and

142.15 ~~(11)~~ (12) terminates recovery once costs have been fully recovered or have otherwise  
142.16 been reflected in the utility's general rates.

142.17 (c) A public utility may file annual rate adjustments to be applied to customer bills paid  
142.18 under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

142.19 (1) a description of and context for the facilities included for recovery;

142.20 (2) a schedule for implementation of applicable projects;

142.21 (3) the utility's costs for these projects;

142.22 (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the  
142.23 project; and

142.24 (5) calculations to establish that the rate adjustment is consistent with the terms of the  
142.25 tariff established in paragraph (b).

142.26 (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in  
142.27 paragraph (b), the commission shall approve the annual rate adjustments provided that, after  
142.28 notice and comment, the costs included for recovery through the tariff were or are expected  
142.29 to be prudently incurred and achieve transmission system improvements at the lowest  
142.30 feasible and prudent cost to ratepayers.

143.1 Sec. 2. **[216C.48] STANDARDIZED SOLAR PLAN REVIEW SOFTWARE;**  
143.2 **TECHNICAL ASSISTANCE; FINANCIAL INCENTIVE.**

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

143.5 (b) "Energy storage system" has the meaning given in section 216B.2422, subdivision  
143.6 1.

143.7 (c) "Permitting authority" means a unit of local government in Minnesota that has  
143.8 authority to review and issue permits to install residential solar projects and solar plus energy  
143.9 storage system projects within the unit of local government's jurisdiction.

143.10 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

143.11 (e) "Residential solar project" means the installation of a photovoltaic device at a  
143.12 residence located in Minnesota.

143.13 (f) "SolarAPP+" means the most recent version of the Solar Automated Permit Processing  
143.14 Plus software, developed by the National Renewable Energy Laboratory and available free  
143.15 to permitting authorities from the United States Department of Energy, that uses a web-based  
143.16 portal to automate the solar project plan review and permit issuance processes for residential  
143.17 solar projects that are compliant with applicable building and electrical codes.

143.18 (g) "Solar plus energy storage system project" means a residential solar project installed  
143.19 in conjunction with an energy storage system at the same residence.

143.20 Subd. 2. **Program establishment.** A program is established in the department to provide  
143.21 technical assistance and financial incentives to local units of government that issue permits  
143.22 for residential solar projects and solar plus energy storage system projects in order to  
143.23 incentivize a permitting authority to adopt the SolarAPP+ software to standardize, automate,  
143.24 and streamline the review and permitting process.

143.25 Subd. 3. **Eligibility.** An incentive may be awarded under this section to a permitting  
143.26 authority that has deployed SolarAPP+ and made SolarAPP+ available on the permitting  
143.27 authority's website.

143.28 Subd. 4. **Application.** (a) A permitting authority must submit an application for a financial  
143.29 incentive under this section to the commissioner on a form developed by the commissioner.

143.30 (b) An application may be submitted for a financial incentive under this section after  
143.31 SolarAPP+ has become operational in the permitting authority's jurisdiction.

144.1 Subd. 5. **Review and grant award process.** The commissioner must develop  
144.2 administrative procedures to govern the application review and incentive award process  
144.3 under this section.

144.4 Subd. 6. **Incentive awards.** Beginning no later than March 1, 2025, the commissioner  
144.5 may award a financial incentive to a permitting authority under this section only if the  
144.6 commissioner has determined that the permitting authority meets verification requirements  
144.7 established by the commissioner that ensure a permitting authority has made SolarAPP+  
144.8 operational within the permitting authority's jurisdiction and that SolarAPP+ is available  
144.9 on the permitting authority's website.

144.10 Subd. 7. **Incentive amount.** (a) An incentive awarded under this section must be no less  
144.11 than \$5,000 and no greater than \$20,000.

144.12 (b) The commissioner may vary the amount of an incentive awarded under this section  
144.13 by considering the following factors:

144.14 (1) the population of the permitting authority;

144.15 (2) the number of permits for solar projects issued by the permitting authority using  
144.16 conventional review processes;

144.17 (3) whether the SolarAPP+ software has been adopted on a stand-alone basis or has been  
144.18 integrated with other permit management software utilized by the permitting authority; and

144.19 (4) whether the permitting jurisdiction has participated in other sustainability programs,  
144.20 including but not limited to GreenStep Cities and the United States Department of Energy's  
144.21 SolSmart and Charging Smart programs.

144.22 Subd. 8. **Technical assistance.** The department must provide technical assistance to  
144.23 eligible permitting authorities seeking to apply for an incentive under this section.

144.24 Subd. 9. **Program promotion.** The department must develop an education and outreach  
144.25 program to make permitting authorities aware of the incentive offered under this section,  
144.26 including by convening workshops, producing educational materials, and using other  
144.27 mechanisms to promote the program, including but not limited to utilizing the efforts of the  
144.28 League of Minnesota Cities, the Association of Minnesota Counties, the Community Energy  
144.29 Resource Teams established under section 216C.385, and similar organizations to reach  
144.30 permitting authorities.

144.31 Subd. 10. **Account established.** (a) The SolarAPP+ program account is established in  
144.32 the special revenue account in the state treasury. The commissioner must credit to the account  
144.33 appropriations and transfers to the account. Earnings, including interest, dividends, and any



145.1 other earnings arising from assets of the account, must be credited to the account. Money  
145.2 remaining in the account at the end of a fiscal year does not cancel to the general fund but  
145.3 remains in the account until June 30, 2028. The commissioner must manage the account.

145.4 (b) Money in the account is appropriated to the commissioner for the purposes of this  
145.5 section and to reimburse the reasonable costs incurred by the department to administer this  
145.6 section.

145.7 **Sec. 3. INTERCONNECTION DOCKET; PUBLIC UTILITIES COMMISSION.**

145.8 (a) No later than September 1, 2024, the commission must initiate a proceeding to  
145.9 establish by order generic standards for the sharing of utility costs necessary to upgrade a  
145.10 utility's distribution system by increasing hosting capacity or applying other necessary  
145.11 distribution system upgrades at a congested or constrained location in order to allow for the  
145.12 interconnection of distributed generation facilities at the congested or constrained location  
145.13 and to advance the achievement of the state's renewable and carbon-free energy goals in  
145.14 Minnesota Statutes, section 216B.1691 and greenhouse gas emissions reduction goals in  
145.15 Minnesota Statutes, section 216H.02. The tariff standards must reflect an interconnection  
145.16 process designed to, at a minimum:

145.17 (1) accelerate the expansion of hosting capacity at multiple points on a utility's distribution  
145.18 system by ensuring that the cost of upgrades is shared fairly among owners of distributed  
145.19 generation projects seeking interconnection on a pro rata basis according to the amount of  
145.20 the expanded capacity utilized by each interconnected distributed generation facility;

145.21 (2) reduce the capital burden on owners of trigger projects seeking interconnection;

145.22 (3) establish a minimum level of upgrade costs an expansion of hosting capacity must  
145.23 reach in order to be eligible to participate in the cost-share process and below which a trigger  
145.24 project must bear the full cost of the upgrade;

145.25 (4) establish a distributed generation facility's pro rata cost-share amount as the utility's  
145.26 total cost of the upgrade divided by the incremental capacity resulting from the upgrade,  
145.27 and multiplying the result by the nameplate capacity of the distributed generation facility  
145.28 seeking interconnection;

145.29 (5) establish a minimum proportion of the total upgrade cost that a utility must receive  
145.30 from one or more distributed generation facilities before initiating constructing an upgrade;

145.31 (6) allow trigger projects and any other distributed generation facilities to pay a utility  
145.32 more than the trigger project's or distributed generation facility's pro rata cost-share amount  
145.33 only if needed to meet the minimum threshold established in clause (6) and to receive refunds

146.1 for amounts paid beyond the trigger project's or distributed generation facility's pro rata  
146.2 share of expansion costs from distributed generation projects that subsequently interconnect  
146.3 at the applicable location;

146.4 (7) prohibit owners of distributed generation facilities from using any unsubscribed  
146.5 capacity at an interconnection that has undergone an upgrade without the distributed  
146.6 generation owners paying the distributed generation owner's pro rata cost of the upgrade;  
146.7 and

146.8 (8) establish an annual limit or a formula for determining an annual limit for the total  
146.9 cost of upgrades that are not allocated to owners of participating generation facilities and  
146.10 may be recovered from ratepayers under section 216B.16, subdivision 7b, clause (6).

146.11 (b) For the purposes of this section, the following terms have the meanings given:

146.12 (1) "distributed generation project" means an energy generating system with a capacity  
146.13 no greater than ten megawatts;

146.14 (2) "hosting capacity" means the maximum capacity of a utility distribution system to  
146.15 transport electricity at a specific location without compromising the safety or reliability of  
146.16 the distribution system;

146.17 (3) "trigger project" means the initial distributed generation project whose application  
146.18 for interconnection of a distributed generation project alerts a utility that an upgrade is  
146.19 needed in order to accommodate the trigger project and any future interconnections at the  
146.20 applicable location;

146.21 (4) "upgrade" means a modification of a utility's distribution system at a specific location  
146.22 that is necessary to allow the interconnection of distributed generation projects by increasing  
146.23 hosting capacity at the applicable location, including but not limited to installing or modifying  
146.24 equipment at a substation or along a distribution line. Upgrade does not mean an expansion  
146.25 of hosting capacity dedicated solely to the interconnection of a single distributed generation  
146.26 project; and

146.27 (5) "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02,  
146.28 subdivision 4, that provides electric service.

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

146.30 Sec. 4. **POSITION ESTABLISHED; PUBLIC UTILITIES COMMISSION.**

146.31 Subdivision 1. **Position; duties.** (a) The Public Utilities Commission's Consumer Affairs  
146.32 Office must establish a new full-time equivalent interconnection ombudsperson position to

147.1 assist applicants seeking to interconnect distributed generation projects to utility distribution  
147.2 systems under the generic statewide standards developed by the commission under section  
147.3 2. The Public Utilities Commission must (1) appoint a person to the position who possesses  
147.4 mediation skills and technical expertise related to interconnection and interconnection  
147.5 procedures, and (2) authorize the person to request and review all interconnection data from  
147.6 utilities and applicants that are necessary to fulfill the duties of the position described in  
147.7 this subdivision.

147.8 (b) The duties of the interconnection ombudsperson include but are not limited to:

147.9 (1) tracking interconnection disputes between applicants and utilities;

147.10 (2) facilitating the efficient and fair resolution of disputes between customers seeking  
147.11 to interconnect and utilities;

147.12 (3) reviewing utility interconnection policies to assess opportunities to reduce  
147.13 interconnection disputes, while considering the equitable distribution of distributed generation  
147.14 facilities;

147.15 (4) convening stakeholder groups as necessary to facilitate effective communication  
147.16 among interconnection stakeholders; and

147.17 (5) preparing reports that detail the number, type, resolution timelines, and outcome of  
147.18 interconnection disputes.

147.19 (c) A utility must provide information requested under this section that the interconnection  
147.20 ombudsperson determines is necessary to effectively carry out the duties of the position.

147.21 Subd. 2. **Definition.** For the purposes of this section, "utility" means a public utility, as  
147.22 defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

147.23 Subd. 3. **Position; funding.** (a) A utility must assess and collect a surcharge of \$50 on  
147.24 each application interconnection filed by an owner of a distributed generation facility located  
147.25 in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission  
147.26 monthly, in a manner determined by the Public Utilities Commission, for each interconnection  
147.27 application filed with the utility during the previous month.

147.28 (b) The interconnection ombudsperson account is established in the special revenue  
147.29 account in the state treasury. The Public Utilities Commission must manage the account.  
147.30 The Public Utilities Commission must deposit in the account all revenues received from  
147.31 utilities from the surcharge on interconnection applications established under this section.  
147.32 Money is appropriated from the account to the Public Utilities Commission for the sole  
147.33 purpose of funding the ombudsperson position established in subdivision 1.

148.1 (c) The Public Utilities Commission must review the amount of revenues collected from  
148.2 the surcharge each year and may adjust the level of the surcharge as necessary to ensure (1)  
148.3 sufficient money is available to support the position, and (2) the reserve in the account does  
148.4 not reach more than ten percent of the amount necessary to fully fund the position.

148.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
148.6 applies to applications for interconnections filed with a utility on or after that date.

148.7

## ARTICLE 14

148.8

### MISCELLANEOUS ENERGY POLICY

148.9 Section 1. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is  
148.10 amended to read:

148.11 Subdivision 1. **Renewable development account.** (a) The renewable development  
148.12 account is established as a separate account in the special revenue fund in the state treasury.  
148.13 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
148.14 as interest, dividends, and any other earnings arising from assets of the account, shall be  
148.15 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
148.16 canceled to the general fund but remain in the account until expended. The account shall  
148.17 be administered by the commissioner of management and budget as provided under this  
148.18 section.

148.19 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
148.20 plant must transfer all funds in the renewable development account previously established  
148.21 under this subdivision and managed by the public utility to the renewable development  
148.22 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
148.23 that have not yet been expended and unencumbered funds required to be paid in calendar  
148.24 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject  
148.25 to transfer under this paragraph.

148.26 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
148.27 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
148.28 plant must transfer to the renewable development account \$500,000 each year for each dry  
148.29 cask containing spent fuel that is located at the Prairie Island power plant for each year the  
148.30 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by  
148.31 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste  
148.32 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any

149.1 part of a year. The total amount transferred annually under this paragraph must be reduced  
149.2 by \$3,750,000.

149.3 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
149.4 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
149.5 plant must transfer to the renewable development account \$350,000 each year for each dry  
149.6 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
149.7 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
149.8 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
149.9 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
149.10 any part of a year.

149.11 (e) Each year, the public utility shall withhold from the funds transferred to the renewable  
149.12 development account under paragraphs (c) and (d) the amount necessary to pay its obligations  
149.13 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

149.14 (f) If the commission approves a new or amended power purchase agreement, the  
149.15 termination of a power purchase agreement, or the purchase and closure of a facility under  
149.16 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
149.17 the public utility subject to this section shall enter into a contract with the city in which the  
149.18 poultry litter plant is located to provide grants to the city for the purposes of economic  
149.19 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
149.20 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
149.21 by the public utility from funds withheld from the transfer to the renewable development  
149.22 account, as provided in paragraphs (b) and (e).

149.23 (g) If the commission approves a new or amended power purchase agreement, or the  
149.24 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
149.25 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
149.26 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
149.27 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
149.28 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
149.29 30 days after the commission approves the new or amended power purchase agreement, or  
149.30 the termination of the power purchase agreement, and on each June 1 thereafter through  
149.31 2021, to assist the transition required by the new, amended, or terminated power purchase  
149.32 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
149.33 to the renewable development account as provided in paragraphs (b) and (e).

150.1 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
150.2 and (g) is limited to the amount deposited into the renewable development account, and its  
150.3 predecessor, the renewable development account, established under this section, that was  
150.4 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
150.5 10.

150.6 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello  
150.7 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued  
150.8 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued  
150.9 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year  
150.10 in which the commission finds, by the preponderance of the evidence, that the public utility  
150.11 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a  
150.12 permanent or interim storage site out of the state. This determination shall be made at least  
150.13 every two years.

150.14 (j) Funds in the account may be expended only for any of the following purposes:

150.15 (1) to stimulate research and development of renewable electric energy technologies;

150.16 (2) to encourage grid modernization, including, but not limited to, projects that implement  
150.17 electricity storage, load control, and smart meter technology; and

150.18 (3) to stimulate other innovative energy projects that reduce demand and increase system  
150.19 efficiency and flexibility.

150.20 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
150.21 from the utility that owns a nuclear-powered electric generating plant in this state or the  
150.22 Prairie Island Indian community or its members.

150.23 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
150.24 subdivision.

150.25 (k) For the purposes of paragraph (j), the following terms have the meanings given:

150.26 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
150.27 (c), clauses (1), (2), (4), and (5); and

150.28 (2) "grid modernization" means:

150.29 (i) enhancing the reliability of the electrical grid;

150.30 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
150.31 and

151.1 (iii) increasing energy conservation opportunities by facilitating communication between  
151.2 the utility and its customers through the use of two-way meters, control technologies, energy  
151.3 storage and microgrids, technologies to enable demand response, and other innovative  
151.4 technologies.

151.5 (l) A renewable development account advisory group that includes, among others,  
151.6 representatives of the public utility and its ratepayers, and includes at least one representative  
151.7 of the Prairie Island Indian community appointed by that community's tribal council, shall  
151.8 develop recommendations on account expenditures. The advisory group must design a  
151.9 request for proposal and evaluate projects submitted in response to a request for proposals.  
151.10 The advisory group must utilize an independent third-party expert to evaluate proposals  
151.11 submitted in response to a request for proposal, including all proposals made by the public  
151.12 utility. A request for proposal for research and development under paragraph (j), clause (1),  
151.13 may be limited to or include a request to higher education institutions located in Minnesota  
151.14 for multiple projects authorized under paragraph (j), clause (1). The request for multiple  
151.15 projects may include a provision that exempts the projects from the third-party expert review  
151.16 and instead provides for project evaluation and selection by a merit peer review grant system.  
151.17 In the process of determining request for proposal scope and subject and in evaluating  
151.18 responses to request for proposals, the advisory group must strongly consider, where  
151.19 reasonable:

151.20 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;  
151.21 and

151.22 (2) the proposer's commitment to increasing the diversity of the proposer's workforce  
151.23 and vendors.

151.24 (m) The advisory group shall submit funding recommendations to the public utility,  
151.25 which has full and sole authority to determine which expenditures shall be submitted by  
151.26 the advisory group to the legislature. The commission may approve proposed expenditures,  
151.27 may disapprove proposed expenditures that it finds not to be in compliance with this  
151.28 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,  
151.29 modify proposed expenditures. The commission shall, by order, submit its funding  
151.30 recommendations to the legislature as provided under paragraph (n).

151.31 (n) The commission shall present its recommended appropriations from the account to  
151.32 the senate and house of representatives committees with jurisdiction over energy policy and  
151.33 finance annually by February 15. Expenditures from the account must be appropriated by  
151.34 law. In enacting appropriations from the account, the legislature:

152.1 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
152.2 a project recommended by the commission; and

152.3 (2) may not appropriate money for a project the commission has not recommended  
152.4 funding.

152.5 (o) A request for proposal for renewable energy generation projects must, when feasible  
152.6 and reasonable, give preference to projects that are most cost-effective for a particular energy  
152.7 source.

152.8 (p) The advisory group must annually, by February 15, report to the chairs and ranking  
152.9 minority members of the legislative committees with jurisdiction over energy policy on  
152.10 projects funded by the account for the prior year and all previous years. The report must,  
152.11 to the extent possible and reasonable, itemize the actual and projected financial benefit to  
152.12 the public utility's ratepayers of each project.

152.13 ~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of~~  
152.14 ~~management and budget shall submit a written report regarding the availability of funds in~~  
152.15 ~~and obligations of the account to the chairs and ranking minority members of the senate~~  
152.16 ~~and house committees with jurisdiction over energy policy and finance, the public utility,~~  
152.17 ~~and the advisory group.~~

152.18 ~~(+)~~ (q) A project receiving funds from the account must produce a written final report  
152.19 that includes sufficient detail for technical readers and a clearly written summary for  
152.20 nontechnical readers. The report must include an evaluation of the project's financial,  
152.21 environmental, and other benefits to the state and the public utility's ratepayers. A project  
152.22 receiving funds from the account must submit a report that meets the requirements of section  
152.23 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

152.24 ~~(s)~~ (r) Final reports, any mid-project status reports, and renewable development account  
152.25 financial reports must be posted online on a public website designated by the commissioner  
152.26 of commerce.

152.27 ~~(+)~~ (s) All final reports must acknowledge that the project was made possible in whole  
152.28 or part by the Minnesota renewable development account, noting that the account is financed  
152.29 by the public utility's ratepayers.

152.30 ~~(+)~~ (t) Of the amount in the renewable development account, priority must be given to  
152.31 making the payments required under section 216C.417.

152.32 ~~(+)~~ (u) Construction projects receiving funds from this account are subject to the  
152.33 requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements



153.1 and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and  
153.2 177.45.

153.3 Sec. 2. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

153.4 Subd. 6c. **Incentive plan for energy conservation and efficient fuel-switching**

153.5 **improvement.** (a) The commission may order public utilities to develop and submit for  
153.6 commission approval incentive plans that describe the method of recovery and accounting  
153.7 for utility conservation and efficient fuel-switching expenditures and savings. For public  
153.8 utilities that provide electric service, the commission must develop and implement incentive  
153.9 plans designed to promote energy conservation separately from plans designed to promote  
153.10 efficient fuel-switching. In developing the incentive plans the commission shall ensure the  
153.11 effective involvement of interested parties.

153.12 (b) In approving incentive plans, the commission shall consider:

153.13 (1) whether the plan is likely to increase utility investment in cost-effective energy  
153.14 conservation or efficient fuel switching;

153.15 (2) whether the plan is compatible with the interest of utility ratepayers and other  
153.16 interested parties;

153.17 (3) whether the plan links the incentive to the utility's performance in achieving  
153.18 cost-effective conservation or efficient fuel switching; ~~and~~

153.19 (4) whether the plan is in conflict with other provisions of this chapter;

153.20 (5) whether the plan conflicts with other provisions of this chapter; and

153.21 (6) the likely financial impacts of the conservation and efficient fuel-switching on the  
153.22 utility.

153.23 (c) The commission may set rates to encourage the vigorous and effective implementation  
153.24 of utility conservation and efficient fuel-switching programs. The commission may:

153.25 (1) increase or decrease any otherwise allowed rate of return on net investment based  
153.26 upon the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of  
153.27 energy through energy conservation or efficient fuel switching;

153.28 (2) share between ratepayers and utilities the net savings resulting from energy  
153.29 conservation and efficient fuel-switching programs to the extent justified by the utility's  
153.30 skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

154.1 (3) adopt any mechanism that satisfies the criteria of this subdivision, such that  
154.2 implementation of cost-effective conservation or efficient fuel switching is a preferred  
154.3 resource choice for the public utility considering the impact of conservation or efficient fuel  
154.4 switching on earnings of the public utility.

154.5 (d) Any incentives offered to electric utilities under this subdivision for efficient-fuel  
154.6 switching projects expire December 31, 2032.

154.7 Sec. 3. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision  
154.8 to read:

154.9 Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures,  
154.10 equipment, and installations at a single site where electricity is used primarily by computers  
154.11 to process transactions involving digital currency that is not issued by a central authority.

154.12 Sec. 4. Minnesota Statutes 2022, section 216B.2402, subdivision 4, is amended to read:

154.13 **Subd. 4. Efficient fuel-switching improvement.** "Efficient fuel-switching improvement"  
154.14 means a project that:

154.15 (1) replaces a fuel used by a customer with electricity or natural gas delivered at retail  
154.16 by a utility subject to section 216B.2403 or 216B.241;

154.17 (2) results in a net increase in the use of electricity or natural gas and a net decrease in  
154.18 source energy consumption on a fuel-neutral basis;

154.19 (3) otherwise meets the criteria established for consumer-owned utilities in section  
154.20 216B.2403, subdivision 8, and for public utilities under section 216B.241, subdivisions 11  
154.21 and 12; and

154.22 (4) requires the installation of equipment that utilizes electricity or natural gas, resulting  
154.23 in a reduction or elimination of the previous fuel used.

154.24 An efficient fuel-switching improvement is not an energy conservation improvement or  
154.25 energy efficiency even if the efficient fuel-switching improvement results in a net reduction  
154.26 in electricity or natural gas use. ~~An efficient fuel-switching improvement does not include,~~  
154.27 ~~and must not count toward any energy savings goal from, energy conservation improvements~~  
154.28 ~~when fuel switching would result in an increase of greenhouse gas emissions into the~~  
154.29 ~~atmosphere on an annual basis.~~

155.1 Sec. 5. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

155.2 Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means

155.3 a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput

155.4 to all retail customers, including natural gas transportation customers, on a utility's

155.5 distribution system in Minnesota. Gross annual retail energy sales does not include:

155.6 (1) gas sales to:

155.7 (i) a large energy facility;

155.8 (ii) a large customer facility whose natural gas utility has been exempted by the

155.9 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural

155.10 gas sales made to the large customer facility; and

155.11 (iii) a commercial gas customer facility whose natural gas utility has been exempted by

155.12 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to

155.13 natural gas sales made to the commercial gas customer facility;

155.14 (2) electric sales to:

155.15 (i) a large customer facility whose electric utility has been exempted by the commissioner

155.16 under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made

155.17 to the large customer facility; ~~or~~ and

155.18 (ii) a data mining facility, if the facility:

155.19 (A) has provided a signed letter to the utility verifying the facility meets the definition

155.20 of a data mining facility; and

155.21 (B) imposes a peak electrical demand on a consumer-owned utility's system equal to or

155.22 greater than 40 percent of the peak electrical demand of the system, measured in the same

155.23 manner as the utility that serves the customer facility measures electric demand for billing

155.24 purposes; or

155.25 (3) the amount of electric sales prior to December 31, 2032, that are associated with a

155.26 utility's program, rate, or tariff for electric vehicle charging based on a methodology and

155.27 assumptions developed by the department in consultation with interested stakeholders no

155.28 later than December 31, 2021. After December 31, 2032, incremental sales to electric

155.29 vehicles must be included in calculating a public utility's gross annual retail sales.

156.1 Sec. 6. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

156.2 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual  
156.3 consumer-owned electric utility subject to this section has an annual energy-savings goal  
156.4 equivalent to 1.5 percent of gross annual retail energy sales and each individual  
156.5 consumer-owned natural gas utility subject to this section has an annual energy-savings  
156.6 goal equivalent to one percent of gross annual retail energy sales, to be met with a minimum  
156.7 of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90  
156.8 percent of the consumer-owned utility's gross annual retail energy sales. The balance of  
156.9 energy savings toward the annual energy-savings goal may be achieved only by the following  
156.10 consumer-owned utility activities:

156.11 (1) energy savings from additional energy conservation improvements;

156.12 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision  
156.13 1, that result in increased efficiency greater than would have occurred through normal  
156.14 maintenance activity;

156.15 (3) net energy savings from efficient fuel-switching improvements that meet the criteria  
156.16 under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or

156.17 (4) subject to department approval, demand-side natural gas or electric energy displaced  
156.18 by use of waste heat recovered and used as thermal energy, including the recovered thermal  
156.19 energy from a cogeneration or combined heat and power facility.

156.20 (b) The energy-savings goals specified in this section must be calculated based on  
156.21 weather-normalized sales averaged over the most recent three years. A consumer-owned  
156.22 utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the  
156.23 next three years, except that energy savings from electric utility infrastructure projects may  
156.24 be carried forward for five years. A particular energy savings can only be used to meet one  
156.25 year's goal.

156.26 (c) A consumer-owned utility subject to this section is not required to make energy  
156.27 conservation improvements that are not cost-effective, even if the improvement is necessary  
156.28 to attain the energy-savings goal. A consumer-owned utility subject to this section must  
156.29 make reasonable efforts to implement energy conservation improvements that exceed the  
156.30 minimum level established under this subdivision if cost-effective opportunities and funding  
156.31 are available, considering other potential investments the consumer-owned utility intends  
156.32 to make to benefit customers during the term of the plan filed under subdivision 3.

157.1 ~~(d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~  
157.2 ~~consumer-owned utility subject to this section on efficient fuel-switching improvements~~  
157.3 ~~implemented to meet the annual energy savings goal under this section must not exceed~~  
157.4 ~~0.55 percent per year, averaged over a three-year period, of the consumer-owned utility's~~  
157.5 ~~gross annual retail energy sales.~~

157.6 Sec. 7. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

157.7 Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a)  
157.8 By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must  
157.9 file with the commissioner an energy conservation and optimization plan that describes the  
157.10 programs for energy conservation, efficient fuel-switching, load management, and other  
157.11 measures the consumer-owned utility intends to offer to achieve the utility's energy savings  
157.12 goal.

157.13 (b) A plan's term may extend up to three years. A multiyear plan must identify the total  
157.14 energy savings and energy savings resulting from energy conservation improvements that  
157.15 are projected to be achieved in each year of the plan. A multiyear plan that does not, in each  
157.16 year of the plan, meet both the minimum energy savings goal from energy conservation  
157.17 improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by  
157.18 the commissioner under paragraph (k), must:

157.19 (1) state why each goal is projected to be unmet; and

157.20 (2) demonstrate how the consumer-owned utility proposes to meet both goals on an  
157.21 average basis over the duration of the plan.

157.22 (c) A plan filed under this subdivision must provide:

157.23 (1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned  
157.24 utility's programs offered under the plan, using a list of baseline energy- and capacity-savings  
157.25 assumptions developed in consultation with the department; and

157.26 (2) for new programs, a preliminary analysis upon which the program will proceed, in  
157.27 parallel with further development of assumptions and standards.

157.28 (d) The commissioner must evaluate a plan filed under this subdivision based on the  
157.29 plan's likelihood to achieve the energy-savings goals established in subdivision 2. The  
157.30 commissioner may make recommendations to a consumer-owned utility regarding ways to  
157.31 increase the effectiveness of the consumer-owned utility's energy conservation activities  
157.32 and programs under this subdivision. The commissioner may recommend that a  
157.33 consumer-owned utility implement a cost-effective energy conservation or efficient

158.1 ~~fuel-switching program, including an energy conservation program~~ suggested by an outside  
158.2 source such as a political subdivision, nonprofit corporation, or community organization.

158.3 (e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility  
158.4 must file: (1) an annual update identifying the status of the plan filed under this subdivision,  
158.5 including: (i) total expenditures and investments made to date under the plan; and (ii) any  
158.6 intended changes to the plan; and (2) a summary of the annual energy-savings achievements  
158.7 under a plan. An annual filing made in the last year of a plan must contain a new plan that  
158.8 complies with this section.

158.9 (f) When evaluating the cost-effectiveness of a consumer-owned utility's energy  
158.10 conservation programs, the consumer-owned utility and the commissioner must consider  
158.11 the costs and benefits to ratepayers, the utility, participants, and society. The commissioner  
158.12 must also consider the rate at which the consumer-owned utility is increasing energy savings  
158.13 and expenditures on energy conservation, and lifetime energy savings and cumulative energy  
158.14 savings.

158.15 (g) A consumer-owned utility may annually spend and invest up to ten percent of the  
158.16 total amount spent and invested on energy conservation, efficient fuel-switching, or load  
158.17 management improvements on research and development projects that meet the applicable  
158.18 definition of energy conservation, efficient fuel-switching, or load management improvement.

158.19 (h) A generation and transmission cooperative electric association or municipal power  
158.20 agency that provides energy services to consumer-owned utilities may file a plan under this  
158.21 subdivision on behalf of the consumer-owned utilities to which the association or agency  
158.22 provides energy services and may make investments, offer conservation programs, and  
158.23 otherwise fulfill the energy-savings goals and reporting requirements of this subdivision  
158.24 for those consumer-owned utilities on an aggregate basis.

158.25 (i) A consumer-owned utility is prohibited from spending for or investing in energy  
158.26 conservation improvements that directly benefit a large energy facility or a large electric  
158.27 customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

158.28 (j) The energy conservation and optimization plan of a consumer-owned utility may  
158.29 include activities to improve energy efficiency in the public schools served by the utility.  
158.30 These activities may include programs to:

158.31 (1) increase the efficiency of the school's lighting and heating and cooling systems;

158.32 (2) recommission buildings;

158.33 (3) train building operators; and

159.1 (4) provide opportunities to educate students, teachers, and staff regarding energy  
159.2 efficiency measures implemented at the school.

159.3 (k) A consumer-owned utility may request that the commissioner adjust the  
159.4 consumer-owned utility's minimum goal for energy savings from energy conservation  
159.5 improvements under subdivision 2, paragraph (a), for the duration of the plan filed under  
159.6 this subdivision. The request must be made by January 1 of the year when the  
159.7 consumer-owned utility must file a plan under this subdivision. The request must be based  
159.8 on:

159.9 (1) historical energy conservation improvement program achievements;

159.10 (2) customer class makeup;

159.11 (3) projected load growth;

159.12 (4) an energy conservation potential study that estimates the amount of cost-effective  
159.13 energy conservation potential that exists in the consumer-owned utility's service territory;

159.14 (5) the cost-effectiveness and quality of the energy conservation programs offered by  
159.15 the consumer-owned utility; and

159.16 (6) other factors the commissioner and consumer-owned utility determine warrant an  
159.17 adjustment.

159.18 The commissioner must adjust the energy savings goal to a level the commissioner determines  
159.19 is supported by the record, but must not approve a minimum energy savings goal from  
159.20 energy conservation improvements that is less than an average of 0.95 percent per year over  
159.21 the consecutive years of the plan's duration, including the year the minimum energy savings  
159.22 goal is adjusted.

159.23 (l) A consumer-owned utility filing a conservation and optimization plan that includes  
159.24 an efficient fuel-switching program to achieve the utility's energy savings goal must, as part  
159.25 of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~  
159.26 that the requirements of subdivision 8 are met, ~~using a full fuel-cycle energy analysis.~~

159.27 Sec. 8. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

159.28 **Subd. 5. Energy conservation programs for low-income households.** (a) A  
159.29 consumer-owned utility subject to this section must provide energy conservation programs  
159.30 to low-income households. The commissioner must evaluate a consumer-owned utility's  
159.31 plans under this section by considering the consumer-owned utility's historic spending on  
159.32 energy conservation programs directed to low-income households, the rate of customer

160.1 participation in and the energy savings resulting from those programs, and the number of  
160.2 low-income persons residing in the consumer-owned utility's service territory. A municipal  
160.3 utility that furnishes natural gas service must spend at least 0.2 percent of the municipal  
160.4 utility's most recent three-year average gross operating revenue from residential customers  
160.5 in Minnesota on energy conservation programs for low-income households. A  
160.6 consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the  
160.7 consumer-owned utility's gross operating revenue from residential customers in Minnesota  
160.8 on energy conservation programs for low-income households. The requirement under this  
160.9 paragraph applies to each generation and transmission cooperative association's aggregate  
160.10 gross operating revenue from the sale of electricity to residential customers in Minnesota  
160.11 by all of the association's member distribution cooperatives.

160.12 (b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned  
160.13 utility may contribute money to the energy and conservation account established in section  
160.14 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount  
160.15 of contributions the consumer-owned utility plans to make to the energy and conservation  
160.16 account. Contributions to the account must be used for energy conservation programs serving  
160.17 low-income households, including renters, located in the service area of the consumer-owned  
160.18 utility making the contribution. Contributions must be remitted to the commissioner by  
160.19 February 1 each year.

160.20 (c) The commissioner must establish energy conservation programs for low-income  
160.21 households funded through contributions to the energy and conservation account under  
160.22 paragraph (b). When establishing energy conservation programs for low-income households,  
160.23 the commissioner must consult political subdivisions, utilities, and nonprofit and community  
160.24 organizations, including organizations providing energy and weatherization assistance to  
160.25 low-income households. The commissioner must record and report expenditures and energy  
160.26 savings achieved as a result of energy conservation programs for low-income households  
160.27 funded through the energy and conservation account in the report required under section  
160.28 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political  
160.29 subdivision, nonprofit or community organization, public utility, municipality, or  
160.30 consumer-owned utility to implement low-income programs funded through the energy and  
160.31 conservation account.

160.32 (d) A consumer-owned utility may petition the commissioner to modify the required  
160.33 spending under this subdivision if the consumer-owned utility and the commissioner were  
160.34 unable to expend the amount required for three consecutive years.



161.1 (e) The commissioner must develop and establish guidelines for determining the eligibility  
161.2 of multifamily buildings to participate in energy conservation programs provided to  
161.3 low-income households. Notwithstanding the definition of low-income household in section  
161.4 216B.2402, a consumer-owned utility or association may apply the most recent guidelines  
161.5 published by the department for purposes of determining the eligibility of multifamily  
161.6 buildings to participate in low-income programs. The commissioner must convene a  
161.7 stakeholder group to review and update these guidelines by August 1, 2021, and at least  
161.8 once every five years thereafter. The stakeholder group must include but is not limited to  
161.9 representatives of public utilities; municipal electric or gas utilities; electric cooperative  
161.10 associations; multifamily housing owners and developers; and low-income advocates.

161.11 (f) Up to 15 percent of a consumer-owned utility's spending on low-income energy  
161.12 conservation programs may be spent on preweatherization measures. A consumer-owned  
161.13 utility is prohibited from claiming energy savings from preweatherization measures toward  
161.14 the consumer-owned utility's energy savings goal.

161.15 (g) The commissioner must, by order, establish a list of preweatherization measures  
161.16 eligible for inclusion in low-income energy conservation programs no later than March 15,  
161.17 2022.

161.18 (h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate  
161.19 account in the special revenue fund in the state treasury. A consumer-owned utility may  
161.20 elect to contribute money to the Healthy AIR account to provide preweatherization measures  
161.21 for households eligible for weatherization assistance from the state weatherization assistance  
161.22 program in section 216C.264. Remediation activities must be executed in conjunction with  
161.23 federal weatherization assistance program services. Money contributed to the account by a  
161.24 consumer-owned utility counts toward: (1) the minimum low-income spending requirement  
161.25 under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f).  
161.26 Money in the account is annually appropriated to the commissioner of commerce to pay for  
161.27 Healthy AIR-related activities.

161.28 (i) This paragraph applies to a consumer-owned utility that supplies electricity to a  
161.29 low-income household whose primary heating fuel is supplied by an entity other than a  
161.30 public utility. Any spending on space and water heating energy conservation improvements  
161.31 and efficient fuel-switching by the consumer-owned utility on behalf of the low-income  
161.32 household may be applied to the consumer owned utility's spending requirement in paragraph  
161.33 (a). To the maximum extent possible, a consumer-owned utility providing services under  
161.34 this paragraph must offer the services in conjunction with weatherization services provided  
161.35 under section 216C.264.

162.1 Sec. 9. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

162.2 Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching  
162.3 improvement is deemed efficient if, applying the technical criteria established under section  
162.4 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being  
162.5 displaced:

162.6 (1) results in a net reduction in the amount of source energy consumed for a particular  
162.7 use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's  
162.8 electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal,  
162.9 monthly, or more granular level of analysis for the electric utility system over the measure's  
162.10 life;

162.11 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section  
162.12 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching  
162.13 improvement installed by an electric consumer-owned utility, the reduction in emissions  
162.14 must be measured ~~based on the hourly emissions profile of the consumer-owned utility or~~  
162.15 ~~the utility's electricity supplier, as reported in the most recent resource plan approved by~~  
162.16 ~~the commission under section 216B.2422. If the hourly emissions profile is not available,~~  
162.17 ~~the commissioner must develop a method consumer-owned utilities must use to estimate~~  
162.18 ~~that value~~ using (i) the consumer-owned utility's or the utility's electricity supplier's annual  
162.19 average emissions factor, or (ii) if the utility elects, a seasonal, monthly, or more granular  
162.20 level of analysis for the electric utility system over the measure's life; and

162.21 (3) is cost-effective, considering the costs and benefits from the perspective of the  
162.22 consumer-owned utility, participants, and society; ~~and.~~

162.23 ~~(4) is installed and operated in a manner that improves the consumer-owned utility's~~  
162.24 ~~system load factor.~~

162.25 (b) For purposes of this subdivision, "source energy" means the total amount of primary  
162.26 energy required to deliver energy services, adjusted for losses in generation, transmission,  
162.27 and distribution, and expressed on a fuel-neutral basis.

162.28 Sec. 10. Minnesota Statutes 2022, section 216B.241, subdivision 1c, is amended to read:

162.29 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish  
162.30 energy-saving goals for energy conservation improvements and shall evaluate an energy  
162.31 conservation improvement program on how well it meets the goals set.

162.32 (b) A public utility providing electric service has an annual energy-savings goal equivalent  
162.33 to 1.75 percent of gross annual retail energy sales unless modified by the commissioner

163.1 under paragraph (c). A public utility providing natural gas service has an annual  
163.2 energy-savings goal equivalent to one percent of gross annual retail energy sales, which  
163.3 cannot be lowered by the commissioner. The savings goals must be calculated based on the  
163.4 most recent three-year weather-normalized average. A public utility providing electric  
163.5 service may elect to carry forward energy savings in excess of 1.75 percent for a year to  
163.6 the succeeding three calendar years, except that savings from electric utility infrastructure  
163.7 projects allowed under paragraph (d) may be carried forward for five years. A public utility  
163.8 providing natural gas service may elect to carry forward energy savings in excess of one  
163.9 percent for a year to the succeeding three calendar years. A particular energy savings can  
163.10 only be used to meet one year's goal.

163.11 (c) In its energy conservation and optimization plan filing, a public utility may request  
163.12 the commissioner to adjust its annual energy-savings percentage goal based on its historical  
163.13 conservation investment experience, customer class makeup, load growth, a conservation  
163.14 potential study, or other factors the commissioner determines warrants an adjustment.

163.15 (d) The commissioner may not approve a plan of a public utility that provides for an  
163.16 annual energy-savings goal of less than one percent of gross annual retail energy sales from  
163.17 energy conservation improvements.

163.18 The balance of the 1.75 percent annual energy savings goal may be achieved through  
163.19 energy savings from:

163.20 (1) additional energy conservation improvements;

163.21 (2) electric utility infrastructure projects approved by the commission under section  
163.22 216B.1636 that result in increased efficiency greater than would have occurred through  
163.23 normal maintenance activity; or

163.24 (3) subject to department approval, demand-side natural gas or electric energy displaced  
163.25 by use of waste heat recovered and used as thermal energy, including the recovered thermal  
163.26 energy from a cogeneration or combined heat and power facility.

163.27 (e) A public utility is not required to make energy conservation investments to attain  
163.28 the energy-savings goals of this subdivision that are not cost-effective even if the investment  
163.29 is necessary to attain the energy-savings goals. For the purpose of this paragraph, in  
163.30 determining cost-effectiveness, the commissioner shall consider: (1) the costs and benefits  
163.31 to ratepayers, the utility, participants, and society; (2) the rate at which a public utility is  
163.32 increasing both its energy savings and its expenditures on energy conservation; and (3) the  
163.33 public utility's lifetime energy savings and cumulative energy savings.

164.1 (f) On an annual basis, the commissioner shall produce and make publicly available a  
164.2 report on the annual energy and capacity savings and estimated carbon dioxide reductions  
164.3 achieved by the programs under this section and section 216B.2403 for the two most recent  
164.4 years for which data is available. The report must also include information regarding any  
164.5 annual energy sales or generation capacity increases resulting from efficient fuel-switching  
164.6 improvements. The commissioner shall report on program performance both in the aggregate  
164.7 and for each entity filing an energy conservation improvement plan for approval or review  
164.8 by the commissioner, and must estimate progress made toward the statewide energy-savings  
164.9 goal under section 216B.2401.

164.10 ~~(g) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~  
164.11 ~~public utility subject to this section on efficient fuel-switching improvements to meet energy~~  
164.12 ~~savings goals under this section must not exceed 0.35 percent per year, averaged over three~~  
164.13 ~~years, of the public utility's gross annual retail energy sales.~~

164.14 Sec. 11. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

164.15 Subd. 2. **Public utility; energy conservation and optimization plans.** (a) The  
164.16 commissioner may require a public utility to make investments and expenditures in energy  
164.17 conservation improvements, explicitly setting forth the interest rates, prices, and terms under  
164.18 which the improvements must be offered to the customers.

164.19 (b) A public utility shall file an energy conservation and optimization plan by June 1,  
164.20 on a schedule determined by order of the commissioner, but at least every three years. As  
164.21 provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching  
164.22 improvements and load management. An individual utility program may combine elements  
164.23 of energy conservation, load management, or efficient fuel-switching. The plan must estimate  
164.24 the lifetime energy savings and cumulative lifetime energy savings projected to be achieved  
164.25 under the plan. A plan filed by a public utility by June 1 must be approved or approved as  
164.26 modified by the commissioner by December 1 of that same year.

164.27 (c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the  
164.28 reliability of technologies employed. The commissioner's order must provide to the extent  
164.29 practicable for a free choice, by consumers participating in an energy conservation program,  
164.30 of the device, method, material, or project constituting the energy conservation improvement  
164.31 and for a free choice of the seller, installer, or contractor of the energy conservation  
164.32 improvement, provided that the device, method, material, or project seller, installer, or  
164.33 contractor is duly licensed, certified, approved, or qualified, including under the residential  
164.34 conservation services program, where applicable.

165.1 (d) The commissioner may require a utility subject to subdivision 1c to make an energy  
165.2 conservation improvement investment or expenditure whenever the commissioner finds  
165.3 that the improvement will result in energy savings at a total cost to the utility less than the  
165.4 cost to the utility to produce or purchase an equivalent amount of new supply of energy.

165.5 (e) Each public utility subject to this subdivision may spend and invest annually up to  
165.6 ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests  
165.7 on energy conservation, efficient fuel-switching, or load management improvements under  
165.8 this section ~~by the public utility~~ on research and development projects that meet the applicable  
165.9 definition of energy conservation, efficient fuel-switching, or load management improvement.

165.10 (f) The commissioner shall consider and may require a public utility to undertake an  
165.11 energy conservation ~~program~~ or efficient fuel-switching program, subject to the requirements  
165.12 of subdivisions 11 and 12, that is suggested by an outside source, including a political  
165.13 subdivision, a nonprofit corporation, or community organization. In approving a proposal  
165.14 under this paragraph, the commissioner must consider the qualifications and experience of  
165.15 the entity proposing the program and any other criteria the commissioner deems relevant.

165.16 (g) A public utility, a political subdivision, or a nonprofit or community organization  
165.17 that has suggested an energy conservation program, the attorney general acting on behalf  
165.18 of consumers and small business interests, or a public utility customer that has suggested  
165.19 an energy conservation program and is not represented by the attorney general under section  
165.20 8.33 may petition the commission to modify or revoke a department decision under this  
165.21 section, and the commission may do so if it determines that the energy conservation program  
165.22 is not cost-effective, does not adequately address the residential conservation improvement  
165.23 needs of low-income persons, has a long-range negative effect on one or more classes of  
165.24 customers, or is otherwise not in the public interest. The commission shall reject a petition  
165.25 that, on its face, fails to make a reasonable argument that an energy conservation program  
165.26 is not in the public interest.

165.27 (h) The commissioner may order a public utility to include, with the filing of the public  
165.28 utility's annual status report, the results of an independent audit of the public utility's  
165.29 conservation improvement programs and expenditures performed by the department or an  
165.30 auditor with experience in the provision of energy conservation and energy efficiency  
165.31 services approved by the commissioner and chosen by the public utility. The audit must  
165.32 specify the energy savings or increased efficiency in the use of energy within the service  
165.33 territory of the public utility that is the result of the public utility's spending and investments.  
165.34 The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

166.1 (i) The energy conservation and optimization plan of each public utility subject to this  
166.2 section must include activities to improve energy efficiency in public schools served by the  
166.3 utility. As applicable to each public utility, at a minimum the activities must include programs  
166.4 to increase the efficiency of the school's lighting and heating and cooling systems, and to  
166.5 provide for building recommissioning, building operator training, and opportunities to  
166.6 educate students, teachers, and staff regarding energy efficiency measures implemented at  
166.7 the school.

166.8 (j) The commissioner may require investments or spending greater than the amounts  
166.9 proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose  
166.10 most recent advanced forecast required under section 216B.2422 projects a peak demand  
166.11 deficit of 100 megawatts or more within five years under midrange forecast assumptions.

166.12 (k) A public utility filing a conservation and optimization plan that includes an efficient  
166.13 fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing,  
166.14 ~~demonstrate by a comparison of greenhouse gas emissions between the fuels that the~~  
166.15 ~~requirements of subdivisions 11 or 12 are met, as applicable, using a full fuel-cycle energy~~  
166.16 ~~analysis.~~

166.17 Sec. 12. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

166.18 Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a)  
166.19 A public utility providing electric service at retail may include in the plan required under  
166.20 subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility  
166.21 expects to achieve under the plan and the programs to implement efficient fuel-switching  
166.22 improvements or combinations of energy conservation improvements, fuel-switching  
166.23 improvements, and load management. For each program, the public utility must provide a  
166.24 proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy  
166.25 and demand savings.

166.26 (b) The department may approve proposed programs for efficient fuel-switching  
166.27 improvements if the department determines the improvements meet the requirements of  
166.28 paragraph (d). ~~For fuel-switching improvements that require the deployment of electric~~  
166.29 ~~technologies, the department must also consider whether the fuel-switching improvement~~  
166.30 ~~can be operated in a manner that facilitates the integration of variable renewable energy~~  
166.31 ~~into the electric system. The net benefits from an efficient fuel-switching improvement that~~  
166.32 ~~is integrated with an energy efficiency program approved under this section may be counted~~  
166.33 ~~toward the net benefits of the energy efficiency program, if the department determines the~~  
166.34 ~~primary purpose and effect of the program is energy efficiency.~~

167.1 (c) A public utility may file a rate schedule with the commission that provides for annual  
167.2 cost recovery of reasonable and prudent costs to implement and promote efficient  
167.3 fuel-switching programs. The utility, department, or other entity may propose, and the  
167.4 commission may not approve, modify, or reject, a proposal for a financial incentive to  
167.5 encourage efficient fuel-switching programs operated by a public utility providing electric  
167.6 service approved under this subdivision. When making a decision on the financial incentive  
167.7 proposal, the commission must apply the considerations established in section 216B.16,  
167.8 subdivision 6c, paragraphs (b) and (c).

167.9 (d) A fuel-switching improvement is deemed efficient if, applying the technical criteria  
167.10 established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets  
167.11 the following criteria, relative to the fuel that is being displaced:

167.12 (1) results in a net reduction in the amount of source energy consumed for a particular  
167.13 use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency,  
167.14 or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the  
167.15 electric utility system over the measure's life;

167.16 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section  
167.17 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching  
167.18 improvement installed by an electric utility, the reduction in emissions must be measured  
167.19 ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile~~  
167.20 ~~in the most recent resource plan approved by the commission under section 216B.2422~~  
167.21 using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal,  
167.22 monthly or more granular level of analysis, for the electric utility system over the measure's  
167.23 life; and

167.24 (3) is cost-effective, considering the costs and benefits from the perspective of the utility,  
167.25 participants, and society; ~~and.~~

167.26 ~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

167.27 (e) For purposes of this subdivision, "source energy" means the total amount of primary  
167.28 energy required to deliver energy services, adjusted for losses in generation, transmission,  
167.29 and distribution, and expressed on a fuel-neutral basis.

167.30 Sec. 13. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

167.31 Subd. 12. **Programs for efficient fuel-switching improvements; natural gas**  
167.32 **utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that  
167.33 provides natural gas service to Minnesota retail customers may propose one or more programs

168.1 to install electric technologies that reduce the consumption of natural gas by the utility's  
168.2 retail customers as an energy conservation improvement. The commissioner may approve  
168.3 a proposed program if the commissioner, applying the technical criteria developed under  
168.4 section 216B.241, subdivision 1d, paragraph (e), determines that:

168.5 (1) the electric technology to be installed meets the criteria established under section  
168.6 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

168.7 (2) the program is cost-effective, considering the costs and benefits to ratepayers, the  
168.8 utility, participants, and society.

168.9 (b) If a program is approved by the commission under this subdivision, the public utility  
168.10 may count the program's energy savings toward its energy savings goal under section  
168.11 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient  
168.12 fuel-switching achieved through programs approved under this subdivision is energy  
168.13 conservation.

168.14 (c) A public utility may file rate schedules with the commission that provide annual  
168.15 cost-recovery for programs approved by the department under this subdivision, including  
168.16 reasonable and prudent costs to implement and promote the programs.

168.17 (d) The commission may approve, modify, or reject a proposal made by the department  
168.18 or a utility for an incentive plan to encourage efficient fuel-switching programs approved  
168.19 under this subdivision, applying the considerations established under section 216B.16,  
168.20 subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive  
168.21 mechanism that is calculated based on the combined energy savings and net benefits that  
168.22 the commission has determined have been achieved by a program approved under this  
168.23 subdivision, provided the commission determines that the financial incentive mechanism  
168.24 is in the ratepayers' interest.

168.25 ~~(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching~~  
168.26 ~~program under this subdivision in any year in which the utility achieves energy savings~~  
168.27 ~~below one percent of gross annual retail energy sales, excluding savings achieved through~~  
168.28 ~~fuel-switching programs.~~

168.29 Sec. 14. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

168.30 **216C.08 JURISDICTION.**

168.31 (a) ~~The commissioner has sole authority and responsibility for the administration of~~  
168.32 ~~sections 216C.05 to 216C.30 and 216C.375 to administer this chapter. Other laws~~  
168.33 ~~notwithstanding, the authority granted to the commissioner shall supersede under this section~~



169.1 supersedes the authority given any other agency whenever overlapping, duplication, or  
169.2 additional administrative or legal procedures might occur in ~~the administration of sections~~  
169.3 ~~216C.05 to 216C.30 and 216C.375~~ administering this chapter. The commissioner shall  
169.4 consult with other state departments or agencies in matters related to energy and shall  
169.5 contract with ~~them~~ the other state departments or agencies to provide appropriate services  
169.6 to effectuate the purposes of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter. Any  
169.7 other department, agency, or official of this state or political subdivision thereof which  
169.8 would in any way affect the administration or enforcement of ~~sections 216C.05 to 216C.30~~  
169.9 ~~and 216C.375~~ this chapter shall cooperate and coordinate all activities with the commissioner  
169.10 to assure orderly and efficient administration and enforcement of ~~sections 216C.05 to~~  
169.11 ~~216C.30 and 216C.375~~ this chapter.

169.12 (b) The commissioner shall designate a liaison officer whose duty shall be to insure the  
169.13 maximum possible consistency in procedures and to eliminate duplication between the  
169.14 commissioner and the other agencies that may be involved in energy.

169.15 Sec. 15. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

169.16 **216C.09 COMMISSIONER DUTIES.**

169.17 (a) The commissioner shall:

169.18 (1) manage the department as the central repository within the state government for the  
169.19 collection of data on energy;

169.20 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the  
169.21 event of an impending serious shortage of energy, or a threat to public health, safety, or  
169.22 welfare;

169.23 (3) undertake a continuing assessment of trends in the consumption of all forms of energy  
169.24 and analyze the social, economic, and environmental consequences of these trends;

169.25 (4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend  
169.26 to the governor and the legislature additional energy policies and conservation measures as  
169.27 required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;

169.28 (5) collect and analyze data relating to present and future demands and resources for all  
169.29 sources of energy;

169.30 (6) evaluate policies governing the establishment of rates and prices for energy as related  
169.31 to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and~~

170.1 ~~216C.375~~ this chapter, and make recommendations for changes in energy pricing policies  
170.2 and rate schedules;

170.3 (7) study the impact and relationship of the state energy policies to international, national,  
170.4 and regional energy policies;

170.5 (8) design and implement a state program for the conservation of energy; this program  
170.6 shall include but not be limited to, general commercial, industrial, and residential, and  
170.7 transportation areas; such program shall also provide for the evaluation of energy systems  
170.8 as they relate to lighting, heating, refrigeration, air conditioning, building design and  
170.9 operation, and appliance manufacturing and operation;

170.10 (9) inform and educate the public about the sources and uses of energy and the ways in  
170.11 which persons can conserve energy;

170.12 (10) dispense funds made available for the purpose of research studies and projects of  
170.13 professional and civic orientation, which are related to either energy conservation, resource  
170.14 recovery, or the development of alternative energy technologies which conserve  
170.15 nonrenewable energy resources while creating minimum environmental impact;

170.16 (11) charge other governmental departments and agencies involved in energy-related  
170.17 activities with specific information gathering goals and require that those goals be met;

170.18 (12) design a comprehensive program for the development of indigenous energy  
170.19 resources. The program shall include, but not be limited to, providing technical,  
170.20 informational, educational, and financial services and materials to persons, businesses,  
170.21 municipalities, and organizations involved in the development of solar, wind, hydropower,  
170.22 peat, fiber fuels, biomass, and other alternative energy resources. The program shall be  
170.23 evaluated by the alternative energy technical activity; and

170.24 (13) dispense loans, grants, or other financial aid from money received from litigation  
170.25 or settlement of alleged violations of federal petroleum-pricing regulations made available  
170.26 to the department for that purpose.

170.27 (b) Further, the commissioner may participate fully in hearings before the Public Utilities  
170.28 Commission on matters pertaining to rate design, cost allocation, efficient resource utilization,  
170.29 utility conservation investments, small power production, cogeneration, and other rate issues.  
170.30 The commissioner shall support the policies stated in section 216C.05 and shall prepare  
170.31 and defend testimony proposed to encourage energy conservation improvements as defined  
170.32 in section 216B.241.

171.1 Sec. 16. Minnesota Statutes 2022, section 216C.10, is amended to read:

171.2 **216C.10 COMMISSIONER POWERS.**

171.3 (a) The commissioner may:

171.4 (1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections~~

171.5 ~~216C.05 to 216C.30~~ this chapter;

171.6 (2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things

171.7 necessary to cooperate with the United States government, and to qualify for, accept, and

171.8 disburse any grant intended ~~for the administration of sections 216C.05 to 216C.30~~ to

171.9 administer this chapter;

171.10 (3) provide on-site technical assistance to units of local government in order to enhance

171.11 local capabilities for dealing with energy problems;

171.12 (4) administer for the state, energy programs under federal law, regulations, or guidelines,

171.13 and coordinate the programs and activities with other state agencies, units of local

171.14 government, and educational institutions;

171.15 (5) develop a state energy investment plan with yearly energy conservation and alternative

171.16 energy development goals, investment targets, and marketing strategies;

171.17 (6) perform market analysis studies relating to conservation, alternative and renewable

171.18 energy resources, and energy recovery;

171.19 (7) assist with the preparation of proposals for innovative conservation, renewable,

171.20 alternative, or energy recovery projects;

171.21 (8) manage and disburse funds made available for the purpose of research studies or

171.22 demonstration projects related to energy conservation or other activities deemed appropriate

171.23 by the commissioner;

171.24 (9) intervene in certificate of need proceedings before the Public Utilities Commission;

171.25 (10) collect fees from recipients of loans, grants, or other financial aid from money

171.26 received from litigation or settlement of alleged violations of federal petroleum-pricing

171.27 regulations, which fees must be used to pay the department's costs in administering those

171.28 financial aids; and

171.29 (11) collect fees from proposers and operators of conservation and other energy-related

171.30 programs that are reviewed, evaluated, or approved by the department, other than proposers

171.31 that are political subdivisions or community or nonprofit organizations, to cover the

172.1 department's cost in making the reviewal, evaluation, or approval and in developing additional  
172.2 programs for others to operate.

172.3 (b) Notwithstanding any other law, the commissioner is designated the state agent to  
172.4 apply for, receive, and accept federal or other funds made available to the state for the  
172.5 purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

172.6 Sec. 17. Minnesota Statutes 2023 Supplement, section 216C.331, subdivision 1, is amended  
172.7 to read:

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

172.10 (b) "Aggregated customer energy use data" means customer energy use data that is  
172.11 combined into one collective data point per time interval. Aggregated customer energy use  
172.12 data is data with any unique identifiers or other personal information removed that a  
172.13 qualifying utility collects and aggregates in at least monthly intervals for an entire building  
172.14 on a covered property.

172.15 (c) "Benchmark" means to electronically input into a benchmarking tool ~~the total~~ whole  
172.16 building energy use data and other descriptive information about a building that is required  
172.17 by a benchmarking tool.

172.18 (d) "Benchmarking information" means data related to a building's energy use generated  
172.19 by a benchmarking tool, and other information about the building's physical and operational  
172.20 characteristics. Benchmarking information includes but is not limited to the building's:

172.21 (1) address;

172.22 (2) owner and, if applicable, the building manager responsible for operating the building's  
172.23 physical systems;

172.24 (3) total floor area, expressed in square feet;

172.25 (4) energy use intensity;

172.26 (5) greenhouse gas emissions; and

172.27 (6) energy performance score comparing the building's energy use with that of similar  
172.28 buildings.

172.29 (e) "Benchmarking tool" means the United States Environmental Protection Agency's  
172.30 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

173.1 (f) "Covered property" means any property that is served by an investor-owned utility  
173.2 in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city  
173.3 outside the metropolitan area with a population of over 50,000 residents, as determined by  
173.4 the Minnesota State Demographic Center, served by a municipal energy utility or  
173.5 investor-owned utility, and that has one or more buildings containing in sum 50,000 gross  
173.6 square feet or greater. Covered property does not include:

173.7 (1) a residential property containing fewer than five dwelling units;

173.8 (2) a property that is: (i) classified as manufacturing under the North American Industrial  
173.9 Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section  
173.10 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an  
173.11 industrial building otherwise incompatible with benchmarking in the benchmarking tool,  
173.12 as determined by the commissioner;

173.13 (3) an agricultural building;

173.14 (4) a multitenant building that is served by a utility that ~~cannot supply~~ is not supplying  
173.15 aggregated customer usage data under subdivision 8 or is not using a customer usage data  
173.16 aggregation program to supply aggregated customer usage data to the benchmarking tool;  
173.17 or

173.18 (5) other property types that do not meet the purposes of this section, as determined by  
173.19 the commissioner.

173.20 (g) "Customer energy use data" means data collected from utility customer meters that  
173.21 reflect the quantity, quality, or timing of customers' energy use.

173.22 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide  
173.23 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

173.24 (i) "Energy performance score" means a numerical value from one to 100 that the Energy  
173.25 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of  
173.26 comparable buildings nationwide.

173.27 (j) "Energy Star Portfolio Manager" means an interactive resource management tool  
173.28 developed by the United States Environmental Protection Agency that (1) enables the  
173.29 periodic entry of a building's energy use data and other descriptive information about a  
173.30 building, and (2) rates a building's energy efficiency against that of comparable buildings  
173.31 nationwide.

173.32 (k) "Energy use intensity" means the total annual energy consumed in a building divided  
173.33 by the building's total floor area.

174.1 (l) "Financial distress" means a covered property that, at the time benchmarking is  
174.2 conducted:

174.3 (1) is the subject of a qualified tax lien sale or public auction due to property tax  
174.4 arrearages;

174.5 (2) is controlled by a court-appointed receiver based on financial distress;

174.6 (3) is owned by a financial institution through default by the borrower;

174.7 (4) has been acquired by deed in lieu of foreclosure; or

174.8 (5) has a senior mortgage that is subject to a notice of default.

174.9 (m) "Local government" means a statutory or home rule municipality or county.

174.10 (n) "Owner" means:

174.11 (1) an individual or entity that possesses title to a covered property; or

174.12 (2) an agent authorized to act on behalf of the covered property owner.

174.13 (o) "Qualifying utility" means ~~a utility serving the covered property, including:~~

174.14 (1) an electric or gas utility, including:

174.15 (i) an investor-owned electric or gas utility serving customers in Anoka, Carver, Dakota,  
174.16 Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan  
174.17 area with a population of over 50,000 residents, as determined by the Minnesota State  
174.18 Demographic Center, and serving properties with one or more buildings containing in sum  
174.19 50,000 gross square feet or greater; or

174.20 (ii) a municipally owned electric or gas utility serving customers in any city with a  
174.21 population of over 50,000 residents, as determined by the Minnesota State Demographic  
174.22 Center, and serving properties with one or more buildings containing in sum 50,000 gross  
174.23 square feet or greater;

174.24 (2) a natural gas supplier with five or more active commercial connections, accounts,  
174.25 or customers in the state and serving customers in Anoka, Carver, Dakota, Hennepin,  
174.26 Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a  
174.27 population of over 50,000 residents, as determined by the Minnesota State Demographic  
174.28 Center, and serving properties with one or more buildings containing in sum 50,000 gross  
174.29 square feet or greater; or

174.30 (3) a district steam, hot water, or chilled water provider serving customers in Anoka,  
174.31 Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside

175.1 the metropolitan area with a population of over 50,000 residents, as determined by the  
175.2 Minnesota State Demographic Center, and serving properties with one or more buildings  
175.3 containing in sum 50,000 gross square feet or greater.

175.4 (p) "Tenant" means a person that occupies or holds possession of a building or part of  
175.5 a building or premises pursuant to a lease agreement.

175.6 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,  
175.7 measured between the outside exterior walls of the building. Total floor area includes covered  
175.8 parking structures.

175.9 (r) "Utility customer" means the building owner or tenant listed on the utility's records  
175.10 as the customer liable for payment of the utility service or additional charges assessed on  
175.11 the utility account.

175.12 (s) "Whole building energy use data" means all energy consumed in a building, whether  
175.13 purchased from a third party or generated at the building site or from any other source.

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

175.15 Sec. 18. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

175.16 Subd. 3a. **Cost-effective Energy improvements.** "~~Cost-effective~~ Energy improvements"  
175.17 means:

175.18 (1) any new construction, renovation, or retrofitting of qualifying commercial real  
175.19 property to improve energy efficiency that: (i) is permanently affixed to the property; and  
175.20 (ii) results in a net reduction in energy consumption without altering the principal source  
175.21 of energy, and has been identified or greenhouse gas emissions, as documented in an energy  
175.22 audit as repaying the purchase and installation costs in 20 years or less, based on the amount  
175.23 of future energy saved and estimated future energy prices or emissions avoided;

175.24 (2) any renovation or retrofitting of qualifying residential real property that is permanently  
175.25 affixed to the property and is eligible to receive an incentive through a program offered by  
175.26 the electric or natural gas utility that provides service under section 216B.241 to the property  
175.27 or is otherwise determined to be a ~~cost-effective~~ eligible energy improvement by the  
175.28 commissioner under section 216B.241, subdivision 1d, paragraph (a);

175.29 (3) permanent installation of new or upgraded electrical circuits and related equipment  
175.30 to enable electrical vehicle charging; or

175.31 (4) a solar voltaic or solar thermal energy system attached to, installed within, or  
175.32 proximate to a building that generates electrical or thermal energy from a renewable energy

176.1 source that has been ~~identified~~ documented in an energy audit or renewable energy system  
176.2 feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based~~  
176.3 ~~on the amount of future energy saved and estimated future energy prices,~~ along with the  
176.4 estimated amount of related renewable energy production.

176.5 Sec. 19. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

176.6 Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor"  
176.7 means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed  
176.8 under a commercial PACE loan program.

176.9 Sec. 20. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
176.10 to read:

176.11 Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy  
176.12 improvements, resiliency improvements, or water improvements made to qualifying real  
176.13 property.

176.14 Sec. 21. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

176.15 Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy  
176.16 consumption of a building by a certified energy auditor, whose certification is approved by  
176.17 the commissioner, for the purpose of identifying appropriate energy improvements that  
176.18 could be made to the building and including an estimate of the ~~length of time a specific~~  
176.19 ~~energy improvement will take to repay its purchase and installation costs, based on the~~  
176.20 ~~amount of energy saved and estimated future energy prices~~ effective useful life, the reduction  
176.21 of energy consumption, and the related avoided greenhouse gas emissions resulting from  
176.22 the proposed eligible improvements.

176.23 Sec. 22. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended  
176.24 to read:

176.25 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"  
176.26 means a multifamily residential dwelling, a commercial or industrial building, or farmland,  
176.27 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,  
176.28 after review of an energy audit, renewable energy system feasibility study, water  
176.29 improvement study, resiliency improvement study, or agronomic assessment, as defined in  
176.30 section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy~~



177.1 installing eligible improvements or land and water improvements, as defined in section  
177.2 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

177.3 Sec. 23. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

177.4 Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system  
177.5 feasibility study" means a written study, conducted by a contractor trained to perform that  
177.6 analysis, for the purpose of determining the feasibility of installing a renewable energy  
177.7 system in a building, including an estimate of the ~~length of time a specific~~ effective useful  
177.8 life, the production of renewable energy, and any related avoided greenhouse gas emissions  
177.9 of the proposed renewable energy system will take to repay its purchase and installation  
177.10 costs, based on the amount of energy saved and estimated future energy prices. For a  
177.11 geothermal energy improvement, the feasibility study must calculate net savings in terms  
177.12 of nongeothermal energy and costs.

177.13 Sec. 24. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
177.14 to read:

177.15 Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more  
177.16 installations or modifications to eligible commercial real property that are designed to  
177.17 improve a property's resiliency by improving the eligible real property's:

177.18 (1) structural integrity for seismic events;

177.19 (2) indoor air quality;

177.20 (3) durability to resist wind, fire, and flooding;

177.21 (4) ability to withstand an electric power outage;

177.22 (5) stormwater control measures, including structural and nonstructural measures to  
177.23 mitigate stormwater runoff;

177.24 (6) ability to mitigate the impacts of extreme temperatures; or

177.25 (7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

177.26 Sec. 25. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
177.27 to read:

177.28 Subd. 11b. **Resiliency improvement feasibility study.** "Resiliency improvement  
177.29 feasibility study" means a written study that is conducted by a contractor trained to perform  
177.30 the analysis to:

- 178.1 (1) determine the feasibility of installing a resiliency improvement;  
178.2 (2) document the improved resiliency capabilities of the property; and  
178.3 (3) estimate the effective useful life of the proposed resiliency improvements.

178.4 Sec. 26. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
178.5 to read:

178.6 Subd. 14. **Water improvement.** "Water improvement" means one or more installations  
178.7 or modifications to qualifying commercial real property that are designed to improve water  
178.8 efficiency or water quality by:

- 178.9 (1) reducing water consumption;  
178.10 (2) improving the quality, potability, or safety of water for the qualifying property; or  
178.11 (3) conserving or remediating water, in whole or in part, on qualifying real property.

178.12 Sec. 27. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
178.13 to read:

178.14 Subd. 15. **Water improvement feasibility study.** "Water improvement feasibility study"  
178.15 means a written study that is conducted by a contractor trained to perform the analysis to:

178.16 (1) determine the appropriate water improvements that could be made to the building;  
178.17 and

178.18 (2) estimate the effective useful life, the reduction of water consumption, and any  
178.19 improvement in water quality resulting from the proposed water improvements.

178.20 Sec. 28. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

178.21 Subdivision 1. **Program purpose and authority.** An implementing entity may establish  
178.22 a commercial PACE loan program to finance ~~cost-effective~~ energy, water, and resiliency  
178.23 improvements to enable owners of qualifying commercial real property to pay for the  
178.24 ~~cost-effective energy~~ eligible improvements to the qualifying real property with the net  
178.25 proceeds and interest earnings of revenue bonds authorized in this section. An implementing  
178.26 entity may limit the number of qualifying commercial real properties for which a property  
178.27 owner may receive program financing.

179.1 Sec. 29. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is  
179.2 amended to read:

179.3 Subd. 1b. **Definitions.** (a) For the purposes of this section, the following terms have the  
179.4 meanings given.

179.5 (b) "Agronomic assessment" means a study by an independent third party that assesses  
179.6 the environmental impacts of proposed land and water improvements on farmland.

179.7 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under  
179.8 section 273.13, subdivision 23.

179.9 (d) "Land and water improvement" means:

179.10 (1) an improvement to farmland that:

179.11 (i) is permanent;

179.12 (ii) results in improved agricultural profitability or resiliency;

179.13 (iii) reduces the environmental impact of agricultural production; and

179.14 (iv) if the improvement affects drainage, complies with the most recent versions of the  
179.15 applicable following conservation practice standards issued by the United States Department  
179.16 of Agriculture's Natural Resources Conservation Service: Drainage Water Management  
179.17 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and  
179.18 Constructed Wetland (Code 656); or

179.19 (2) water conservation and quality measures, which include permanently affixed  
179.20 equipment, appliances, or improvements that reduce a property's water consumption or that  
179.21 enable water to be managed more efficiently.

179.22 (e) "Resiliency" means:

179.23 (1) the ability of farmland to maintain and enhance profitability, soil health, and water  
179.24 quality;

179.25 (2) the ability to mitigate greenhouse gas embodied emissions from an eligible real  
179.26 property; or

179.27 (3) an increase in building resilience through flood mitigation, stormwater management,  
179.28 wildfire and wind resistance, energy storage use, or microgrid use.

180.1 Sec. 30. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended  
180.2 to read:

180.3 Subd. 2. **Program requirements.** A commercial PACE loan program must:

180.4 (1) impose requirements and conditions on financing arrangements to ensure timely  
180.5 repayment;

180.6 (2) require an energy audit, renewable energy system feasibility study, resiliency  
180.7 improvement study, water improvement study, or agronomic or soil health assessment to  
180.8 be conducted on the qualifying commercial real property and reviewed by the implementing  
180.9 entity prior to approval of the financing;

180.10 (3) require the inspection or verification of all ~~installations and a performance verification~~  
180.11 ~~of at least ten percent of the cost-effective energy eligible~~ improvements or land and water  
180.12 improvements financed by the program;

180.13 (4) not prohibit the financing of all ~~cost-effective energy eligible~~ improvements or land  
180.14 and water improvements not otherwise prohibited by this section;

180.15 (5) require that all ~~cost-effective energy eligible~~ improvements or land and water  
180.16 improvements be made to a qualifying commercial real property prior to, or in conjunction  
180.17 with, an applicant's repayment of financing for ~~cost-effective energy eligible~~ improvements  
180.18 or land and water improvements for ~~that~~ the qualifying commercial real property;

180.19 (6) have ~~cost-effective energy eligible~~ improvements or land and water improvements  
180.20 financed by the program performed by a licensed contractor as required by chapter 326B  
180.21 or other law or ordinance;

180.22 (7) require disclosures in the loan document to borrowers by the implementing entity  
180.23 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency  
180.24 results from a default; and (ii) all the terms and conditions of the commercial PACE loan  
180.25 and the installation of ~~cost-effective energy eligible~~ improvements or land and water  
180.26 improvements, including the interest rate being charged on the loan;

180.27 (8) provide financing only to those who demonstrate an ability to repay;

180.28 (9) not provide financing for a qualifying commercial real property in which the owner  
180.29 is not current on mortgage or real property tax payments;

180.30 (10) require a petition to the implementing entity by all owners of the qualifying  
180.31 commercial real property requesting collections of repayments as a special assessment under  
180.32 section 429.101;

181.1 (11) provide that payments and assessments are not accelerated due to a default and that  
181.2 a tax delinquency exists only for assessments not paid when due;

181.3 (12) require that liability for special assessments related to the financing runs with the  
181.4 qualifying commercial real property; and

181.5 (13) prior to financing any improvements to or imposing any assessment upon qualifying  
181.6 commercial real property, require notice to and written consent from the mortgage lender  
181.7 of any mortgage encumbering or otherwise secured by the qualifying commercial real  
181.8 property.

181.9 Sec. 31. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

181.10 Subd. 4. **Financing terms.** Financing provided under this section must have:

181.11 (1) a cost-weighted average maturity not exceeding the useful life of the energy eligible  
181.12 improvements installed, as determined by the implementing entity, but in no event may a  
181.13 term exceed ~~20~~ 30 years;

181.14 (2) a principal amount not to exceed the lesser of:

181.15 (i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the  
181.16 improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value,  
181.17 accepted or approved by the mortgage lender; or

181.18 (ii) the actual cost of installing the energy eligible improvements, including the costs of  
181.19 necessary equipment, materials, and labor; ~~the costs of each related energy audit or,~~  
181.20 renewable energy system feasibility study, water improvement study, or resiliency  
181.21 improvement study; and the cost of verification of installation; and

181.22 (3) an interest rate sufficient to pay the financing costs of the program, including the  
181.23 issuance of bonds and any financing delinquencies.

181.24 Sec. 32. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

181.25 Subd. 7. **Repayment.** An implementing entity that finances an energy eligible  
181.26 improvement under this section must:

181.27 (1) secure payment with a lien against the qualifying commercial real property; and

181.28 (2) collect repayments as a special assessment as provided for in section 429.101 or by  
181.29 charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual  
181.30 installments.

182.1 If the implementing entity is an authority, the local government that authorized the  
182.2 authority to act as implementing entity shall impose and collect special assessments necessary  
182.3 to pay debt service on bonds issued by the implementing entity under subdivision 8, and  
182.4 shall transfer all collections of the assessments upon receipt to the authority.

182.5 Sec. 33. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

182.6 Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue  
182.7 bonds as provided in chapter 475 for the purposes of this section and section 216C.437,  
182.8 provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of  
182.9 issuance.

182.10 (b) The bonds must be payable as to both principal and interest solely from the revenues  
182.11 from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

182.12 (c) No holder of bonds issued under this subdivision may compel any exercise of the  
182.13 taxing power of the implementing entity that issued the bonds to pay principal or interest  
182.14 on the bonds, and if the implementing entity is an authority, no holder of the bonds may  
182.15 compel any exercise of the taxing power of the local government. Bonds issued under this  
182.16 subdivision are not a debt or obligation of the issuer or any local government that issued  
182.17 them, nor is the payment of the bonds enforceable out of any money other than the revenue  
182.18 pledged to the payment of the bonds.

182.19 Sec. 34. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

182.20 Subd. 10. **Improvements; real property or fixture.** ~~A cost-effective energy~~ An eligible  
182.21 improvement financed under a PACE loan program, including all equipment purchased in  
182.22 whole or in part with loan proceeds under a loan program, is deemed real property or a  
182.23 fixture attached to the real property.

### **3.7371 COMPENSATION FOR CROP OR FENCE DAMAGE CAUSED BY ELK.**

Subd. 7. **Rules.** The commissioner shall adopt rules and may amend rules to carry out this section. The commissioner may use the expedited rulemaking process in section 14.389 to adopt and amend rules authorized in this section. The rules must include:

- (1) methods of valuation of crops damaged or destroyed;
- (2) criteria for determination of the cause of the crop damage or destruction;
- (3) notice requirements by the owner of the damaged or destroyed crop;
- (4) compensation rates for fence damage or destruction that must not exceed \$1,800 per claimant per fiscal year; and
- (5) any other matters determined necessary by the commissioner to carry out this section.

### **34.07 BEVERAGE INSPECTION ACCOUNT; APPROPRIATION.**

A beverage inspection account is created in the agricultural fund. All fees and fines collected under this chapter shall be credited to the beverage inspection account. Money in the account is appropriated to the commissioner for inspection and supervision under this chapter.

### **216E.08 PUBLIC PARTICIPATION.**

Subdivision 1. **Advisory task force.** The commission may appoint one or more advisory task forces to assist it in carrying out its duties. Task forces appointed to evaluate sites or routes considered for designation shall be comprised of as many persons as may be designated by the commission, but at least one representative from each of the following: Regional development commissions, counties and municipal corporations and one town board member from each county in which a site or route is proposed to be located. No officer, agent, or employee of a utility shall serve on an advisory task force. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees. The task forces expire as provided in section 15.059, subdivision 6. At the time the task force is appointed, the commission shall specify the charge to the task force. The task force shall expire upon completion of its charge, upon designation by the commission of alternative sites or routes to be included in the environmental impact statement, or upon the specific date identified by the commission in the charge, whichever occurs first.

Subd. 4. **Scientific advisory task force.** The commission may appoint one or more advisory task forces composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long-range route and site planning. Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees. The task forces expire as provided in section 15.059, subdivision 6. The time allowed for completion of a specific site or route procedure may not be extended to await the outcome of these generic investigations.

### **216F.01 DEFINITIONS.**

Subdivision 1. **Scope.** As used in this chapter, the terms defined in section 216E.01 and this section have the meanings given them, unless otherwise provided or indicated by the context or by this section.

### **216F.012 SIZE ELECTION.**

(a) A wind energy conversion system of less than 25 megawatts of nameplate capacity as determined under section 216F.011 is a small wind energy conversion system if, by July 1, 2009, the owner so elects in writing and submits a completed application for zoning approval and the written election to the county or counties in which the project is proposed to be located. The owner must notify the Public Utilities Commission of the election at the time the owner submits the election to the county.

(b) Notwithstanding paragraph (a), a wind energy conversion system with a nameplate capacity exceeding five megawatts that is proposed to be located wholly or partially within a wind access buffer adjacent to state lands that are part of the outdoor recreation system, as enumerated in section 86A.05, is a large wind energy conversion system. The Department of Natural Resources shall negotiate in good faith with a system owner regarding siting and may support the system owner in seeking a variance from the system setback requirements if it determines that a variance is in the public interest.

**216F.015 REQUIREMENTS CODED ELSEWHERE.**

Requirements governing certain towers are established in section 360.915.

**216F.03 SITING OF LWECS.**

The legislature declares it to be the policy of the state to site LWECS in an orderly manner compatible with environmental preservation, sustainable development, and the efficient use of resources.

**216F.04 SITE PERMIT.**

(a) No person may construct an LWECS without a site permit issued by the Public Utilities Commission.

(b) Any person seeking to construct an LWECS shall submit an application to the commission for a site permit in accordance with this chapter and any rules adopted by the commission. The permitted site need not be contiguous land.

(c) The commission shall make a final decision on an application for a site permit for an LWECS within 180 days after acceptance of a complete application by the commission. The commission may extend this deadline for cause.

(d) The commission may place conditions in a permit and may deny, modify, suspend, or revoke a permit.

(e) The commission must require as a condition of permit issuance, including issuance of a modified permit for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts, including all of the permit recipient's construction contractors and subcontractors on the project: (1) pay no less than the prevailing wage rate, as defined in section 177.42; and (2) be subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.



**1506.0010 AUTHORITY.**

Parts 1506.0010 to 1506.0040 are prescribed under Minnesota Statutes, section 3.7371, by the commissioner of agriculture to implement procedures to compensate agricultural crop owners for crops that are damaged or destroyed by elk. The procedures in parts 1506.0010 to 1506.0040 are in addition to those in Minnesota Statutes, section 3.7371.

**1506.0015 DEFINITIONS.**

Subpart 1. **Applicability.** The definitions in this part apply to parts 1506.0010 to 1506.0040.

Subp. 2. **Claim form.** "Claim form" means a form provided by the commissioner, to be completed by the crop owner and the county extension agent or federal crop adjuster, containing information upon which payment for a loss must be based.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized agent.

Subp. 4. **Crop owner.** "Crop owner" means an individual, firm, corporation, copartnership, or association with an interest in crops damaged or destroyed by elk.

Subp. 5. **County extension agent.** "County extension agent" means the University of Minnesota Agricultural Extension Service's county extension agent for the county in which the crop owner resides.

Subp. 6. **Federal crop adjuster.** "Federal crop adjuster" means a crop insurance adjuster having a contract with the Federal Crop Insurance Corporation.

Subp. 7. **Market price.** "Market price" means the commodity price published daily by the Minneapolis Grain Exchange in the daily record of prices and receipts.

Subp. 8. **Target price.** "Target price" means the federal commodity price available from the Agricultural Stabilization and Conservation Service office.

**1506.0020 REPORTING.**

The crop owner shall notify either the federal crop adjuster or the county extension agent of suspected crop loss or damage within 24 hours of the discovery of a loss. The crop owner shall also complete the appropriate part of the claim form which must be available at the county extension office. The crop owner shall provide all information required to investigate the loss or damage to the federal crop adjuster or the county extension agent. A telephone call or personal contact constitutes notification.

**1506.0025 INVESTIGATION AND CROP VALUATION.**

Subpart 1. **Whether damaged by elk.** The federal crop adjuster or the county extension agent shall investigate the loss in a timely manner and shall make a finding in writing on the appropriate part of the claim form regarding whether the crop was destroyed or damaged by elk. The finding must be based on physical and circumstantial evidence including:

- A. the condition of the crop;
- B. elk tracks;
- C. the area of the state where the loss occurred;
- D. sightings of elk in the area; and
- E. any other circumstances considered pertinent by the federal crop adjuster or the county extension agent.

The absence of affirmative evidence may be grounds for denial of a claim.

Subp. 2. **Extent of damage.** The federal crop adjuster or the county extension agent shall make a written finding on the claim form of the extent of damage or the amount of crop destroyed. The crop owner may choose to have the federal crop adjuster or county extension agent use the method in item A or B to complete the claim form and determine the amount of crop loss.

A. To submit the claim form at the time the suspected elk damage is discovered, the federal crop adjuster or county extension agent must determine the potential yield, per acre, for the field and record this information on the form in the column labeled "normal yield" and the average yield, per acre, expected from the damaged acres and record this information on the form in the column labeled "average yield expected from damaged acres."

B. To submit the claim form at the time the crop is harvested:

(1) the crop owner shall report the loss to the federal crop adjuster or county extension agent within 24 hours of discovery, and the loss must be investigated by the federal crop adjuster or county extension agent in a timely manner;

(2) the crop owner and federal crop adjuster or county extension agent shall complete the claim form at the time of the investigation, entering the percent of crop loss from damage in the column labeled "normal yield" and leaving the column labeled "average yield expected from damaged acres" blank; and

(3) when the crop is harvested the federal crop adjuster or county extension agent shall enter the actual yield of the damaged field in the column labeled "average yield expected from damaged acres," enter the date in the same column, and submit the form to the commissioner.

#### **1506.0030 COMPLETION AND SIGNING OF CLAIM FORM.**

A completed claim form must be signed by the owner and county extension agent or the federal crop adjuster and submitted by the crop owner to the commissioner for review and payment. The commissioner shall return an incomplete claim form to the crop owner, indicating the information necessary for proper completion.

#### **1506.0035 INSURANCE COVERAGE.**

If insurance coverage exists on the crop, the commissioner shall withhold payment under parts 1506.0010 to 1506.0040 until the insurance claim has been paid and evidence of payment has been submitted to the commissioner, at which time that insurance payment must be deducted from the determined value. Payment must not be made for claims of less than \$100 per claim or more than \$20,000 in a calendar year.

#### **1506.0040 PAYMENT.**

After procedures in parts 1506.0020 to 1506.0035 are completed, the commissioner shall make payment to the crop owners.

#### **7850.2400 CITIZEN ADVISORY TASK FORCE.**

Subpart 1. **Authority.** The commission has the authority to appoint a citizen advisory task force. The commission shall determine whether to appoint such a task force as early in the process as possible. The commission shall establish the size of the task force and appoint its members in accordance with Minnesota Statutes, section 216E.08. The commission shall advise of the appointment of the task force at the next monthly commission meeting.

Subp. 2. **Commission decision.** If the commission decides not to appoint a citizen advisory task force and a person would like such a task force appointed, the person may request that the commission create a citizen advisory task force and appoint its members. Upon receipt of such a request, the commission shall place the matter on the agenda for the next regular monthly commission meeting.

APPENDIX  
Repealed Minnesota Rules: H4975-1

Subp. 3. **Task force responsibilities.** Upon appointment of a citizen advisory task force, the commission shall specify in writing the charge to the task force. The charge shall include the identification of additional sites or routes or particular impacts to be evaluated in the environmental impact statement. The commission may establish additional charges, including a request that the task force express a preference for a specific site or route if it has one.

Subp. 4. **Termination of task force.** The task force expires upon completion of its charge, designation by the commission of alternative sites or routes to be included in the environmental impact statement, or the specific date identified by the commission in the charge, whichever occurs first.

**7850.3600 CITIZEN ADVISORY TASK FORCE.**

Part 7850.2400, regarding the appointment of a citizen advisory task force, applies to projects being considered under the alternative permitting process.