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State of Minnesota

Printed Page No. 407

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5247

- 04/02/2024 Authored by Gomez and Kotyza-Witthuhn
The bill was read for the first time and referred to the Committee on Taxes
- 04/24/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/30/2024 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 05/02/2024 Calendar for the Day
Bill was laid on the Table
- 05/03/2024 Bill was taken from the Table
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 05/07/2024 Returned to the House as Amended by the Senate
Refused to concur and a Conference Committee was appointed
- 05/19/2024 Conference Committee Report Adopted
Read Third Time as Amended by Conference and repassed by the House
Read Third Time as Amended by Conference and repassed by the Senate
- 05/23/2024 Presented to Governor
- 05/24/2024 Governor Approval

1.1 A bill for an act

1.2 relating to the operation and financing of state government; modifying trunk

1.3 highway bonds, transportation policy, combative sports, construction codes and

1.4 licensing, the Bureau of Mediation Services, the Public Employee Labor Relations

1.5 Act, employee misclassification, earned sick and safe time, University of Minnesota

1.6 collective bargaining, broadband and pipeline safety, housing policy, and

1.7 transportation network companies; expediting rental assistance; establishing

1.8 registration for transfer care specialists; establishing licensure for behavior analysts;

1.9 establishing licensure for veterinary technicians and a veterinary institutional

1.10 license; modifying provisions of veterinary supervision; modifying specialty dentist

1.11 licensure and dental assistant licensure by credentials; removing additional

1.12 collaboration requirements for physician assistants to provide certain psychiatric

1.13 treatment; modifying social worker provisional licensure; establishing guest

1.14 licensure for marriage and family therapists; modifying pharmacy provisions for

1.15 certain reporting requirements and change of ownership or relocation; modifying

1.16 higher education policy provisions; amending the definition of trigger activator;

1.17 increasing penalties for transferring firearms to certain persons who are ineligible

1.18 to possess firearms; amending agriculture policy provisions; establishing and

1.19 modifying agriculture programs; providing broadband appropriation transfer

1.20 authority; requiring an application for federal broadband aid; adding and modifying

1.21 provisions governing energy policy; establishing the Minnesota Energy

1.22 Infrastructure Permitting Act; modifying provisions related to disability services,

1.23 aging services, substance use disorder treatment services, priority admissions to

1.24 state-operated programs and civil commitment, and Direct Care and Treatment;

1.25 modifying provisions related to licensing of assisted living facilities; modifying

1.26 provisions governing the Department of Human Services, human services health

1.27 care policy, health care finance, and licensing policy; modifying provisions

1.28 governing the Department of Health, health policy, health insurance, and health

1.29 care; modifying provisions governing pharmacy practice and behavioral health;

1.30 establishing an Office of Emergency Medical Services and making conforming

1.31 changes; modifying individual income taxes, minerals taxes, tax-forfeited property,

1.32 and miscellaneous tax provisions; modifying state employee compensation;

1.33 modifying paid leave provisions; imposing penalties; authorizing administrative

1.34 rulemaking; making technical changes; requiring reports; appropriating money;

1.35 amending Minnesota Statutes 2022, sections 3.7371, subdivisions 2, 3, by adding

1.36 subdivisions; 13.46, subdivisions 1, as amended, 10, as amended; 13.6905, by

1.37 adding a subdivision; 13.824, subdivision 1, by adding a subdivision; 16A.055,

1.38 subdivision 1a, by adding a subdivision; 17.116, subdivision 2; 17.133, subdivision

2.1 1; 18B.01, by adding a subdivision; 18B.26, subdivision 6; 18B.28, by adding a
2.2 subdivision; 18B.305, subdivision 2; 18B.32, subdivisions 1, 3, 4, 5; 18B.33,
2.3 subdivisions 1, 5, 6; 18B.34, subdivisions 1, 4; 18B.35, subdivision 1; 18B.36,
2.4 subdivisions 1, 2; 18B.37, subdivisions 2, 3; 18C.005, subdivision 33, by adding
2.5 a subdivision; 18C.115, subdivision 2; 18C.215, subdivision 1; 18C.221; 18C.70,
2.6 subdivisions 1, 5; 18C.71, subdivisions 1, 2, 4, by adding a subdivision; 18C.80,
2.7 subdivision 2; 18D.301, subdivision 1; 28A.10; 28A.151, subdivisions 1, 2, 3, 5,
2.8 by adding a subdivision; 28A.21, subdivision 6; 31.74; 31.94; 32D.30; 41B.039,
2.9 subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision
2.10 1b; 41B.045, subdivision 2; 41B.047, subdivision 1; 43A.05, subdivision 3; 43A.18,
2.11 subdivisions 2, 3, 9; 43A.24, by adding a subdivision; 62A.0411; 62A.15,
2.12 subdivision 4, by adding a subdivision; 62A.28, subdivision 2; 62D.02, subdivision
2.13 7; 62D.04, subdivision 5; 62D.12, subdivision 19; 62D.14, subdivision 1; 62D.20,
2.14 subdivision 1; 62D.22, subdivision 5, by adding a subdivision; 62J.49, subdivision
2.15 1; 62J.61, subdivision 5; 62M.01, subdivision 3; 62M.02, subdivisions 1a, 5, 11,
2.16 12, 21, by adding a subdivision; 62M.04, subdivision 1; 62M.05, subdivision 3a;
2.17 62M.07, subdivisions 2, 4, by adding a subdivision; 62M.10, subdivisions 7, 8;
2.18 62M.17, subdivision 2; 62Q.097, by adding a subdivision; 62Q.14; 62Q.19,
2.19 subdivisions 3, 5, by adding a subdivision; 62Q.73, subdivision 2; 62V.05,
2.20 subdivision 12; 62V.08; 62V.11, subdivision 4; 65B.472; 103I.621, subdivisions
2.21 1, 2; 116C.83, subdivision 6; 116J.395, subdivision 6, by adding subdivisions;
2.22 116J.396, by adding a subdivision; 116J.871, subdivision 4; 123B.53, subdivision
2.23 1; 134A.09, subdivision 2a; 134A.10, subdivision 3; 135A.15, as amended;
2.24 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4,
2.25 7; 136A.29, subdivision 9; 136A.62, by adding subdivisions; 136A.63, subdivision
2.26 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.69,
2.27 subdivision 1; 136A.821, subdivision 5, by adding a subdivision; 136A.822,
2.28 subdivisions 1, 2, 6, 7, 8; 136A.824, subdivisions 1, 2; 136A.828, subdivision 3,
2.29 by adding a subdivision; 136A.829, subdivision 3, by adding a subdivision; 144.05,
2.30 subdivisions 6, 7, by adding a subdivision; 144.0572, subdivision 1; 144.058;
2.31 144.0724, subdivisions 2, 3a, 4, 6, 7, 8, 9, 11; 144.1464, subdivisions 1, 2, 3;
2.32 144.1501, subdivision 5; 144.1911, subdivision 2; 144.212, by adding a subdivision;
2.33 144.216, subdivision 2, by adding subdivisions; 144.218, by adding a subdivision;
2.34 144.292, subdivision 6; 144.293, subdivisions 2, 4, 9, 10; 144.493, by adding a
2.35 subdivision; 144.494, subdivision 2; 144.551, subdivision 1; 144.555, subdivisions
2.36 1a, 1b, 2, by adding subdivisions; 144.605, by adding a subdivision; 144.7067,
2.37 subdivision 2; 144.99, subdivision 3; 144A.10, subdivisions 15, 16; 144A.471, by
2.38 adding a subdivision; 144A.474, subdivision 13; 144A.61, subdivision 3a; 144A.70,
2.39 subdivisions 3, 5, 6, 7; 144A.71, subdivision 2, by adding a subdivision; 144A.72,
2.40 subdivision 1; 144A.73; 144E.001, subdivision 3a, by adding subdivisions;
2.41 144E.101, by adding a subdivision; 144E.16, subdivisions 5, 7; 144E.19,
2.42 subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8;
2.43 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305,
2.44 subdivision 3; 144G.08, subdivision 29; 144G.10, by adding a subdivision;
2.45 144G.16, subdivision 6; 144G.41, subdivision 1, by adding subdivisions; 144G.63,
2.46 subdivisions 1, 4; 144G.64; 145.61, subdivision 5; 146B.03, subdivision 7a;
2.47 146B.10, subdivisions 1, 3; 148.511; 148.512, subdivision 17a; 148.513,
2.48 subdivisions 1, 2, 3, by adding a subdivision; 148.514, subdivision 2; 148.515,
2.49 subdivision 1; 148.518; 148.519, subdivision 1, by adding a subdivision; 148.5191,
2.50 subdivision 1, by adding a subdivision; 148.5192, subdivisions 1, 2, 3; 148.5193,
2.51 subdivision 1, by adding a subdivision; 148.5194, subdivision 8, by adding a
2.52 subdivision; 148.5195, subdivisions 5, 6; 148.5196, subdivision 3; 148D.061,
2.53 subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2;
2.54 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivisions
2.55 3, 3b, 13a, 16, 23, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.09;
2.56 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65;
2.57 149A.70, subdivisions 1, 2, 3, 4, 5, 7; 149A.71, subdivisions 2, 4; 149A.72,
2.58 subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.90,

3.1 subdivisions 2, 4, 5; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4;
3.2 149A.97, subdivision 2; 150A.06, subdivisions 1c, 8; 151.01, subdivisions 23, 27;
3.3 151.065, subdivision 7, by adding subdivisions; 151.066, subdivisions 1, 2, 3;
3.4 151.212, by adding a subdivision; 151.37, by adding a subdivision; 151.74,
3.5 subdivision 6; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2,
3.6 4; 161.089; 161.14, by adding a subdivision; 161.3203, subdivision 4; 161.45, by
3.7 adding subdivisions; 161.46, subdivision 1; 162.02, by adding a subdivision;
3.8 162.081, subdivision 4; 162.09, by adding a subdivision; 162.145, subdivision 5;
3.9 168.09, subdivision 7; 168.092; 168.127; 168.301, subdivision 3; 168.33, by adding
3.10 a subdivision; 168A.10, subdivision 2; 168A.11, subdivisions 1, 2; 168B.035,
3.11 subdivision 3; 169.011, by adding subdivisions; 169.04; 169.06, by adding
3.12 subdivisions; 169.14, subdivision 10, by adding subdivisions; 169.18, by adding
3.13 a subdivision; 169.21, subdivision 6; 169.222, subdivisions 2, 6a, 6b; 169.346,
3.14 subdivision 2; 169.974, subdivision 5; 169.99, subdivision 1; 171.01, by adding
3.15 subdivisions; 171.06, subdivision 3b; 171.061, by adding a subdivision; 171.12,
3.16 by adding a subdivision; 171.13, subdivision 9; 171.16, subdivision 3; 174.02, by
3.17 adding a subdivision; 174.185, subdivisions 2, 3, by adding subdivisions; 174.40,
3.18 subdivision 3; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27,
3.19 subdivision 3; 179A.041, subdivision 2; 179A.09, by adding subdivisions; 179A.11,
3.20 subdivisions 1, 2, by adding a subdivision; 179A.12, subdivision 5; 179A.13,
3.21 subdivisions 1, 2; 179A.40, subdivision 1; 179A.54, subdivision 5; 181.171,
3.22 subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 214.025; 214.04,
3.23 subdivision 2a; 214.29; 214.31; 214.355; 216A.037, subdivision 1; 216A.07,
3.24 subdivision 3; 216B.098, by adding a subdivision; 216B.16, subdivisions 6c, 8;
3.25 216B.17, by adding a subdivision; 216B.2402, subdivisions 4, 10, by adding a
3.26 subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 1c, 2, 11,
3.27 12; 216B.2421, subdivision 2; 216B.2425, subdivisions 1, 2, by adding a
3.28 subdivision; 216B.2427, subdivision 1, by adding a subdivision; 216B.243,
3.29 subdivisions 3, 3a, 4, 9; 216B.246, subdivision 3; 216C.10; 216C.435, subdivisions
3.30 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10;
3.31 216E.02, subdivision 1; 216E.08, subdivision 2; 216E.11; 216E.13; 216E.14;
3.32 216E.15; 216E.16; 216E.18, subdivision 2a; 221.0255, subdivisions 4, 9, by adding
3.33 a subdivision; 232.21, subdivisions 3, 7, 11, 12, 13; 245.462, subdivision 6;
3.34 245.4663, subdivision 2; 245.821, subdivision 1; 245.825, subdivision 1; 245A.043,
3.35 subdivisions 2, 4, by adding subdivisions; 245A.07, subdivision 6; 245A.11,
3.36 subdivision 2a; 245C.05, subdivision 5; 245C.10, subdivision 18; 245C.14,
3.37 subdivision 1, by adding a subdivision; 245C.15, subdivisions 3, 4; 245C.22,
3.38 subdivision 4; 245C.24, subdivisions 2, 5; 245C.30, by adding a subdivision;
3.39 245F.09, subdivision 2; 245F.14, by adding a subdivision; 245F.17; 245G.07,
3.40 subdivision 4; 245G.08, subdivisions 5, 6; 245G.10, by adding a subdivision;
3.41 245G.22, subdivisions 6, 7; 245I.02, subdivisions 17, 19; 245I.04, subdivision 6;
3.42 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20,
3.43 subdivision 4; 245I.23, subdivisions 14, 19a; 246.018, subdivision 3, as amended;
3.44 246.129, as amended; 246.13, subdivision 2, as amended; 246.234, as amended;
3.45 246.36, as amended; 246.511, as amended; 252.27, subdivision 2b; 252.282,
3.46 subdivision 1, by adding a subdivision; 254B.01, by adding subdivisions; 256.01,
3.47 subdivision 41, by adding a subdivision; 256.88; 256.89; 256.90; 256.91; 256.92;
3.48 256.9657, subdivision 8, by adding a subdivision; 256.969, by adding subdivisions;
3.49 256.9755, subdivisions 2, 3; 256B.02, subdivision 11; 256B.035; 256B.056,
3.50 subdivisions 1a, 10; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision
3.51 5; 256B.0625, subdivisions 10, 12, 32, 39, by adding subdivisions; 256B.0757,
3.52 subdivisions 4a, 4d; 256B.076, by adding a subdivision; 256B.0911, subdivisions
3.53 12, 17, 20; 256B.0913, subdivision 5a; 256B.0924, subdivision 3; 256B.0943,
3.54 subdivisions 3, 12; 256B.0947, subdivision 5; 256B.434, by adding a subdivision;
3.55 256B.49, subdivision 16, by adding a subdivision; 256B.4911, by adding
3.56 subdivisions; 256B.4912, subdivision 1; 256B.69, subdivisions 2, 4; 256B.76,
3.57 subdivision 6; 256B.77, subdivision 7a; 256B.795; 256I.04, subdivision 2f;
3.58 256K.45, subdivision 2; 256L.12, subdivision 7; 256R.02, subdivision 20; 256S.07,

4.1 subdivision 1; 256S.205, subdivisions 2, 3, 5, by adding a subdivision; 259.52,
4.2 subdivisions 2, 4; 260E.33, subdivision 2, as amended; 270B.14, subdivision 17,
4.3 by adding a subdivision; 270C.21; 273.135, subdivision 2; 275.065, by adding a
4.4 subdivision; 276.04, by adding a subdivision; 276A.01, subdivision 17; 276A.06,
4.5 subdivision 8; 279.06, subdivision 1; 281.23, subdivision 2; 282.01, subdivision
4.6 6; 282.241, subdivision 1; 282.301; 289A.08, subdivision 1; 297A.815, subdivision
4.7 3; 297F.01, subdivisions 10b, 19; 298.17; 298.2215, subdivision 1; 298.28,
4.8 subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 299E.01, subdivision
4.9 2; 317A.811, subdivision 1; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions
4.10 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.89, subdivision
4.11 5; 341.28, by adding a subdivision; 341.29; 383B.145, subdivision 5; 430.01,
4.12 subdivision 2; 430.011, subdivisions 1, 2, 3; 430.023; 430.031, subdivision 1;
4.13 430.13; 447.42, subdivision 1; 462A.02, subdivision 10; 462A.05, subdivisions
4.14 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.21, subdivision
4.15 7; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions
4.16 2, 3; 473.13, by adding a subdivision; 473.3927; 473.452; 480.15, by adding a
4.17 subdivision; 524.3-801, as amended; 604A.04, subdivision 3; 624.7141; 626.892,
4.18 subdivision 10; Minnesota Statutes 2023 Supplement, sections 3.855, subdivisions
4.19 2, 3, 6; 10.65, subdivision 2; 13.43, subdivision 6; 13.46, subdivision 2, as amended;
4.20 15.01; 15.06, subdivision 1, as amended; 15A.0815, subdivision 2; 15A.082,
4.21 subdivisions 1, 3, 7; 17.055, subdivision 3; 17.133, subdivision 3; 17.134,
4.22 subdivision 3, by adding a subdivision; 17.710; 18C.425, subdivision 6; 18K.06;
4.23 43A.08, subdivisions 1, 1a; 62J.84, subdivision 10; 62Q.46, subdivision 1; 62Q.473,
4.24 by adding subdivisions; 82.75, subdivision 8; 116C.779, subdivision 1; 116C.7792;
4.25 116J.871, subdivisions 1, as amended, 2; 123B.935, subdivision 1; 135A.121,
4.26 subdivision 2; 135A.161, by adding a subdivision; 135A.162, subdivision 2;
4.27 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62,
4.28 subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; 142A.03, by
4.29 adding a subdivision; 144.0526, subdivision 1; 144.1501, subdivision 2; 144.1505,
4.30 subdivision 2; 144.651, subdivision 10a; 144A.4791, subdivision 10; 144E.101,
4.31 subdivisions 6, 7, as amended; 145.561, subdivision 4; 145D.01, subdivision 1;
4.32 148.5195, subdivision 3; 148.5196, subdivision 1; 148B.392, subdivision 2;
4.33 151.555, subdivisions 1, 4, 5, 6, 7, 8, 9, 11, 12; 151.74, subdivision 3; 152.126,
4.34 subdivision 6; 161.178; 161.46, subdivision 2; 162.146, by adding a subdivision;
4.35 168.1259; 168.29; 169.011, subdivision 27; 169.223, subdivision 4; 171.06,
4.36 subdivision 3; 171.0705, subdivision 2; 171.301, subdivisions 3, 6; 174.49,
4.37 subdivision 6; 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions
4.38 1, 2, 4, 7; 177.50, by adding subdivisions; 179A.03, subdivisions 14, 18; 179A.041,
4.39 subdivision 10; 179A.06, subdivision 6; 179A.07, subdivisions 8, 9; 179A.10,
4.40 subdivision 2; 179A.12, subdivisions 2a, 6, 11; 181.032; 181.9445, subdivisions
4.41 4, 5, by adding a subdivision; 181.9446; 181.9447, subdivisions 1, 3, 5, 10, 11,
4.42 by adding a subdivision; 181.9448, subdivisions 1, 2, 3; 216B.243, subdivision 8;
4.43 216C.08; 216C.09; 216C.331, subdivision 1; 216C.435, subdivision 8; 216C.436,
4.44 subdivisions 1b, 2; 216E.06; 216E.07; 216E.10, subdivisions 1, 2, 3; 219.015,
4.45 subdivision 2; 245.4889, subdivision 1; 245.735, subdivision 3; 245.91, subdivision
4.46 4; 245.991, subdivision 1; 245A.03, subdivisions 2, as amended, 7, as amended;
4.47 245A.043, subdivision 3; 245A.07, subdivision 1, as amended; 245A.11,
4.48 subdivision 7; 245A.16, subdivision 1, as amended; 245A.211, subdivision 4;
4.49 245A.242, subdivision 2; 245C.02, subdivision 13e; 245C.031, subdivision 4;
4.50 245C.08, subdivision 1; 245C.15, subdivisions 2, 4a; 245C.31, subdivision 1;
4.51 245G.07, subdivision 2; 245G.22, subdivisions 2, 17; 245I.04, subdivision 19;
4.52 246.54, subdivisions 1a, 1b; 246C.01; 246C.02, as amended; 246C.04, as amended;
4.53 246C.05, as amended; 253B.10, subdivision 1, as amended; 254B.04, subdivision
4.54 1a; 254B.05, subdivisions 1, 5, as amended; 254B.19, subdivision 1; 256.043,
4.55 subdivision 3; 256.0471, subdivision 1, as amended; 256.4764, subdivision 3;
4.56 256.9631; 256.969, subdivision 2b; 256.9756, subdivisions 1, 2; 256B.0622,
4.57 subdivisions 7b, 8; 256B.0625, subdivisions 3a, 5m, 9, 13e, as amended, 13f, 13k,
4.58 16; 256B.064, subdivision 4; 256B.0671, subdivisions 3, 5; 256B.0701, subdivision

5.1 6; 256B.0911, subdivision 13; 256B.0913, subdivision 5, as amended; 256B.092,
5.2 subdivision 1a; 256B.0947, subdivision 7; 256B.0949, subdivision 15; 256B.49,
5.3 subdivision 13; 256B.764; 256B.766; 256D.01, subdivision 1a; 256I.05,
5.4 subdivisions 1a, 11; 256L.03, subdivision 1; 256L.04, subdivision 10; 256R.55;
5.5 260.761, by adding a subdivision; 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by
5.6 adding subdivisions; 268B.04; 268B.06, subdivisions 2, 3, 4, 5, by adding a
5.7 subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09,
5.8 subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding
5.9 subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15,
5.10 subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19;
5.11 268B.26; 268B.27, subdivision 2; 268B.29; 270B.14, subdivision 1; 290.0661,
5.12 subdivisions 4, 8, by adding a subdivision; 297A.993, subdivision 2a; 298.018,
5.13 subdivision 1; 298.28, subdivisions 7a, 16; 299A.642, subdivision 15; 326B.106,
5.14 subdivision 1; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321;
5.15 341.33, by adding a subdivision; 341.355; 357.021, subdivision 6; 462A.05,
5.16 subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.38,
5.17 subdivision 2; 462A.39, subdivision 2; 462A.395; 473.145; 473.3999; 473.4051,
5.18 by adding a subdivision; 473.412, subdivisions 2, 3; 473.4465, subdivision 4;
5.19 477A.35, subdivisions 2, 4, 5, 6, by adding a subdivision; 477A.36, subdivisions
5.20 1, as amended, 4, 5, 6, as amended, by adding a subdivision; 609.67, subdivision
5.21 1; Laws 2020, chapter 73, section 8; Laws 2021, First Special Session chapter 5,
5.22 article 1, section 2, subdivision 2; Laws 2021, First Special Session chapter 7,
5.23 article 13, section 68; article 17, section 19, as amended; Laws 2022, chapter 42,
5.24 section 2; Laws 2023, chapter 22, section 4, subdivision 2; Laws 2023, chapter
5.25 37, article 1, section 2, subdivisions 2, 5, 18, 25, 29, 32; article 2, sections 6,
5.26 subdivisions 1, 2, 4, 5, by adding subdivisions; 12, subdivision 2; Laws 2023,
5.27 chapter 41, article 1, sections 2, subdivisions 35, 36, 49, as amended; 4, subdivision
5.28 2; Laws 2023, chapter 43, article 1, sections 2; 4; article 2, section 142, subdivision
5.29 9; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter 53, article
5.30 14, section 1; article 19, sections 2, subdivisions 1, 3, 5; 4; article 21, sections 6;
5.31 7; Laws 2023, chapter 57, article 1, section 6; Laws 2023, chapter 60, article 10,
5.32 section 2, subdivision 2; Laws 2023, chapter 61, article 1, sections 60, subdivisions
5.33 1, 2; 67, subdivision 3; article 4, section 11; article 8, sections 1; 2; 3; 8; article 9,
5.34 section 2, subdivisions 5, 14, 16, as amended, 18; Laws 2023, chapter 68, article
5.35 1, sections 3, subdivision 2; 4, subdivision 3; 20; article 4, sections 108; 126; Laws
5.36 2023, chapter 70, article 1, section 35; article 20, sections 2, subdivisions 5, 29,
5.37 31; 3, subdivision 2; 12, as amended; Laws 2024, chapter 79, article 1, sections
5.38 18; 23; 24; 25, subdivision 3; article 10, sections 1; 6; Laws 2024, chapter 80,
5.39 article 2, sections 6, subdivisions 2, 3, by adding subdivisions; 10, subdivision 1;
5.40 Laws 2024, chapter 113, section 1, subdivision 2; 2024 H.F. No. 5237, article 22,
5.41 section 2, subdivisions 4, if enacted, 5, if enacted; proposing coding for new law
5.42 in Minnesota Statutes, chapters 16A; 16B; 62A; 62C; 62D; 62J; 62M; 62Q; 135A;
5.43 136A; 137; 144; 144A; 144E; 144G; 145D; 148; 148B; 148E; 149A; 150A; 151;
5.44 156; 161; 168; 169; 181; 214; 216C; 216G; 219; 245C; 246C; 254B; 256; 256B;
5.45 256S; 268B; 282; 325F; 326B; 341; 346; 430; 462A; proposing coding for new
5.46 law as Minnesota Statutes, chapters 181C; 216I; repealing Minnesota Statutes
5.47 2022, sections 3.7371, subdivision 7; 34.07; 62A.041, subdivision 3; 135A.16;
5.48 144.218, subdivision 3; 144.497; 144E.001, subdivision 5; 144E.01; 144E.123,
5.49 subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3; 147A.09,
5.50 subdivision 5; 148D.061, subdivision 9; 151.74, subdivision 16; 156.12, subdivision
5.51 6; 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85;
5.52 216E.001; 216E.01, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10; 216E.02; 216E.021;
5.53 216E.03, subdivisions 2, 3a, 3b, 4, 9; 216E.04, subdivisions 1, 3, 4, 5, 6, 7, 8, 9;
5.54 216E.05, subdivisions 1, 3; 216E.08, subdivisions 1, 4; 216E.18, subdivisions 1,
5.55 2; 216F.01; 216F.011; 216F.012; 216F.015; 216F.02; 216F.03; 216F.05; 216F.06;
5.56 216F.07; 216F.08; 216F.081; 245C.125; 246.41; 252.27, subdivisions 1a, 2, 3, 4a,
5.57 5, 6; 253C.01; 256.043, subdivision 4; 256B.0916, subdivision 10; 256B.79,
5.58 subdivision 6; 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4;

6.1 256D.23, subdivisions 1, 2, 3; 256R.02, subdivision 46; 462A.209, subdivision 8;
 6.2 Minnesota Statutes 2023 Supplement, sections 3.855, subdivision 5; 62J.312,
 6.3 subdivision 6; 62Q.522, subdivisions 3, 4; 135A.162, subdivision 7; 216E.01,
 6.4 subdivisions 3a, 6, 9a; 216E.03, subdivisions 1, 3, 5, 6, 7, 10, 11; 216E.04,
 6.5 subdivision 2; 216E.05, subdivision 2; 216F.04; 245C.08, subdivision 2; 246C.03;
 6.6 252.27, subdivision 2a; 268B.06, subdivision 7; 268B.08; 268B.10, subdivision
 6.7 11; 268B.14, subdivision 5; 477A.35, subdivision 1; Laws 2023, chapter 25, section
 6.8 190, subdivision 10; Laws 2023, chapter 37, article 2, section 13; Laws 2024,
 6.9 chapter 79, article 4, section 1, subdivision 3; Laws 2024, chapter 80, article 2,
 6.10 section 6, subdivision 4; Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020;
 6.11 1506.0025; 1506.0030; 1506.0035; 1506.0040; 5520.0100; 5520.0110; 5520.0120,
 6.12 subparts 1, 2, 3, 4, 5, 6, 7; 5520.0200; 5520.0250, subparts 1, 2, 4; 5520.0300;
 6.13 5520.0500, subparts 1, 2, 3, 4, 5, 6; 5520.0520; 5520.0540; 5520.0560; 5520.0600;
 6.14 5520.0620; 5520.0700; 5520.0710; 5520.0800; 7850.1000; 7850.1100; 7850.1200;
 6.15 7850.1300; 7850.1400; 7850.1500; 7850.1600; 7850.1700; 7850.1800; 7850.1900;
 6.16 7850.2000; 7850.2100; 7850.2200; 7850.2300; 7850.2400; 7850.2500; 7850.2600;
 6.17 7850.2700; 7850.2800; 7850.2900; 7850.3000; 7850.3100; 7850.3200; 7850.3300;
 6.18 7850.3400; 7850.3500; 7850.3600; 7850.3700; 7850.3800; 7850.3900; 7850.4100;
 6.19 7850.4200; 7850.4500; 7850.4600; 7850.4700; 7850.4800; 7850.4900; 7850.5000;
 6.20 7850.5100; 7850.5200; 7850.5300; 7850.5400; 7850.5500; 7850.5600; 7854.0100;
 6.21 7854.0200; 7854.0300; 7854.0400; 7854.0500; 7854.0600; 7854.0700; 7854.0800;
 6.22 7854.0900; 7854.1000; 7854.1100; 7854.1200; 7854.1300; 7854.1400; 7854.1500.

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

6.24 **ARTICLE 1**

6.25 **TRANSPORTATION APPROPRIATIONS**

6.26 Section 1. **TRANSPORTATION APPROPRIATIONS.**

6.27 The sums shown in the columns marked "Appropriations" are added to the appropriations
 6.28 in Laws 2023, chapter 68, article 1, to the agencies and for the purposes specified in this
 6.29 article. The appropriations are from the trunk highway fund, or another named fund, and
 6.30 are available for the fiscal years indicated for each purpose. Amounts for "Total
 6.31 Appropriation" and sums shown in the corresponding columns marked "Appropriations by
 6.32 Fund" are summary only and do not have legal effect. The figures "2024" and "2025" used
 6.33 in this article mean that the appropriations listed under them are available for the fiscal year
 6.34 ending June 30, 2024, or June 30, 2025, respectively. "Each year" is each of fiscal years
 6.35 2024 and 2025.

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

6.40 **Sec. 2. DEPARTMENT OF**
 6.41 **TRANSPORTATION**

6.42 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>58,416,000</u>
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7.1	<u>Appropriations by Fund</u>	
7.2	<u>2024</u>	<u>2025</u>
7.3	<u>General</u>	<u>3,443,000</u>
7.4	<u>Special Revenue</u>	<u>3,750,000</u>
7.5	<u>Trunk Highway</u>	<u>51,223,000</u>

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

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

7.11 Subd. 2. Multimodal Systems

7.12	<u>(a) Transit</u>	<u>-0-</u>	<u>3,750,000</u>
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7.13 Notwithstanding the requirements under
 7.14 Minnesota Statutes, section 174.38,
 7.15 subdivision 3, paragraph (a), this appropriation
 7.16 is from the active transportation account in
 7.17 the special revenue fund for a grant to the city
 7.18 of Ramsey for design, environmental analysis,
 7.19 site preparation, and construction of the
 7.20 Mississippi Skyway Trail Bridge over marked
 7.21 U.S. Highways 10 and 169 in Ramsey to
 7.22 provide for a grade-separated crossing for
 7.23 pedestrians and nonmotorized vehicles.

7.24 Notwithstanding Minnesota Statutes, section
 7.25 16B.98, subdivision 14, the commissioner
 7.26 must not use any amount of this appropriation
 7.27 for administrative costs. This is a onetime
 7.28 appropriation and is available until June 30,
 7.29 2028.

7.30	<u>(b) Passenger Rail</u>	<u>-0-</u>	<u>1,000,000</u>
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7.31 This appropriation is from the general fund
 7.32 for a grant to the Ramsey County Regional
 7.33 Railroad Authority for a portion of the costs
 7.34 of insurance coverage related to rail-related

8.1 incidents occurring at Union Depot in the city
 8.2 of St. Paul. Notwithstanding Minnesota
 8.3 Statutes, section 16B.98, subdivision 14, the
 8.4 commissioner must not use any amount of this
 8.5 appropriation for administrative costs. This is
 8.6 a onetime appropriation.

8.7 **Subd. 3. State Roads**

8.8 **(a) Operations and Maintenance** -0- 2,405,000

8.9 \$300,000 in fiscal year 2025 is for rumble
 8.10 strips under Minnesota Statutes, section
 8.11 161.1258.

8.12 \$1,000,000 in fiscal year 2025 is for
 8.13 landscaping improvements located within
 8.14 trunk highway rights-of-way under the
 8.15 Department of Transportation's community
 8.16 roadside landscape partnership program, with
 8.17 prioritization of tree planting as feasible.

8.18 \$1,000,000 is from the general fund for the
 8.19 traffic safety camera pilot program under
 8.20 Minnesota Statutes, section 169.147, and the
 8.21 evaluation and legislative report under article
 8.22 3, sections 116 and 117. With the approval of
 8.23 the commissioner of transportation, any
 8.24 portion of this appropriation is available to the
 8.25 commissioner of public safety. This is a
 8.26 onetime appropriation and is available until
 8.27 June 30, 2029.

8.28 \$105,000 in fiscal year 2025 is for the cost of
 8.29 staff time to coordinate with the Public
 8.30 Utilities Commission relating to placement of
 8.31 high voltage transmission lines along trunk
 8.32 highways.

8.33 **(b) Program Planning and Delivery** -0- 5,800,000

9.1 \$3,000,000 in fiscal year 2025 is for
 9.2 implementation and development of statewide
 9.3 and regional travel demand modeling related
 9.4 to the requirements under Minnesota Statutes,
 9.5 section 161.178. This is a onetime
 9.6 appropriation and is available until June 30,
 9.7 2026.

9.8 \$800,000 in fiscal year 2025 is for one or more
 9.9 grants to metropolitan planning organizations
 9.10 outside the metropolitan area, as defined in
 9.11 Minnesota Statutes, section 473.121,
 9.12 subdivision 2, for modeling activities related
 9.13 to the requirements under Minnesota Statutes,
 9.14 section 161.178. Notwithstanding Minnesota
 9.15 Statutes, section 16B.98, subdivision 14, the
 9.16 commissioner must not use any amount of this
 9.17 appropriation for administrative costs. This is
 9.18 a onetime appropriation.

9.19 \$2,000,000 in fiscal year 2025 is to complete
 9.20 environmental documentation and for
 9.21 preliminary engineering and design for the
 9.22 reconstruction of marked Trunk Highway 55
 9.23 from Hennepin County State-Aid Highway
 9.24 19, north of the city of Loretto to Hennepin
 9.25 County Road 118 near the city of Medina.

9.26 This is a onetime appropriation and is
 9.27 available until June 30, 2027.

9.28 **(c) State Road Construction** -0- 10,900,000

9.29 \$8,900,000 in fiscal year 2025 is for the
 9.30 acquisition, environmental analysis, predesign,
 9.31 design, engineering, construction,
 9.32 reconstruction, and improvement of trunk
 9.33 highway bridges, including design-build
 9.34 contracts, program delivery, consultant usage
 9.35 to support these activities, and the cost of

10.1 payments to landowners for lands acquired
 10.2 for highway rights-of-way. Projects under this
 10.3 appropriation must follow eligible investment
 10.4 priorities identified in the Minnesota state
 10.5 highway investment plan under Minnesota
 10.6 Statutes, section 174.03, subdivision 1c. The
 10.7 commissioner may use up to 17 percent of this
 10.8 appropriation for program delivery. This is a
 10.9 onetime appropriation and is available until
 10.10 June 30, 2028.

10.11 \$1,000,000 in fiscal year 2025 is for predesign
 10.12 and design of intersection safety improvements
 10.13 along marked Trunk Highway 65 from the
 10.14 interchange with marked U.S. Highway 10 to
 10.15 99th Avenue Northeast in the city of Blaine.
 10.16 This is a onetime appropriation.

10.17 \$1,000,000 in fiscal year 2025 is to design and
 10.18 construct trunk highway improvements
 10.19 associated with an interchange at U.S.
 10.20 Highway 169, marked Trunk Highway 282,
 10.21 and Scott County State-Aid Highway 9 in the
 10.22 city of Jordan, including accommodations for
 10.23 bicycles and pedestrians and for bridge and
 10.24 road construction. This is a onetime
 10.25 appropriation and is available until June 30,
 10.26 2027.

10.27 **(d) Highway Debt Service** -0- 468,000

10.28 This appropriation is for transfer to the state
 10.29 bond fund. If this appropriation is insufficient
 10.30 to make all transfers required in the year for
 10.31 which it is made, the commissioner of
 10.32 management and budget must transfer the
 10.33 deficiency amount as provided under
 10.34 Minnesota Statutes, section 16A.641, and
 10.35 notify the chairs and ranking minority

11.1 members of the legislative committees with
 11.2 jurisdiction over transportation finance and
 11.3 the chairs of the senate Finance Committee
 11.4 and the house of representatives Ways and
 11.5 Means Committee of the amount of the
 11.6 deficiency. Any excess appropriation cancels
 11.7 to the trunk highway fund.

11.8 **Subd. 4. Local Roads** 1,200,000

11.9 \$1,000,000 in fiscal year 2025 is from the
 11.10 general fund for a grant to a political
 11.11 subdivision that (1) has a directly elected
 11.12 governing board, (2) is contained within a city
 11.13 of the first class, and (3) maintains sole
 11.14 jurisdiction over a roadway system within the
 11.15 city. This appropriation is for the design,
 11.16 engineering, construction, and reconstruction
 11.17 of roads on the roadway system.
 11.18 Notwithstanding Minnesota Statutes, section
 11.19 16B.98, subdivision 14, the commissioner
 11.20 must not use any amount of this appropriation
 11.21 for administrative costs. This is a onetime
 11.22 appropriation and is available until June 30,
 11.23 2027.

11.24 \$200,000 in fiscal year 2025 is from the
 11.25 general fund for a grant to the city of
 11.26 Shorewood to develop a transportation
 11.27 management organization along the marked
 11.28 Trunk Highway 7 corridor from the western
 11.29 border of Hennepin County to Interstate
 11.30 Highway 494. Money under this rider is
 11.31 available for developing a comprehensive
 11.32 study and financial plan for a transportation
 11.33 management organization in the cities and
 11.34 school districts along this corridor and
 11.35 connecting roadways. Notwithstanding

12.1 Minnesota Statutes, section 16B.98,
 12.2 subdivision 14, the commissioner must not
 12.3 use any amount of this appropriation for
 12.4 administrative costs. This is a onetime
 12.5 appropriation.

12.6 **Subd. 5. Agency Management**

12.7 **(a) Agency Services** -0- 243,000

12.8 This appropriation is from the general fund
 12.9 for costs related to complete streets
 12.10 implementation training under Minnesota
 12.11 Statutes, section 174.75, subdivision 2a.

12.12 **(b) Buildings** -0- 32,650,000

12.13 \$20,100,000 in fiscal year 2025 is for the
 12.14 transportation facilities capital improvement
 12.15 program under Minnesota Statutes, section
 12.16 174.595. This is a onetime appropriation and
 12.17 is available until June 30, 2028.

12.18 \$7,750,000 in fiscal year 2025 is for land
 12.19 acquisition, predesign, design, and
 12.20 construction of expanded truck parking at Big
 12.21 Spunk in Avon and Enfield Rest Areas and
 12.22 for the rehabilitation or replacement of truck
 12.23 parking information management system
 12.24 equipment at Department of
 12.25 Transportation-owned parking rest area
 12.26 locations. This is a onetime appropriation and
 12.27 is available until June 30, 2028.

12.28 \$4,800,000 in fiscal year 2025 is for predesign,
 12.29 design, engineering, environmental analysis
 12.30 and remediation, acquisition of land or
 12.31 permanent easements, and construction of one
 12.32 or more truck parking safety projects for the
 12.33 trunk highway system. Each truck parking
 12.34 safety project must expand truck parking

13.1 availability in proximity to a trunk highway
 13.2 and be located in the Department of
 13.3 Transportation metropolitan district. In
 13.4 developing each project, the commissioner
 13.5 must seek partnerships with local units of
 13.6 government, established truck stop businesses,
 13.7 or a combination. Partnership activities may
 13.8 include but are not limited to parking site
 13.9 identification and review, financial assistance,
 13.10 donation of land, and project development
 13.11 activities. This is a onetime appropriation and
 13.12 is available until June 30, 2027.

13.13	Sec. 3. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>-0-</u>	<u>10,000,000</u>
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13.14 The appropriation in this section is from the
 13.15 general fund to the Metropolitan Council.

13.16 This appropriation is for a grant to Hennepin
 13.17 County to administer the Blue Line light rail
 13.18 transit extension antidisplacement community
 13.19 prosperity program under article 3, sections
 13.20 118 and 119. Notwithstanding Minnesota
 13.21 Statutes, section 16B.98, subdivision 14, the
 13.22 council must not use any amount of this
 13.23 appropriation for administrative costs. This is
 13.24 a onetime appropriation and is available until
 13.25 June 30, 2027.

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

13.27	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 4,641,000</u>
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13.28 The appropriations in this section are to the
 13.29 commissioner of public safety.

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

13.33	Subd. 2. <u>Driver and Vehicle Services</u>		<u>-0-</u>	<u>3,241,000</u>
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14.1 The appropriations in this subdivision are from
 14.2 the driver and vehicle services operating
 14.3 account in the special revenue fund.

14.4 \$2,969,000 in fiscal year 2025 is for staff and
 14.5 related operating costs to support testing at
 14.6 driver's license examination stations.

14.7 \$100,000 in fiscal year 2025 is for costs
 14.8 related to the special license plate review
 14.9 committee study and report under article 3,
 14.10 section 131. This is a onetime appropriation
 14.11 and is available until June 30, 2026.

14.12 \$172,000 in fiscal year 2025 is for costs
 14.13 related to translating written materials and
 14.14 providing them to driver's license agents and
 14.15 deputy registrars as required under article 3,
 14.16 section 123. This is a onetime appropriation.

14.17 Subd. 3. **Traffic Safety** -0- 1,400,000

14.18 Notwithstanding Minnesota Statutes, section
 14.19 299A.705, regarding the use of funds from
 14.20 this account, \$1,200,000 in fiscal year 2025
 14.21 is from the driver and vehicle services
 14.22 operating account in the special revenue fund
 14.23 for the Lights On grant program under
 14.24 Minnesota Statutes, section 169.515. The
 14.25 commissioner must contract with the Lights
 14.26 On! microgrant program to administer and
 14.27 operate the grant program. Notwithstanding
 14.28 Minnesota Statutes, section 16B.98,
 14.29 subdivision 14, the commissioner may use up
 14.30 to two percent of this appropriation for
 14.31 administrative costs. This is a onetime
 14.32 appropriation and is available until June 30,
 14.33 2026.

15.1 \$200,000 in fiscal year 2025 is from the
15.2 motorcycle safety account in the special
15.3 revenue fund for the public education
15.4 campaign on motorcycle operation under
15.5 article 3, section 122. This is a onetime
15.6 appropriation.

15.7 **Sec. 5. APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

15.8 \$15,560,000 in fiscal year 2024 is appropriated from the general fund to the commissioner
15.9 of transportation for trunk highway and local road projects, which may include but are not
15.10 limited to feasibility and corridor studies, project development, predesign, preliminary and
15.11 final design, engineering, environmental analysis and mitigation, right-of-way acquisition,
15.12 construction, and associated infrastructure improvements. This appropriation is available
15.13 for grants to local units of government. The commissioner may establish that a grant under
15.14 this section does not require a nonstate contribution. Notwithstanding Minnesota Statutes,
15.15 section 16B.98, subdivision 14, the commissioner must not use any amount of this
15.16 appropriation for administrative costs. This is a onetime appropriation and is available until
15.17 June 30, 2029.

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

15.19 **Sec. 6. APPROPRIATIONS; DEPARTMENT OF ADMINISTRATION.**

15.20 Subdivision 1. **Minnesota Advisory Council on Infrastructure.** \$41,000 in fiscal year
15.21 2025 is appropriated from the general fund to the commissioner of administration for
15.22 purposes of the Minnesota Advisory Council on Infrastructure as provided under article 3,
15.23 section 121, and Minnesota Statutes, sections 16B.357 to 16B.359. The base for this
15.24 appropriation is \$475,000 in fiscal year 2026 and \$471,000 in fiscal year 2027.

15.25 Subd. 2. **Public-facing professional services.** \$43,000 in fiscal year 2025 is appropriated
15.26 from the general fund to the commissioner of administration for space costs incurred in
15.27 fiscal years 2025, 2026, and 2027 by tenants that provide public-facing professional services
15.28 on the Capitol complex. The commissioner of administration must designate one publicly
15.29 accessible space on the complex for which this appropriation may be used. This is a onetime
15.30 appropriation and is available until June 30, 2027.

15.31 Subd. 3. **Department of Transportation building.** (a) The following are appropriated
15.32 to the commissioner of administration for design, construction, and equipment required to
15.33 upgrade the physical security elements and systems for the Department of Transportation

16.1 building, attached tunnel systems, surrounding grounds, and parking facilities as identified
16.2 in the 2017 Minnesota State Capitol complex physical security predesign and the updated
16.3 assessment completed in 2022:

16.4 (1) \$1,350,000 in fiscal year 2025 from the trunk highway fund; and

16.5 (2) \$450,000 in fiscal year 2025 from the general fund.

16.6 (b) This is a onetime appropriation and is available until June 30, 2028.

16.7 Subd. 4. State Patrol headquarters. \$22,500,000 in fiscal year 2025 is appropriated
16.8 from the trunk highway fund to the commissioner of administration for design and land
16.9 acquisition for a new headquarters building and support facilities for the State Patrol. This
16.10 appropriation may also be used, as part of the first phase of the overall site development,
16.11 to design the abatement of hazardous materials and demolition of any buildings located on
16.12 the site and to demolish any buildings located on the site and abate hazardous materials.
16.13 This is a onetime appropriation and is available until June 30, 2028.

16.14 Sec. 7. APPROPRIATION; DEPARTMENT OF COMMERCE.

16.15 \$46,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
16.16 of commerce for an environmental review conducted by the Department of Commerce
16.17 Energy Environmental Review and Analysis unit, relating to the placement of high voltage
16.18 transmission lines along trunk highway rights-of-way.

16.19 Sec. 8. APPROPRIATION CANCELLATIONS; DEPARTMENT OF
16.20 TRANSPORTATION.

16.21 (a) \$11,000,000 of the appropriation in fiscal year 2024 from the general fund for
16.22 Infrastructure Investment and Jobs Act (IIJA) discretionary matches under Laws 2023,
16.23 chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the general fund.

16.24 (b) \$15,560,000 of the appropriation in fiscal year 2022 for trunk highway corridor
16.25 studies and local road grants under Laws 2021, First Special Session chapter 5, article 1,
16.26 section 6, is canceled to the general fund.

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

16.28 Sec. 9. TRANSFER.

16.29 \$11,350,000 in fiscal year 2025 is transferred from the general fund to the small cities
16.30 assistance account under Minnesota Statutes, section 162.145, subdivision 2. This is a

17.1 onetime transfer. The amount transferred under this section must be allocated and distributed
 17.2 in the July 2024 payment.

17.3 Sec. 10. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is
 17.4 amended to read:

17.5 **Subd. 2. Multimodal Systems**

17.6 **(a) Aeronautics**

17.7 **(1) Airport Development and Assistance** 24,198,000 18,598,000

17.8	Appropriations by Fund		
17.9		2022	2023
17.10	General	5,600,000	-0-
17.11	Airports	18,598,000	18,598,000

17.12 This appropriation is from the state airports
 17.13 fund and must be spent according to
 17.14 Minnesota Statutes, section 360.305,
 17.15 subdivision 4.

17.16 \$5,600,000 in fiscal year 2022 is from the
 17.17 general fund for a grant to the city of Karlstad
 17.18 for the acquisition of land, predesign, design,
 17.19 engineering, and construction of a primary
 17.20 airport runway. This appropriation is for Phase
 17.21 1 of the project.

17.22 Notwithstanding Minnesota Statutes, section
 17.23 16A.28, subdivision 6, this appropriation is
 17.24 available for five years after the year of the
 17.25 appropriation. If the appropriation for either
 17.26 year is insufficient, the appropriation for the
 17.27 other year is available for it.

17.28 If the commissioner of transportation
 17.29 determines that a balance remains in the state
 17.30 airports fund following the appropriations
 17.31 made in this article and that the appropriations
 17.32 made are insufficient for advancing airport
 17.33 development and assistance projects, an

18.1 amount necessary to advance the projects, not
 18.2 to exceed the balance in the state airports fund,
 18.3 is appropriated in each year to the
 18.4 commissioner and must be spent according to
 18.5 Minnesota Statutes, section 360.305,
 18.6 subdivision 4. Within two weeks of a
 18.7 determination under this contingent
 18.8 appropriation, the commissioner of
 18.9 transportation must notify the commissioner
 18.10 of management and budget and the chairs,
 18.11 ranking minority members, and staff of the
 18.12 legislative committees with jurisdiction over
 18.13 transportation finance concerning the funds
 18.14 appropriated. Funds appropriated under this
 18.15 contingent appropriation do not adjust the base
 18.16 for fiscal years 2024 and 2025.

18.17 **(2) Aviation Support Services** 8,332,000 8,340,000

18.18 Appropriations by Fund

18.19		2022	2023
18.20	General	1,650,000	1,650,000
18.21	Airports	6,682,000	6,690,000

18.22 \$28,000 in fiscal year 2022 and \$36,000 in
 18.23 fiscal year 2023 are from the state airports
 18.24 fund for costs related to regulating unmanned
 18.25 aircraft systems.

18.26 **(3) Civil Air Patrol** 80,000 80,000

18.27 This appropriation is from the state airports
 18.28 fund for the Civil Air Patrol.

18.29 **(b) Transit and Active Transportation** 23,501,000 18,201,000

18.30 This appropriation is from the general fund.
 18.31 \$5,000,000 in fiscal year 2022 is for the active
 18.32 transportation program under Minnesota
 18.33 Statutes, section 174.38. This is a onetime

19.1 appropriation and is available until June 30,
 19.2 2025.

19.3 \$300,000 in fiscal year 2022 is for a grant to
 19.4 the 494 Corridor Commission. The
 19.5 commissioner must not retain any portion of
 19.6 the funds appropriated under this section. The
 19.7 commissioner must make grant payments in
 19.8 full by December 31, 2021. Funds under this
 19.9 grant are for programming and service
 19.10 expansion to assist companies and commuters
 19.11 in telecommuting efforts and promotion of
 19.12 best practices. A grant recipient must provide
 19.13 telework resources, assistance, information,
 19.14 and related activities on a statewide basis. This
 19.15 is a onetime appropriation.

19.16	(c) Safe Routes to School	5,500,000	500,000
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19.17 This appropriation is from the general fund
 19.18 for the safe routes to school program under
 19.19 Minnesota Statutes, section 174.40.

19.20 If the appropriation for either year is
 19.21 insufficient, the appropriation for the other
 19.22 year is available for it.

19.23	(d) Passenger Rail	10,500,000	500,000
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19.24 This appropriation is from the general fund
 19.25 for passenger rail activities under Minnesota
 19.26 Statutes, sections 174.632 to 174.636.

19.27 \$10,000,000 in fiscal year 2022 is for final
 19.28 design and construction to provide for a
 19.29 second daily Amtrak train service between
 19.30 Minneapolis and St. Paul and Chicago. The
 19.31 commissioner may expend funds for program
 19.32 delivery and administration from this amount.
 19.33 This is a onetime appropriation and is
 19.34 available until June 30, 2025.

20.1	(e) Freight		8,342,000	7,323,000
20.2	Appropriations by Fund			
20.3		2022	2023	
20.4	General	2,464,000	1,445,000	
20.5	Trunk Highway	5,878,000	5,878,000	

20.6 \$1,000,000 in fiscal year 2022 is from the
 20.7 general fund for procurement costs of a
 20.8 statewide freight network optimization tool.
 20.9 This is a onetime appropriation and is
 20.10 available until June 30, 2023.

20.11 \$350,000 in fiscal year 2022 and \$287,000 in
 20.12 fiscal year 2023 are from the general fund for
 20.13 two additional rail safety inspectors in the state
 20.14 rail safety inspection program under
 20.15 Minnesota Statutes, section 219.015. In each
 20.16 year, the commissioner must not increase the
 20.17 total assessment amount under Minnesota
 20.18 Statutes, section 219.015, subdivision 2, from
 20.19 the most recent assessment amount.

20.20 Sec. 11. Laws 2023, chapter 68, article 1, section 3, subdivision 2, is amended to read:

20.21		85,654,000	
20.22	Subd. 2. Transit System Operations	<u>75,654,000</u>	32,654,000

20.23 This appropriation is for transit system
 20.24 operations under Minnesota Statutes, sections
 20.25 473.371 to 473.449.

20.26 ~~\$50,000,000~~ \$40,000,000 in fiscal year 2024
 20.27 is for a grant to Hennepin County for the Blue
 20.28 Line light rail transit extension project,
 20.29 including but not limited to predesign, design,
 20.30 engineering, environmental analysis and
 20.31 mitigation, right-of-way acquisition,
 20.32 construction, and acquisition of rolling stock.
 20.33 Of this amount, ~~\$40,000,000~~ \$30,000,000 is
 20.34 available only upon entering a full funding

21.1 grant agreement with the Federal Transit
 21.2 Administration by June 30, 2027. This is a
 21.3 onetime appropriation and is available until
 21.4 June 30, 2030.
 21.5 \$3,000,000 in fiscal year 2024 is for highway
 21.6 bus rapid transit project development in the
 21.7 marked U.S. Highway 169 and marked Trunk
 21.8 Highway 55 corridors, including but not
 21.9 limited to feasibility study, predesign, design,
 21.10 engineering, environmental analysis and
 21.11 remediation, and right-of-way acquisition.

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

21.13 Sec. 12. Laws 2023, chapter 68, article 1, section 4, subdivision 3, is amended to read:

21.14 Subd. 3. **State Patrol**

21.15 (a) **Patrolling Highways** 154,044,000 141,731,000

21.16	Appropriations by Fund		
21.17		2024	2025
21.18	General	387,000	37,000
21.19	H.U.T.D.	92,000	92,000
21.20	Trunk Highway	153,565,000	141,602,000

21.21 \$350,000 in fiscal year 2024 is from the
 21.22 general fund for predesign of a State Patrol
 21.23 headquarters building and related storage and
 21.24 training facilities. The commissioner of public
 21.25 safety must work with the commissioner of
 21.26 administration to complete the predesign. This
 21.27 is a onetime appropriation and is available
 21.28 until June 30, 2027.

21.29 \$14,500,000 in fiscal year 2024 is from the
 21.30 trunk highway fund to purchase and equip a
 21.31 helicopter for the State Patrol. This is a
 21.32 onetime appropriation and is available until
 21.33 June 30, 2025.

22.1 \$2,300,000 in fiscal year 2024 is from the
 22.2 trunk highway fund to purchase a Cirrus single
 22.3 engine airplane for the State Patrol. This is a
 22.4 onetime appropriation and is available until
 22.5 June 30, 2025.

22.6 \$1,700,000 in each year is from the trunk
 22.7 highway fund for staff and equipment costs
 22.8 of pilots for the State Patrol.

22.9 \$611,000 in fiscal year 2024 and \$352,000 in
 22.10 fiscal year 2025 are from the trunk highway
 22.11 fund to support the State Patrol's accreditation
 22.12 process under the Commission on
 22.13 Accreditation for Law Enforcement Agencies.

22.14 (b) Commercial Vehicle Enforcement	15,446,000	18,423,000
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22.15 \$2,948,000 in fiscal year 2024 and \$5,248,000
 22.16 in fiscal year 2025 are to provide the required
 22.17 match for federal grants for additional troopers
 22.18 and nonsworn commercial vehicle inspectors.

22.19 (c) Capitol Security	18,666,000	19,231,000
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22.20 This appropriation is from the general fund.

22.21 The commissioner must not:

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

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

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

22.30 (1) to capitol security; or

22.31 (2) from capitol security.

23.1 The commissioner may expend the
 23.2 unencumbered balance from this appropriation
 23.3 for operating costs under this subdivision.

23.4 **(d) Vehicle Crimes Unit** 1,244,000 1,286,000

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

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

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

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

23.14 Sec. 13. Laws 2023, chapter 68, article 1, section 20, is amended to read:

23.15 Sec. 20. **TRANSFERS.**

23.16 (a) \$152,650,000 in fiscal year 2024 is transferred from the general fund to the trunk
 23.17 highway fund for the state match for highway formula and discretionary grants under the
 23.18 federal Infrastructure Investment and Jobs Act, Public Law 117-58, and for related state
 23.19 investments.

23.20 (b) \$19,500,000 in fiscal year 2024 and ~~\$19,500,000~~ \$19,215,000 in fiscal year 2025
 23.21 are transferred from the general fund to the active transportation account under Minnesota
 23.22 Statutes, section 174.38. The base for this transfer is ~~\$8,875,000~~ \$8,155,000 in fiscal year
 23.23 2026 and ~~\$9,000,000~~ \$8,284,000 in fiscal year 2027.

23.24 (c) By June 30, 2023, the commissioner of management and budget must transfer any
 23.25 remaining unappropriated balance, estimated to be \$232,000, from the driver services
 23.26 operating account in the special revenue fund to the driver and vehicle services operating
 23.27 account under Minnesota Statutes, section 299A.705.

23.28 (d) By June 30, 2023, the commissioner of management and budget must transfer any
 23.29 remaining unappropriated balance, estimated to be \$13,454,000, from the vehicle services
 23.30 operating account in the special revenue fund to the driver and vehicle services operating
 23.31 account under Minnesota Statutes, section 299A.705.

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ARTICLE 2

TRUNK HIGHWAY BONDS

Section 1. BOND APPROPRIATIONS.

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

SUMMARY

<u>Department of Transportation</u>	<u>\$</u>	<u>30,000,000</u>
<u>Department of Management and Budget</u>	<u>\$</u>	<u>30,000</u>
<u>TOTAL</u>	<u>\$</u>	<u>30,030,000</u>

APPROPRIATIONS

Sec. 2. DEPARTMENT OF TRANSPORTATION

Subdivision 1. **Corridors of Commerce** \$ 15,000,000

(a) This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount for program delivery.

(b) From this appropriation, the commissioner may (1) select projects using the results of the most recent evaluation for the corridors of commerce program, and (2) provide additional funds for projects previously selected under the corridors of commerce program.

Subd. 2. **State Road Construction** 15,000,000

This appropriation is to the commissioner of transportation for construction, reconstruction,

25.1 and improvement of trunk highways, including
 25.2 design-build contracts, internal department
 25.3 costs associated with delivering the
 25.4 construction program, and consultant usage
 25.5 to support these activities. The commissioner
 25.6 may use up to 17 percent of the amount for
 25.7 program delivery.

25.8 **Sec. 3. BOND SALE EXPENSES \$ 30,000**

25.9 This appropriation is to the commissioner of
 25.10 management and budget for bond sale
 25.11 expenses under Minnesota Statutes, sections
 25.12 16A.641, subdivision 8, and 167.50,
 25.13 subdivision 4.

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

25.15 To provide the money appropriated in this article from the bond proceeds account in the
 25.16 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
 25.17 of the state in an amount up to \$30,030,000 in the manner, upon the terms, and with the
 25.18 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
 25.19 Constitution, article XIV, section 11, at the times and in the amounts requested by the
 25.20 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
 25.21 premium received from the sale of the bonds, must be deposited in the bond proceeds account
 25.22 in the trunk highway fund.

25.23 **ARTICLE 3**

25.24 **TRANSPORTATION POLICY**

25.25 Section 1. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision
 25.26 to read:

25.27 Subd. 38. **Traffic safety camera data.** Data related to traffic safety cameras are governed
 25.28 by section 169.147, subdivisions 14 to 16.

25.29 Sec. 2. Minnesota Statutes 2022, section 13.824, subdivision 1, is amended to read:

25.30 Subdivision 1. ~~Definition~~ **Definitions.** ~~As used in~~ (a) For purposes of this section, the
 25.31 following terms have the meanings given.

26.1 (b) "Automated license plate reader" means an electronic device mounted on a law
26.2 enforcement vehicle or positioned in a stationary location that is capable of recording data
26.3 on, or taking a photograph of, a vehicle or its license plate and comparing the collected data
26.4 and photographs to existing law enforcement databases for investigative purposes. Automated
26.5 license plate reader includes a device that is owned or operated by a person who is not a
26.6 government entity to the extent that data collected by the reader are shared with a law
26.7 enforcement agency. Automated license plate reader does not include a traffic safety camera
26.8 system.

26.9 (c) "Traffic safety camera system" has the meaning given in section 169.011, subdivision
26.10 85a.

26.11 Sec. 3. Minnesota Statutes 2022, section 13.824, is amended by adding a subdivision to
26.12 read:

26.13 Subd. 2a. **Limitations; certain camera systems.** A person must not use a traffic safety
26.14 camera system for purposes of this section.

26.15 Sec. 4. **[16B.356] DEFINITIONS.**

26.16 Subdivision 1. **Terms.** For the purposes of sections 16B.356 to 16B.359, the terms
26.17 defined in this section have the meanings given.

26.18 Subd. 2. **Council.** "Council" means the Minnesota Advisory Council on Infrastructure
26.19 established in section 16B.357.

26.20 Subd. 3. **Infrastructure.** "Infrastructure" means physical structures and facilities,
26.21 including but not limited to property, lands, buildings, and other assets of a capital nature.
26.22 The term includes infrastructure related to agriculture, commerce, communications, economic
26.23 development, energy, food, health, housing, natural resources, public safety, transportation,
26.24 drinking water, stormwater, and wastewater.

26.25 Sec. 5. **[16B.357] MINNESOTA ADVISORY COUNCIL ON INFRASTRUCTURE.**

26.26 Subdivision 1. **Establishment; purpose.** (a) The Minnesota Advisory Council on
26.27 Infrastructure is established as provided under sections 16B.356 to 16B.359.

26.28 (b) The purpose of the council is to define and maintain a vision for the future of
26.29 Minnesota's infrastructure that provides for its proper management, coordination, and
26.30 investment.

26.31 Subd. 2. **Voting membership.** The council consists of the following voting members:

- 27.1 (1) two members appointed by the governor;
27.2 (2) two members appointed by the senate majority leader;
27.3 (3) two members appointed by the senate minority leader;
27.4 (4) two members appointed by the speaker of the house;
27.5 (5) two members appointed by the house minority leader; and
27.6 (6) one member appointed by the Indian Affairs Council.

27.7 Subd. 3. **Nonvoting membership.** The council consists of the following nonvoting
27.8 members:

- 27.9 (1) the commissioner of administration;
27.10 (2) the commissioner of agriculture;
27.11 (3) the commissioner of commerce;
27.12 (4) the commissioner of employment and economic development;
27.13 (5) the commissioner of health;
27.14 (6) the commissioner of management and budget;
27.15 (7) the commissioner of natural resources;
27.16 (8) the commissioner of the Pollution Control Agency;
27.17 (9) the commissioner of transportation;
27.18 (10) the commissioner of Iron Range resources and rehabilitation;
27.19 (11) the chair of the Metropolitan Council;
27.20 (12) the chair of the Board of Water and Soil Resources;
27.21 (13) the executive director of the Minnesota Public Facilities Authority;
27.22 (14) the chancellor of Minnesota State Colleges and Universities; and
27.23 (15) the president of the University of Minnesota.

27.24 Subd. 4. **Voting members; appointment requirements.** (a) An appointing authority
27.25 under subdivision 2 may only appoint an individual who has direct and practical expertise
27.26 and experience, whether from the public or private sector, in any of the following:

- 28.1 (1) asset management in one or more of the areas of planning, design, construction,
28.2 management, or operations and maintenance, for: (i) drinking water; (ii) wastewater; (iii)
28.3 stormwater; (iv) transportation; (v) energy; or (vi) communications;
- 28.4 (2) financial management and procurement; or
- 28.5 (3) regional asset management across jurisdictions and infrastructure sectors.
- 28.6 (b) Each appointing authority under subdivision 2, clauses (1) to (5), must appoint one
28.7 individual who resides in a metropolitan county, as defined in section 473.121, subdivision
28.8 4, and one individual who resides outside of a metropolitan county.
- 28.9 (c) No current legislator may be appointed to the council.
- 28.10 (d) Prior to making appointments, the appointing authorities under subdivision 2 must
28.11 coordinate and provide for:
- 28.12 (1) geographic representation throughout the state;
- 28.13 (2) representation for all major types of infrastructure assets; and
- 28.14 (3) representation from the public and private sectors.
- 28.15 **Subd. 5. Voting members; recommendations for appointment.** Each appointing
28.16 authority under subdivision 2 must acknowledge and give consideration to appointment
28.17 recommendations made by interested stakeholders, including but not limited to:
- 28.18 (1) the Association of Minnesota Counties;
- 28.19 (2) the League of Minnesota Cities;
- 28.20 (3) the Coalition of Greater Minnesota Cities;
- 28.21 (4) the Minnesota Association of Townships;
- 28.22 (5) the Minnesota Chapter of the American Public Works Association;
- 28.23 (6) the Associated General Contractors of Minnesota;
- 28.24 (7) a labor union representing the building trades;
- 28.25 (8) a public utility;
- 28.26 (9) the Minnesota Municipal Utilities Association;
- 28.27 (10) the Minnesota Chamber of Commerce;
- 28.28 (11) the Minnesota section of the American Water Works Association;
- 28.29 (12) the Minnesota Rural Water Association; and

29.1 (13) the Minnesota Rural Electric Association.

29.2 Subd. 6. **Nonvoting members; delegation.** (a) Notwithstanding section 15.06,
29.3 subdivision 6, an individual specified under subdivision 3 may appoint a designee to serve
29.4 on the council only as provided in this subdivision.

29.5 (b) An individual specified under subdivision 3 may appoint a designee who serves on
29.6 an ongoing basis to exercise the powers and duties as a nonvoting council member under
29.7 this section. The designation must be made by written order, filed with the secretary of state.
29.8 The designee must be a public employee who is:

29.9 (1) a deputy commissioner or deputy director;

29.10 (2) an assistant commissioner;

29.11 (3) an immediate subordinate of the appointing authority;

29.12 (4) a director of a relevant office; or

29.13 (5) if the appointing authority is the chair of a board or council specified under subdivision
29.14 3, another member of that board or council.

29.15 Subd. 7. **Officers.** (a) The council must elect from among its voting members a chair,
29.16 or cochairs, and vice-chair. As necessary, the council may elect other council members to
29.17 serve as officers.

29.18 (b) The chair is responsible for convening meetings of the council and setting each
29.19 meeting agenda.

29.20 Subd. 8. **Council actions.** (a) A majority of the council, including voting and nonvoting
29.21 members and excluding vacancies, is a quorum.

29.22 (b) The council may conduct business as provided under section 13D.015.

29.23 Subd. 9. **Compensation; terms; removal; vacancies.** The compensation, membership
29.24 terms, filling of vacancies, and removal of members on the council are as provided in section
29.25 15.0575.

29.26 Subd. 10. **Open Meeting Law.** The council is subject to the Minnesota Open Meeting
29.27 Law under chapter 13D.

29.28 Subd. 11. **Data practices.** The council is subject to the Minnesota Data Practices Act
29.29 under chapter 13.

30.1 Sec. 6. **[16B.358] POWERS; RESPONSIBILITIES AND DUTIES.**

30.2 Subdivision 1. General powers. The council has the nonregulatory powers necessary
30.3 to carry out its responsibilities and duties specified by law.

30.4 Subd. 2. General responsibilities. (a) The council is responsible for activities in a
30.5 nonregulatory capacity and in coordination with stakeholders to identify and recommend
30.6 best practices that:

30.7 (1) preserve and extend the longevity of Minnesota's public and privately owned
30.8 infrastructure; and

30.9 (2) provide for effective and efficient management of infrastructure.

30.10 (b) Unless specifically provided otherwise, nothing in sections 16B.356 to 16B.359
30.11 requires transfer of personnel, specific responsibilities, or administrative functions from a
30.12 department or agency to the council.

30.13 Subd. 3. Duties. The duties of the council are to:

30.14 (1) identify approaches to enhance and expedite infrastructure coordination across
30.15 jurisdictions, agencies, state and local government, and public and private sectors, including
30.16 in planning, design, engineering, construction, maintenance, and operations;

30.17 (2) analyze methods to improve efficiency and the use of resources related to (i) public
30.18 infrastructure, and (ii) public asset management practices;

30.19 (3) identify opportunities to reduce duplication in infrastructure projects and asset
30.20 management;

30.21 (4) identify barriers and gaps in effective asset management;

30.22 (5) identify objectives and strategies that enhance the longevity and adaptability of
30.23 infrastructure throughout the state;

30.24 (6) develop advisory recommendations, if any, related to the responsibilities and duties
30.25 specified under this section, including to state agencies for programs, policies, and practices;
30.26 and

30.27 (7) implement the requirements under sections 16B.356 to 16B.359.

30.28 Subd. 4. Asset managers program. The council must develop and recommend a plan
30.29 for a statewide asset managers program that provides for:

30.30 (1) identification, exchange, and distribution of (i) information on existing asset
30.31 management tools and resources, and (ii) best practices on infrastructure management;

31.1 (2) training for infrastructure owners and asset managers; and

31.2 (3) coordination and collaboration among infrastructure owners and asset managers.

31.3 Subd. 5. **Administrative support.** The commissioner must provide the council with
31.4 suitable space to maintain an office, hold meetings, and keep records. The commissioner
31.5 must provide administrative staff and information technology resources to the council as
31.6 necessary for the expeditious conduct of the council's duties and responsibilities.

31.7 Subd. 6. **Report.** By December 15 annually, the council must submit a report to the
31.8 governor and the legislative committees with jurisdiction over capital investment, climate,
31.9 economic development, energy, and transportation. At a minimum, the report must:

31.10 (1) summarize the activities of the council;

31.11 (2) provide an overview for each of the duties and requirements under sections 16B.356
31.12 to 16B.359;

31.13 (3) identify any barriers and constraints related to activities of the council; and

31.14 (4) provide any recommendations of the council.

31.15 Sec. 7. **[16B.359] PERSONNEL.**

31.16 Subdivision 1. **Executive director.** (a) The commissioner must hire an executive director
31.17 in the classified service, with the advice of the council. The executive director is the principal
31.18 administrative officer for the council. The executive director is not an ex officio member
31.19 of the council.

31.20 (b) The executive director must have (1) leadership or management experience, and (2)
31.21 training and experience in public works or asset management.

31.22 (c) The executive director must perform the duties as specified by the council to manage
31.23 and implement the requirements of sections 16B.356 to 16B.359.

31.24 Subd. 2. **Staffing.** (a) The executive director must:

31.25 (1) hire any employees on the basis of merit and fitness that the executive director
31.26 considers necessary to discharge the functions of the office; and

31.27 (2) prescribe the powers and duties of an employee.

31.28 (b) The executive director may:

31.29 (1) hire a deputy director and other staff; and

32.1 (2) delegate the powers, duties, and responsibilities of the executive director to employees,
32.2 under conditions prescribed by the executive director.

32.3 Sec. 8. Minnesota Statutes 2023 Supplement, section 123B.935, subdivision 1, is amended
32.4 to read:

32.5 Subdivision 1. **Training required.** (a) Each district must provide public school pupils
32.6 enrolled in kindergarten through grade 3 with age-appropriate active transportation safety
32.7 training. At a minimum, the training must include pedestrian safety, including crossing
32.8 roads.

32.9 (b) Each district must provide public school pupils enrolled in grades 4 through 8 with
32.10 age-appropriate active transportation safety training. At a minimum, the training must
32.11 include:

32.12 (1) pedestrian safety, including crossing roads safely using the searching left, right, left
32.13 for vehicles in traffic technique; ~~and~~

32.14 (2) bicycle safety, including relevant traffic laws, use and proper fit of protective
32.15 headgear, bicycle parts and safety features, and safe biking techniques; and

32.16 (3) electric-assisted bicycle safety, including that a person under the age of 15 is not
32.17 allowed to operate an electric-assisted bicycle.

32.18 (c) A nonpublic school may provide nonpublic school pupils enrolled in kindergarten
32.19 through grade 8 with training as specified in paragraphs (a) and (b).

32.20 Sec. 9. Minnesota Statutes 2022, section 134A.09, subdivision 2a, is amended to read:

32.21 Subd. 2a. **Petty misdemeanor cases and criminal convictions; fee assessment.** (a) In
32.22 Hennepin County and Ramsey County, the district court administrator or a designee may,
32.23 upon the recommendation of the board of trustees and by standing order of the judges of
32.24 the district court, include in the costs or disbursements assessed against a defendant convicted
32.25 in the district court of the violation of a statute or municipal ordinance, a county law library
32.26 fee. This fee may be collected in all petty misdemeanor cases and criminal prosecutions in
32.27 which, upon conviction, the defendant may be subject to the payment of the costs or
32.28 disbursements in addition to a fine or other penalty. When a defendant is convicted of more
32.29 than one offense in a case, the county law library fee shall be imposed only once in that
32.30 case.

32.31 (b) Beginning August 1, 2025, the law library fee does not apply to a citation issued
32.32 pursuant to sections 169.06, subdivision 10, and 169.14, subdivision 13.

33.1 Sec. 10. Minnesota Statutes 2022, section 134A.10, subdivision 3, is amended to read:

33.2 Subd. 3. **Petty misdemeanor cases and criminal convictions; fee assessment.** (a) The
33.3 judge of district court may, upon the recommendation of the board of trustees and by standing
33.4 order, include in the costs or disbursements assessed against a defendant convicted in the
33.5 district court of the violation of any statute or municipal ordinance, in all petty misdemeanor
33.6 cases and criminal prosecutions in which, upon conviction, the defendant may be subject
33.7 to the payment of the costs or disbursements in addition to a fine or other penalty a county
33.8 law library fee. When a defendant is convicted of more than one offense in a case, the county
33.9 law library fee shall be imposed only once in that case. The item of costs or disbursements
33.10 may not be assessed for any offense committed prior to the establishment of the county law
33.11 library.

33.12 (b) Beginning August 1, 2025, the law library fee does not apply to citations issued
33.13 pursuant to sections 169.06, subdivision 10, and 169.14, subdivision 13.

33.14 Sec. 11. Minnesota Statutes 2022, section 161.089, is amended to read:

33.15 **161.089 REPORT ON DEDICATED FUND EXPENDITURES.**

33.16 By January 15 of each odd-numbered year, the commissioners of transportation and
33.17 public safety, in consultation with the commissioner of management and budget, must jointly
33.18 submit a report to the chairs and ranking minority members of the legislative committees
33.19 with jurisdiction over transportation finance. The report must:

33.20 (1) list detailed expenditures and transfers from the trunk highway fund and highway
33.21 user tax distribution fund for the previous two fiscal years and must include information on
33.22 the purpose of each expenditure. ~~The report must;~~

33.23 (2) list summary expenditures and transfers from each fund other than the trunk highway
33.24 fund or highway user tax distribution fund for each departmental division, office, or program
33.25 for which funds are listed under clause (1);

33.26 (3) include for each expenditure from the trunk highway fund an estimate of the
33.27 percentage of activities performed or purchases made with that expenditure that are not for
33.28 trunk highway purposes; and

33.29 (4) include a separate section that lists detailed expenditures and transfers from the trunk
33.30 highway fund and highway user tax distribution fund for cybersecurity.

34.1 Sec. 12. **[161.1258] RUMBLE STRIPS.**

34.2 (a) The commissioner must maintain transverse rumble strips in association with each
34.3 stop sign that is located (1) on a trunk highway segment with a speed limit of at least 55
34.4 miles per hour, and (2) outside the limits of a statutory or home rule charter city.

34.5 (b) Prior to installation of rumble strips at a new location, the commissioner must provide
34.6 a notification to residences adjacent to the location.

34.7 (c) The commissioner must meet the requirements under paragraph (a) at each applicable
34.8 location by the earlier of August 1, 2034, or the date of substantial completion of any
34.9 construction, resurfacing, or reconditioning at the location.

34.10 (d) The requirements under paragraph (a) do not apply to a location in which there is at
34.11 least one residence within 750 feet.

34.12 **EFFECTIVE DATE.** This section is effective August 1, 2024, for road construction,
34.13 resurfacing, or reconditioning projects on or after that date.

34.14 Sec. 13. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to
34.15 read:

34.16 **Subd. 107. Gopher Gunners Memorial Bridge.** (a) The bridge on marked Trunk
34.17 Highway 55 and marked Trunk Highway 62 over the Minnesota River, commonly known
34.18 as the Mendota Bridge, is designated as "Gopher Gunners Memorial Bridge."
34.19 Notwithstanding section 161.139, the commissioner must adopt a suitable design to mark
34.20 the bridge and erect appropriate signs.

34.21 (b) The adjutant general of the Department of Military Affairs must reimburse the
34.22 commissioner of transportation for costs incurred under this subdivision.

34.23 Sec. 14. Minnesota Statutes 2023 Supplement, section 161.178, is amended to read:

34.24 **161.178 TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT**
34.25 **ASSESSMENT.**

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

34.28 (b) "Applicable entity" means the commissioner with respect to a ~~capacity expansion~~
34.29 project or portfolio for inclusion in the state transportation improvement program or a
34.30 metropolitan planning organization with respect to a ~~capacity expansion~~ project or portfolio
34.31 for inclusion in the appropriate metropolitan transportation improvement program.

35.1 (c) "Assessment" means the ~~capacity expansion~~ impact assessment under this section.

35.2 (d) "Capacity expansion project" means a project for trunk highway construction or
35.3 reconstruction that:

35.4 (1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph
35.5 (b); and

35.6 (2) adds highway traffic capacity or provides for grade separation of motor vehicle traffic
35.7 at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

35.8 (e) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
35.9 subdivision 2.

35.10 **Subd. 2. Project or portfolio assessment.** (a) Prior to inclusion of a ~~capacity expansion~~
35.11 project or portfolio in the state transportation improvement program or in a metropolitan
35.12 transportation improvement program, the applicable entity must perform a ~~capacity expansion~~
35.13 an impact assessment of the project or portfolio. Following the assessment, the applicable
35.14 entity must determine if the project ~~conforms~~ or portfolio is proportionally in conformance
35.15 with:

35.16 (1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3;
35.17 and

35.18 (2) the vehicle miles traveled reduction targets established in the statewide multimodal
35.19 transportation plan under section 174.03, subdivision 1a.

35.20 (b) If the applicable entity determines that the ~~capacity expansion~~ project or portfolio is
35.21 not in conformance with paragraph (a), the applicable entity must:

35.22 (1) alter the scope or design of the project or any number of projects, add or remove one
35.23 or more projects from the portfolio, or undertake a combination, and subsequently perform
35.24 a revised assessment that meets the requirements under this section;

35.25 (2) interlink sufficient impact mitigation as provided in subdivision 4; or

35.26 (3) halt project development and disallow inclusion of the project or portfolio in the
35.27 appropriate transportation improvement program.

35.28 **Subd. 2a. Applicable projects.** (a) For purposes of this section:

35.29 (1) prior to the date established under paragraph (b), a project or portfolio is a capacity
35.30 expansion project; and

36.1 (2) on and after the date established under paragraph (b), a project or portfolio is a
36.2 capacity expansion project or a collection of trunk highway and multimodal projects for a
36.3 fiscal year and specific region.

36.4 (b) The commissioner must establish a date to implement impact assessments on the
36.5 basis of assessing a portfolio or program of projects instead of on a project-by-project basis.
36.6 The date must be:

36.7 (1) August 1, 2027, which applies to projects that first enter the appropriate transportation
36.8 improvement program for fiscal year 2031 or a subsequent year; or

36.9 (2) as established by the commissioner, if the commissioner:

36.10 (i) consults with metropolitan planning organizations;

36.11 (ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier
36.12 date;

36.13 (iii) determines that the date established under this clause is the earliest practicable in
36.14 which the necessary models and tools are sufficient for analysis under this section; and

36.15 (iv) submits a notice to the chairs and ranking minority members of the legislative
36.16 committees and divisions with jurisdiction over transportation policy and finance, which
36.17 must identify the date established and summarize the efforts under item (ii) and the
36.18 determination under item (iii).

36.19 **Subd. 3. Assessment requirements.** (a) The commissioner must establish a process to
36.20 ~~perform capacity expansion impact assessments. An assessment must provide for the~~
36.21 ~~determination under subdivision 2.~~ implement the requirements under this section, which
36.22 includes:

36.23 (1) any necessary policies, procedures, manuals, and technical specifications;

36.24 (2) procedures to perform an impact assessment that provide for the determination under
36.25 subdivision 2;

36.26 (3) in consultation with the technical advisory committee under section 161.1782, criteria
36.27 for identification of a capacity expansion project; and

36.28 (4) related data reporting from local units of government on local multimodal
36.29 transportation systems and local project impacts on greenhouse gas emissions and vehicle
36.30 miles traveled.

36.31 (b) Analysis under an assessment must include but is not limited to estimates resulting
36.32 from the a project or portfolio for the following:

- 37.1 (1) greenhouse gas emissions over a period of 20 years; ~~and~~
- 37.2 (2) a net change in vehicle miles traveled for the affected network; and
- 37.3 (3) impacts to trunk highways and related impacts to local road systems, on a local,
- 37.4 regional, or statewide basis, as appropriate.

37.5 Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the

37.6 applicable entity must interlink the ~~capacity expansion~~ project or portfolio as provided in

37.7 this subdivision.

37.8 (b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the ~~capacity~~

37.9 ~~expansion~~ project or portfolio is interlinked to ~~mitigation offset~~ actions such that the total

37.10 greenhouse gas emissions reduction from the ~~mitigation offset~~ actions, after accounting for

37.11 the greenhouse gas emissions otherwise resulting from the ~~capacity expansion~~ project or

37.12 portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph

37.13 (a). Each comparison under this paragraph must be performed over equal comparison periods.

37.14 (c) ~~A mitigation~~ An offset action consists of a project, program, ~~or~~ operations

37.15 modification, or mitigation plan in one or more of the following areas:

37.16 (1) transit expansion, including but not limited to regular route bus, arterial bus rapid

37.17 transit, highway bus rapid transit, rail transit, and intercity passenger rail;

37.18 (2) transit service improvements, including but not limited to increased service level,

37.19 transit fare reduction, and transit priority treatments;

37.20 (3) active transportation infrastructure;

37.21 (4) micromobility infrastructure and service, including but not limited to shared vehicle

37.22 services;

37.23 (5) transportation demand management, including but not limited to vanpool and shared

37.24 vehicle programs, remote work, and broadband access expansion;

37.25 (6) parking management, including but not limited to parking requirements reduction

37.26 or elimination and parking cost adjustments;

37.27 (7) land use, including but not limited to residential and other density increases, mixed-use

37.28 development, and transit-oriented development;

37.29 (8) infrastructure improvements related to traffic operations, including but not limited

37.30 to roundabouts and reduced conflict intersections; ~~and~~

38.1 (9) natural systems, including but not limited to prairie restoration, reforestation, and
 38.2 urban green space; and

38.3 (10) as specified by the commissioner in the manner provided under paragraph (e).

38.4 (d) ~~A mitigation~~ An offset action may be identified as interlinked to the ~~capacity~~
 38.5 ~~expansion~~ project or portfolio if:

38.6 (1) there is a specified project, program, ~~or~~ modification, or mitigation plan;

38.7 (2) the necessary funding sources are identified and sufficient amounts are committed;

38.8 (3) the mitigation is localized as provided in subdivision 5; and

38.9 (4) procedures are established to ensure that the mitigation action remains in substantially
 38.10 the same form or a revised form that continues to meet the calculation under paragraph (b).

38.11 (e) The commissioner may authorize additional offset actions under paragraph (c) if:

38.12 (1) the offset action is reviewed and recommended by the technical advisory committee
 38.13 under section 161.1782; and

38.14 (2) the commissioner determines that the offset action is directly related to reduction in
 38.15 the transportation sector of greenhouse gas emissions or vehicle miles traveled.

38.16 Subd. 5. **Impact mitigation; localization.** (a) ~~A mitigation~~ An offset action under
 38.17 subdivision 4 must be localized in the following priority order:

38.18 (1) if the offset action is for one project, within or associated with at least one of the
 38.19 communities impacted by the ~~capacity expansion~~ project;

38.20 (2) if clause (1) does not apply or there is not a reasonably feasible location under clause
 38.21 (1), in areas of persistent poverty or historically disadvantaged communities, as measured
 38.22 and defined in federal law, guidance, and notices of funding opportunity;

38.23 (3) if there is not a reasonably feasible location under clauses (1) and (2), in the region
 38.24 of the ~~capacity expansion~~ project or portfolio; or

38.25 (4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide
 38.26 basis.

38.27 (b) The applicable entity must include an explanation regarding the feasibility and
 38.28 rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

38.29 Subd. 6. **Public information.** The commissioner must publish information regarding
 38.30 ~~capacity expansion~~ impact assessments on the department's website. The information must
 38.31 include:

39.1 (1) for each project evaluated separately under this section, identification of capacity
 39.2 expansion projects the project; and

39.3 (2) for each project evaluated separately, a summary that includes an overview of the
 39.4 expansion impact assessment, the impact determination by the commissioner, and project
 39.5 disposition, including a review of any mitigation offset actions;

39.6 (3) for each portfolio of projects, an overview of the projects, the impact determination
 39.7 by the commissioner, and a summary of any offset actions;

39.8 (4) a review of any interpretation of or additions to offset actions under subdivision 4;

39.9 (5) identification of the date established by the commissioner under subdivision 2a,
 39.10 paragraph (b); and

39.11 (6) a summary of the activities of the technical advisory committee under section
 39.12 161.1782, including but not limited to any findings or recommendations made by the advisory
 39.13 committee.

39.14 Subd. 7. **Safety and well-being.** The requirements of this section are in addition to and
 39.15 must not supplant the safety and well-being goals established under section 174.01,
 39.16 subdivision 2, clauses (1) and (2).

39.17 Subd. 8. **Transportation impact assessment and mitigation account.** (a) A
 39.18 transportation impact assessment and mitigation account is established in the special revenue
 39.19 fund. The account consists of funds provided by law and any other money donated, allotted,
 39.20 transferred, or otherwise provided to the account.

39.21 (b) Money in the account is annually appropriated to the commissioner and must only
 39.22 be expended on activities described or required under this section. In determining
 39.23 expenditures from the account, the commissioner must include prioritization for offset
 39.24 actions interlinked to trunk highway projects that reduce traffic fatalities or severe injuries.

39.25 **EFFECTIVE DATE.** This section is effective February 1, 2025, except that subdivision
 39.26 8 is effective July 1, 2024. This section does not apply to a capacity expansion project that
 39.27 was either included in the state transportation improvement program or has been submitted
 39.28 for approval of the geometric layout before February 1, 2025.

39.29 Sec. 15. **[161.1782] TRANSPORTATION IMPACT ASSESSMENT; TECHNICAL**
 39.30 **ADVISORY COMMITTEE.**

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

40.1 (b) "Advisory committee" means the technical advisory committee established in this
40.2 section.

40.3 (c) "Project or portfolio" is as provided in section 161.178.

40.4 Subd. 2. **Establishment.** The commissioner must establish a technical advisory committee
40.5 to assist in implementation review related to the requirements under section 161.178.

40.6 Subd. 3. **Membership; appointments.** The advisory committee is composed of the
40.7 following members:

40.8 (1) one member from the Department of Transportation, appointed by the commissioner
40.9 of transportation;

40.10 (2) one member from the Pollution Control Agency, appointed by the commissioner of
40.11 the Pollution Control Agency;

40.12 (3) one member from the Metropolitan Council, appointed by the chair of the
40.13 Metropolitan Council;

40.14 (4) one member from the Center for Transportation Studies, appointed by the president
40.15 of the University of Minnesota;

40.16 (5) one member representing metropolitan planning organizations outside the metropolitan
40.17 area, as defined in section 473.121, subdivision 2, appointed by the Association of
40.18 Metropolitan Planning Organizations; and

40.19 (6) up to four members who are not employees of the state, with no more than two who
40.20 are employees of a political subdivision, appointed by the commissioner of transportation.

40.21 Subd. 4. **Membership; requirements.** (a) To be eligible for appointment to the advisory
40.22 committee, an individual must have experience or expertise sufficient to provide assistance
40.23 in implementation or technical review related to the requirements under section 161.178.
40.24 Each appointing authority must consider appointment of individuals with expertise in travel
40.25 demand modeling, emissions modeling, traffic forecasting, land use planning, or
40.26 transportation-related greenhouse gas emissions assessment and analysis. In appointing the
40.27 members under subdivision 3, clause (6), the commissioner must also consider technical
40.28 expertise in other relevant areas, which may include but is not limited to public health or
40.29 natural systems management.

40.30 (b) Members of the advisory committee serve at the pleasure of the appointing authority.
40.31 Vacancies must be filled by the appointing authority.

41.1 Subd. 5. **Duties.** The advisory committee must assist the commissioner in implementation
41.2 of the requirements under section 161.178, including to:

41.3 (1) perform technical review and validation of processes and methodologies used for
41.4 impact assessment and impact mitigation;

41.5 (2) review and make recommendations on:

41.6 (i) impact assessment requirements;

41.7 (ii) models and tools for impact assessment;

41.8 (iii) methods to determine sufficiency of impact mitigation;

41.9 (iv) procedures for interlinking a project or portfolio to impact mitigation; and

41.10 (v) reporting and data collection;

41.11 (3) advise on the approach used to determine the area of influence for a project or portfolio
41.12 for a geographic or transportation network area;

41.13 (4) develop recommendations on any clarifications, modifications, or additions to the
41.14 offset actions authorized under section 161.178, subdivision 4; and

41.15 (5) perform other analyses or activities as requested by the commissioner.

41.16 Subd. 6. **Administration.** (a) The commissioner must provide administrative support
41.17 to the advisory committee. Upon request, the commissioner must provide information and
41.18 technical support to the advisory committee.

41.19 (b) Members of the advisory committee are not eligible for compensation under this
41.20 section.

41.21 (c) The advisory committee is subject to the Minnesota Data Practices Act under chapter
41.22 13 and to the Minnesota Open Meeting Law under chapter 13D.

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

41.24 Sec. 16. Minnesota Statutes 2022, section 161.3203, subdivision 4, is amended to read:

41.25 Subd. 4. **Reports Report.** (a) By September 1 of each year, the commissioner shall
41.26 provide, no later than September 1, an annual written must submit a report to the legislature,
41.27 in compliance with sections 3.195 and 3.197, and shall submit the report to the chairs and
41.28 ranking minority members of the senate and house of representatives legislative committees
41.29 having with jurisdiction over transportation policy and finance.

42.1 (b) The report must list all privatization transportation contracts ~~within the meaning of~~
 42.2 ~~this section~~ that were executed or performed, whether wholly or in part, in the previous
 42.3 fiscal year. The report must identify, with respect to each contract:

42.4 (1) the contractor;

42.5 (2) contract amount;

42.6 (3) duration;

42.7 (4) work, provided or to be provided;

42.8 (5) the comprehensive estimate derived under subdivision 3, paragraph (a);

42.9 (6) the comprehensive estimate derived under subdivision 3, paragraph (b);

42.10 (7) the actual cost to the agency of the contractor's performance of the contract; and

42.11 (8) for contracts of at least \$250,000, a statement containing the commissioner's
 42.12 determinations under subdivision 3, paragraph (c).

42.13 (c) The report must collect aggregate data on each of the commissioner's district offices
 42.14 and the bridge office on barriers and challenges to the reduction of transportation contract
 42.15 privatization. The aggregate data must identify areas of concern related to transportation
 42.16 contract privatization and include information on:

42.17 (1) recruitment and retention of staff;

42.18 (2) expertise gaps;

42.19 (3) access to appropriate equipment; and

42.20 (4) the effects of geography, demographics, and socioeconomic data on transportation
 42.21 contract privatization rates.

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

42.23 Sec. 17. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
 42.24 read:

42.25 **Subd. 4. High voltage transmission; placement in right-of-way.** (a) For purposes of
 42.26 this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning
 42.27 given in section 216E.01, subdivision 4.

42.28 (b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under
 42.29 the laws of this state or the ordinance of any city or county may be constructed, placed, or
 42.30 maintained across or along any trunk highway, including an interstate highway and a trunk

43.1 highway that is an expressway or a freeway, except as deemed necessary by the commissioner
43.2 of transportation to protect public safety or ensure the proper function of the trunk highway
43.3 system.

43.4 (c) If the commissioner denies a high voltage electric line colocation request, the reasons
43.5 for the denial must be submitted for review within 90 days of the commissioner's denial to
43.6 the chairs and ranking minority members of the legislative committees with jurisdiction
43.7 over energy and transportation, the Public Utilities Commission executive secretary, and
43.8 the commissioner of commerce.

43.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
43.10 applies to colocation requests for high voltage transmission lines on or after that date.

43.11 Sec. 18. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
43.12 read:

43.13 Subd. 5. **High voltage transmission; coordination required.** Upon written request,
43.14 the commissioner must engage in coordination activities with a utility or transmission line
43.15 developer to review requested highway corridors for potential permitted locations for
43.16 transmission lines. The commissioner must assign a project coordinator within 30 days of
43.17 receiving the written request. The commissioner must share all known plans with affected
43.18 utilities or transmission line developers on potential future projects in the highway corridor
43.19 if the potential highway project impacts the placement or siting of high voltage transmission
43.20 lines.

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

43.22 Sec. 19. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
43.23 read:

43.24 Subd. 6. **High voltage transmission; constructability report; advance notice.** (a) If
43.25 the commissioner and a utility or transmission line developer identify a permissible route
43.26 along a trunk highway corridor for possible colocation of transmission lines, a constructability
43.27 report must be prepared by the utility or transmission line developer in consultation with
43.28 the commissioner. A constructability report developed under this subdivision must be used
43.29 by both parties to plan and approve colocation projects.

43.30 (b) A constructability report developed under this section between the commissioner
43.31 and the parties seeking colocation must include terms and conditions for building the
43.32 colocation project. Notwithstanding the requirements in subdivision 1, the report must be

44.1 approved by the commissioner and the party or parties seeking colocation prior to the
44.2 commissioner approving and issuing a permit for use of the trunk highway right-of-way.

44.3 (c) A constructability report must include an agreed upon time frame for which there
44.4 may not be a request from the commissioner for relocation of the transmission line. If the
44.5 commissioner determines that relocation of a transmission line in the trunk highway
44.6 right-of-way is necessary, the commissioner, as much as practicable, must give a four-year
44.7 advance notice.

44.8 (d) Notwithstanding the requirements of subdivision 7 and section 161.46, subdivision
44.9 2, if the commissioner requires the relocation of a transmission line in the interstate highway
44.10 right-of-way earlier than the agreed upon time frame in paragraph (c) in the constructability
44.11 report or provides less than a four-year notice of relocation in the agreed upon constructability
44.12 report, the commissioner is responsible for 75 percent of the relocation costs.

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

44.14 Sec. 20. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
44.15 read:

44.16 Subd. 7. **High voltage transmission; relocation reimbursement prohibited.** (a) A
44.17 high voltage transmission line that receives a route permit under chapter 216E on or after
44.18 July 1, 2024, is not eligible for relocation reimbursement under section 161.46, subdivision
44.19 2.

44.20 (b) If the commissioner orders relocation of a high voltage transmission line that is
44.21 subject to paragraph (a):

44.22 (1) a public utility, as defined in section 216B.02, subdivision 4, may recover its portion
44.23 of costs of relocating the line that the Public Utilities Commission deems prudently incurred
44.24 as a transmission cost adjustment pursuant to section 216B.16, subdivision 7b; and

44.25 (2) a consumer-owned utility, as defined in section 216B.2402, subdivision 2, may
44.26 recover its portion of costs of relocating the line in any manner approved by its governing
44.27 board.

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

44.29 Sec. 21. Minnesota Statutes 2022, section 161.46, subdivision 1, is amended to read:

44.30 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms ~~shall~~
44.31 have the meanings ~~ascribed to them:~~ given.

45.1 ~~(1)~~ (b) "Utility" means all publicly, privately, and cooperatively owned systems for
 45.2 supplying power, light, gas, telegraph, telephone, water, pipeline, or sewer service if such
 45.3 systems be authorized by law to use public highways for the location of its facilities.

45.4 ~~(2)~~ (c) "Cost of relocation" means the entire amount paid by such utility properly
 45.5 attributable to such relocation after deducting therefrom any increase in the value of the
 45.6 new facility and any salvage value derived from the old facility.

45.7 (d) "High voltage transmission line" has the meaning given in section 216E.01,
 45.8 subdivision 4.

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

45.10 Sec. 22. Minnesota Statutes 2023 Supplement, section 161.46, subdivision 2, is amended
 45.11 to read:

45.12 Subd. 2. **Relocation of facilities; reimbursement.** ~~(a)~~ Whenever the commissioner ~~shall~~
 45.13 ~~determine~~ determines that the relocation of any utility facility is necessitated by the
 45.14 construction of a project on the routes of federally aided ~~state~~ trunk highways, including
 45.15 urban extensions thereof, ~~which routes~~ that are included within the National System of
 45.16 Interstate Highways, the owner or operator of ~~such~~ the utility facility ~~shall~~ must relocate
 45.17 ~~the same utility facility~~ in accordance with the order of the commissioner. ~~After the~~
 45.18 ~~completion of such relocation the cost thereof shall be ascertained and paid by the state out~~
 45.19 ~~of trunk highway funds; provided, however, the amount to be paid by the state for such~~
 45.20 ~~reimbursement shall not exceed the amount on which the federal government bases its~~
 45.21 ~~reimbursement for said interstate system.~~ Except as provided in section 161.45, subdivision
 45.22 6, paragraph (d), or 7, upon the completion of relocation of a utility facility, the cost of
 45.23 relocation must be ascertained and paid out of the trunk highway fund by the commissioner,
 45.24 provided the amount paid by the commissioner for reimbursement to a utility does not
 45.25 exceed the amount on which the federal government bases its reimbursement for the interstate
 45.26 highway system.

45.27 ~~(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives~~
 45.28 ~~a route permit under chapter 216E for a high-voltage transmission line necessary to~~
 45.29 ~~interconnect an electric power generating facility is not eligible for relocation reimbursement~~
 45.30 ~~unless the entity directly, or through its members or agents, provides retail electric service~~
 45.31 ~~in this state.~~

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

46.1 Sec. 23. Minnesota Statutes 2022, section 162.02, is amended by adding a subdivision to
46.2 read:

46.3 Subd. 4a. **Location and establishment; limitations.** The county state-aid highway
46.4 system must not include a segment of a county highway that is designated as a pedestrian
46.5 mall under chapter 430.

46.6 Sec. 24. Minnesota Statutes 2022, section 162.081, subdivision 4, is amended to read:

46.7 Subd. 4. **Formula for distribution to towns; purposes.** (a) Money apportioned to a
46.8 county from the town road account must be distributed to the treasurer of each town within
46.9 the county, according to a distribution formula adopted by the county board. The formula
46.10 must take into account each town's population and town road mileage, and other factors the
46.11 county board deems advisable in the interests of achieving equity among the towns.
46.12 Distribution of town road funds to each town treasurer must be made by March 1, annually,
46.13 or within 30 days after receipt of payment from the commissioner. Distribution of funds to
46.14 town treasurers in a county which has not adopted a distribution formula under this
46.15 subdivision must be made according to a formula prescribed by the commissioner by rule.

46.16 (b) Money distributed to a town under this subdivision may be expended by the town
46.17 only for the construction, reconstruction, and gravel maintenance of town roads within the
46.18 town, including debt service for bonds issued by the town in accordance with chapter 475,
46.19 provided that the bonds are issued for a use allowable under this paragraph.

46.20 Sec. 25. Minnesota Statutes 2022, section 162.09, is amended by adding a subdivision to
46.21 read:

46.22 Subd. 6a. **Location and establishment; limitations.** The municipal state-aid street
46.23 system must not include a segment of a city street that is designated as a pedestrian mall
46.24 under chapter 430.

46.25 Sec. 26. Minnesota Statutes 2022, section 162.145, subdivision 5, is amended to read:

46.26 Subd. 5. **Use of funds.** (a) Funds distributed under this section are available only for
46.27 construction and maintenance of roads located within the city, including:

46.28 (1) land acquisition, environmental analysis, design, engineering, construction,
46.29 reconstruction, and maintenance;

46.30 (2) road projects partially located within the city;

46.31 (3) projects on county state-aid highways located within the city; ~~and~~

47.1 (4) cost participation on road projects under the jurisdiction of another unit of
47.2 government; and

47.3 (5) debt service for obligations issued by the city in accordance with chapter 475, provided
47.4 that the obligations are issued for a use allowable under this section.

47.5 (b) Except for projects under paragraph (a), clause (3), funds distributed under this
47.6 section are not subject to state-aid requirements under this chapter, including but not limited
47.7 to engineering standards adopted by the commissioner in rules.

47.8 Sec. 27. Minnesota Statutes 2023 Supplement, section 162.146, is amended by adding a
47.9 subdivision to read:

47.10 Subd. 3. Use of funds. (a) Funds distributed under this section are available only for
47.11 construction and maintenance of roads located within the city, including:

47.12 (1) land acquisition, environmental analysis, design, engineering, construction,
47.13 reconstruction, and maintenance;

47.14 (2) road projects partially located within the city;

47.15 (3) projects on municipal state-aid streets located within the city;

47.16 (4) projects on county state-aid highways located within the city;

47.17 (5) cost participation on road projects under the jurisdiction of another unit of government;
47.18 and

47.19 (6) debt service for obligations issued by the city in accordance with chapter 475, provided
47.20 that the obligations are issued for a use allowable under this section.

47.21 (b) Except for projects under paragraph (a), clauses (3) and (4), funds distributed under
47.22 this section are not subject to state-aid requirements under this chapter, including but not
47.23 limited to engineering standards adopted by the commissioner in rules.

47.24 Sec. 28. Minnesota Statutes 2022, section 168.09, subdivision 7, is amended to read:

47.25 Subd. 7. Display of temporary permit. (a) ~~A vehicle that displays a Minnesota plate~~
47.26 ~~issued under this chapter may display a temporary permit~~ The commissioner may issue a
47.27 temporary permit under this subdivision in conjunction with the conclusion of a registration
47.28 period or a recently expired registration if:

47.29 (1) the current registration tax and all other fees and taxes have been paid in full; and

47.30 (2) ~~the plate has~~ special plates have been applied for.

48.1 ~~(b) A vehicle may display a temporary permit in conjunction with expired registration,~~
 48.2 ~~with or without a registration plate, if:~~

48.3 ~~(1) the plates have been applied for;~~

48.4 ~~(2) the registration tax and other fees and taxes have been paid in full; and~~

48.5 ~~(3) either the vehicle is used solely as a collector vehicle while displaying the temporary~~
 48.6 ~~permit and not used for general transportation purposes or the vehicle was issued a 21-day~~
 48.7 ~~permit under section 168.092, subdivision 1.~~

48.8 ~~(e)~~ (b) The permit is valid for a period of 60 days. The permit must be in a format
 48.9 prescribed by the commissioner, affixed to the rear of the vehicle where a license plate
 48.10 would normally be affixed, and plainly visible. The permit is valid only for the vehicle for
 48.11 which it was issued to allow a reasonable time for the new plates to be manufactured and
 48.12 delivered to the applicant. The permit may be issued only by the commissioner or by a
 48.13 deputy registrar under section 168.33.

48.14 **EFFECTIVE DATE.** This section is effective October 1, 2024.

48.15 Sec. 29. Minnesota Statutes 2022, section 168.092, is amended to read:

48.16 **168.092 ~~21-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.**

48.17 Subdivision 1. **Resident buyer.** The ~~motor vehicle registrar~~ commissioner may issue a
 48.18 permit to a person purchasing a new or used motor vehicle in this state for the purpose of
 48.19 allowing the purchaser a reasonable time to register the vehicle and pay fees and taxes due
 48.20 on the transfer. The permit is valid for a period of ~~21~~ 60 days. The permit must be in a ~~form~~
 48.21 ~~as the registrar may determine~~ format prescribed by the commissioner, affixed to the rear
 48.22 of the vehicle where a license plate would normally be affixed, and plainly visible. Each
 48.23 permit is valid only for the vehicle for which issued.

48.24 Subd. 2. **Dealer.** The ~~registrar~~ commissioner may issue permits to licensed dealers.
 48.25 When issuing a permit, the dealer ~~shall~~ must complete the permit in the manner prescribed
 48.26 by the department.

48.27 **EFFECTIVE DATE.** This section is effective October 1, 2024.

49.1 Sec. 30. Minnesota Statutes 2023 Supplement, section 168.1259, is amended to read:

49.2 **168.1259 MINNESOTA PROFESSIONAL SPORTS TEAM FOUNDATION**
49.3 **PHILANTHROPY PLATES.**

49.4 Subdivision 1. **Definition.** For purposes of this section, "Minnesota professional sports
49.5 team" means one of the following teams while its home stadium is located in Minnesota:
49.6 Minnesota Vikings, Minnesota Timberwolves, Minnesota Lynx, Minnesota Wild, Minnesota
49.7 Twins, or Minnesota United.

49.8 Subd. 2. **General requirements and procedures.** (a) The commissioner must issue
49.9 Minnesota professional sports team ~~foundation~~ philanthropy plates to an applicant who:

49.10 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
49.11 truck, motorcycle, or recreational vehicle;

49.12 (2) pays an additional fee in the amount specified for special plates under section 168.12,
49.13 subdivision 5;

49.14 (3) pays the registration tax required under section 168.013;

49.15 (4) pays the fees required under this chapter;

49.16 (5) contributes a minimum of \$30 annually to the professional sports team ~~foundations~~
49.17 philanthropy account; and

49.18 (6) complies with this chapter and rules governing registration of motor vehicles and
49.19 licensing of drivers.

49.20 (b) Minnesota professional sports team ~~foundation~~ philanthropy plates may be
49.21 personalized according to section 168.12, subdivision 2a.

49.22 Subd. 3. **Design.** At the request of a Minnesota professional sports team or the team's
49.23 foundation, the commissioner must, in consultation with the team or foundation, adopt a
49.24 suitable plate design ~~incorporating~~. Each design must incorporate the requesting foundation's
49.25 marks and colors or directly relate to a charitable purpose as provided in subdivision 5. The
49.26 commissioner may design a single plate that incorporates the marks and colors of all
49.27 ~~foundations~~ organizations that have requested a plate.

49.28 Subd. 4. **Plate transfers.** On application to the commissioner and payment of a transfer
49.29 fee of \$5, special plates issued under this section may be transferred to another motor vehicle
49.30 if the subsequent vehicle is:

49.31 (1) qualified under subdivision 2, paragraph (a), clause (1), to bear the special plates;
49.32 and

50.1 (2) registered to the same individual to whom the special plates were originally issued.

50.2 Subd. 5. **Contributions; account; appropriation.** (a) Contributions collected under
 50.3 subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional
 50.4 sports team ~~foundations~~ philanthropy account, which is established in the special revenue
 50.5 fund. Money in the account is appropriated to the commissioner of public safety. This
 50.6 appropriation is first for the annual cost of administering the account funds, and the remaining
 50.7 funds are for distribution to the foundations, or as provided in this subdivision, in the
 50.8 proportion that each plate design bears to the total number of Minnesota professional sports
 50.9 team ~~foundation~~ philanthropy plates issued for that year. Proceeds from a plate that includes
 50.10 the marks and colors of all ~~foundations~~ participating organizations must be divided evenly
 50.11 between all foundations and charitable purposes.

50.12 (b) The ~~foundations must only use the~~ proceeds must only be used by:

50.13 (1) a Minnesota professional sports team foundation for philanthropic or charitable
 50.14 purposes; or

50.15 (2) the Minnesota United professional sports team through a designation that the funds
 50.16 are for the Minnesota Loon Restoration Project.

50.17 (c) The commissioner must annually transfer funds designated under paragraph (b),
 50.18 clause (2), from the Minnesota professional sports team philanthropy account to the
 50.19 Minnesota critical habitat private sector matching account under section 84.943 for purposes
 50.20 of the Minnesota Loon Restoration Project.

50.21 **EFFECTIVE DATE.** This section is effective October 1, 2024, for Minnesota
 50.22 professional sports team philanthropy plates issued on or after that date.

50.23 Sec. 31. Minnesota Statutes 2022, section 168.127, is amended to read:

50.24 **168.127 FLEET VEHICLES; REGISTRATION, FEE.**

50.25 Subdivision 1. **Unique registration category.** (a) A unique registration category is
 50.26 established for vehicles and trailers of a fleet. Vehicles registered in the fleet must be issued
 50.27 a distinctive license plate. The design and size of the fleet license plate must be determined
 50.28 by the commissioner.

50.29 (b) A deputy registrar may issue replacement license plates for qualified vehicles in a
 50.30 registered fleet pursuant to section 168.29.

50.31 Subd. 2. **Annual registration period.** The annual registration period for vehicles in the
 50.32 fleet ~~will be~~ is determined by the commissioner. The applicant must provide all information

51.1 necessary to qualify as a fleet registrant, including a list of all vehicles in the fleet. On initial
51.2 registration, all taxes and fees for vehicles in the fleet must be reassessed based on the
51.3 expiration date.

51.4 Subd. 3. **Registration cards issued.** (a) On approval of the application for fleet
51.5 registration, the commissioner must issue a registration card for each qualified vehicle in
51.6 the fleet. The registration card must be carried in the vehicle at all times and be made
51.7 available to a peace officer on demand. The registered gross weight must be indicated on
51.8 the license plate.

51.9 (b) A new vehicle may be registered to an existing fleet upon application to a deputy
51.10 registrar and payment of the fee under section 168.33, subdivision 7.

51.11 (c) A deputy registrar must issue a replacement registration card for any registered fleet
51.12 or any qualified vehicle in a registered fleet upon application.

51.13 Subd. 4. **Filing registration applications.** Initial fleet applications for registration and
51.14 renewals must be filed with the ~~registrar~~ commissioner or authorized deputy registrar.

51.15 Subd. 5. **Renewal of fleet registration.** On the renewal of a fleet registration, the
51.16 registrant ~~shall~~ must pay full licensing fees for every vehicle registered in the preceding
51.17 year unless the vehicle has been properly deleted from the fleet. In order to delete a vehicle
51.18 from a fleet, the fleet registrant must surrender to the commissioner the registration card
51.19 and license plates. The ~~registrar~~ commissioner may authorize alternative methods of deleting
51.20 vehicles from a fleet, including destruction of the license plates and registration cards. If
51.21 the card or license plates are lost or stolen, the fleet registrant ~~shall~~ must submit a sworn
51.22 statement stating the circumstances for the inability to surrender the card, stickers, and
51.23 license plates. ~~The commissioner shall assess~~ A fleet registrant who fails to renew the
51.24 licenses issued under this section or fails to report the removal of vehicles from the fleet
51.25 within 30 days of the vehicles' removal must pay a penalty of 20 percent of the total tax due
51.26 on the fleet against the fleet registrant who fails to renew the licenses issued under this
51.27 section or fails to report the removal of vehicles from the fleet within 30 days. The penalty
51.28 must be paid within 30 days after it is assessed.

51.29 Subd. 6. **Fee.** ~~Instead of~~ The applicant for fleet registration must pay the filing fee
51.30 described in section 168.33, subdivision 7, the applicant for fleet registration shall pay an
51.31 equivalent administrative fee to the commissioner for each vehicle in the fleet.

51.32 **EFFECTIVE DATE.** This section is effective October 1, 2024, for fleet vehicle
51.33 transactions on or after that date.

52.1 Sec. 32. [168.1283] ROTARY INTERNATIONAL PLATES.

52.2 Subdivision 1. Issuance of plates. The commissioner must issue Rotary International
52.3 special license plates or a single motorcycle plate to an applicant who:

52.4 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
52.5 truck, motorcycle, or self-propelled recreational motor vehicle;

52.6 (2) pays the registration tax as required under section 168.013;

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

52.9 (4) contributes \$25 upon initial application and a minimum of \$5 annually to the Rotary
52.10 District 5950 Foundation account; and

52.11 (5) complies with this chapter and rules governing registration of motor vehicles and
52.12 licensing of drivers.

52.13 Subd. 2. Design. The commissioner must adopt a suitable design for the plate that must
52.14 include the Rotary International symbol and the phrase "Service Above Self."

52.15 Subd. 3. Plates transfer. On application to the commissioner and payment of a transfer
52.16 fee of \$5, special plates may be transferred to another qualified motor vehicle that is
52.17 registered to the same individual to whom the special plates were originally issued.

52.18 Subd. 4. Exemption. Special plates issued under this section are not subject to section
52.19 168.1293, subdivision 2.

52.20 Subd. 5. Contributions; account; appropriation. Contributions collected under
52.21 subdivision 1, clause (4), must be deposited in the Rotary District 5950 Foundation account,
52.22 which is established in the special revenue fund. Money in the account is appropriated to
52.23 the commissioner of public safety. This appropriation is first for the annual cost of
52.24 administering the account funds, and the remaining funds must be distributed to the Rotary
52.25 District 5950 Foundation to further the rotary's mission of service, fellowship, diversity,
52.26 integrity, and leadership. Funds distributed under this subdivision must be used on projects
52.27 within this state.

52.28 EFFECTIVE DATE. This section is effective January 1, 2025, for Rotary International
52.29 special plates issued on or after that date.

53.1 Sec. 33. Minnesota Statutes 2023 Supplement, section 168.29, is amended to read:

53.2 **168.29 REPLACEMENT PLATES.**

53.3 (a) In the event of the defacement, loss, or destruction of any number plates or validation
53.4 stickers, the ~~registrar~~ commissioner, upon receiving and filing a sworn statement of the
53.5 vehicle owner, setting forth the circumstances of the defacement, loss, destruction, or theft
53.6 of the number plates or validation stickers, together with any defaced plates or stickers and
53.7 the payment of a fee calculated to cover the cost of replacement, ~~shall~~ must issue a new set
53.8 of plates or stickers.

53.9 (b) A licensed motor vehicle dealer may only apply for replacement plates upon
53.10 application for a certificate of title in the name of a new owner or the dealer. The
53.11 commissioner must issue a new set of plates or validation stickers upon application for title
53.12 and registration after removal of plates pursuant to section 168A.11, subdivision 2.

53.13 (c) Plates issued under this section are subject to section 168.12

53.14 (d) The registrar shall then commissioner must note on the registrar's commissioner's
53.15 records the issue of new number plates and shall proceed in such manner as the registrar
53.16 may deem advisable to must attempt to cancel and call in the original plates so as to insure
53.17 against their use on another motor vehicle.

53.18 ~~(e)~~ (e) Duplicate registration certificates plainly marked as duplicates may be issued in
53.19 like cases upon the payment of a \$1 fee. Fees collected under this section must be ~~paid into~~
53.20 ~~the state treasury and credited to~~ deposited in the driver and vehicle services operating
53.21 account under section 299A.705, subdivision 1.

53.22 **EFFECTIVE DATE.** This section is effective October 1, 2024.

53.23 Sec. 34. Minnesota Statutes 2022, section 168.301, subdivision 3, is amended to read:

53.24 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon
53.25 the transfer of title for a motor vehicle, the commissioner of public safety ~~shall~~ must impose
53.26 a \$2 additional fee for failure to deliver a title transfer within ~~ten business days~~ the period
53.27 specified under section 168A.10, subdivision 2.

53.28 **EFFECTIVE DATE.** This section is effective October 1, 2024.

54.1 Sec. 35. Minnesota Statutes 2022, section 168.33, is amended by adding a subdivision to
54.2 read:

54.3 Subd. 8b. **Competitive bidding.** (a) Notwithstanding any statute or rule to the contrary,
54.4 if a deputy registrar appointed under this section permanently stops offering services at the
54.5 approved office location and permanently closes the approved office location, the
54.6 commissioner must use a competitive bidding process for the appointment of a replacement
54.7 deputy registrar. If available, the replacement deputy registrar appointed by the commissioner
54.8 under this section must continue to offer services at the approved office location. If the
54.9 existing office location is not available to the replacement deputy registrar, the replacement
54.10 office location must be at a location that must be approved by the commissioner and must
54.11 serve a similar service area as the existing office location.

54.12 (b) The commissioner must not give a preference to a partner, owner, manager, or
54.13 employee of the deputy registrar that has permanently stopped offering services at the closed
54.14 office location in a competitive bidding process.

54.15 (c) The commissioner must adopt rules to administer and enforce a competitive bidding
54.16 process to select a replacement deputy registrar. If the replacement deputy registrar elects
54.17 to not offer services at the office location of the prior registrar, Minnesota Rules, chapter
54.18 7406, governing the selection of a proposed office location of a driver's license agent,
54.19 applies.

54.20 **EFFECTIVE DATE.** This section is effective October 1, 2025.

54.21 Sec. 36. Minnesota Statutes 2022, section 168A.10, subdivision 2, is amended to read:

54.22 Subd. 2. **Application for new certificate.** Except as provided in section 168A.11, the
54.23 transferee ~~shall~~ must, within ~~ten~~ 20 calendar days after assignment to the transferee of the
54.24 vehicle title certificate, execute the application for a new certificate of title in the space
54.25 provided on the certificate, and cause the certificate of title to be mailed or delivered to the
54.26 department. Failure of the transferee to comply with this subdivision ~~shall result~~ results in
54.27 the suspension of the vehicle's registration under section 168.17.

54.28 **EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title
54.29 transfers on or after that date.

54.30 Sec. 37. Minnesota Statutes 2022, section 168A.11, subdivision 1, is amended to read:

54.31 Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who
54.32 buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring

55.1 the vehicle to another person, other than by the creation of a security interest, the dealer
55.2 ~~shall~~ must promptly execute the assignment and warranty of title by a dealer, showing the
55.3 names and addresses of the transferee and of any secured party holding a security interest
55.4 created or reserved at the time of the resale, and the date of the security agreement in the
55.5 spaces provided ~~therefor~~ on the certificate of title or secure reassignment.

55.6 (b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the
55.7 dealer need not register the vehicle but ~~shall~~ must pay one month's registration tax. If a
55.8 dealer elects to apply for a certificate of title on a vehicle held for resale, the ~~department~~
55.9 ~~shall~~ commissioner must not place any legend on the title that no motor vehicle sales tax
55.10 was paid by the dealer; but may indicate on the title whether the vehicle is a new or used
55.11 vehicle.

55.12 (c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer
55.13 ~~shall~~ must also, in the space provided ~~therefor~~ on the certificate of title or secure
55.14 reassignment, state the true cumulative mileage registered on the odometer or that the exact
55.15 mileage is unknown if the odometer reading is known by the transferor to be different from
55.16 the true mileage.

55.17 (d) The transferee ~~shall~~ must complete the application for title section on the certificate
55.18 of title or separate title application form prescribed by the ~~department~~ commissioner. The
55.19 dealer ~~shall~~ must mail or deliver the certificate to the ~~registrar~~ commissioner or deputy
55.20 registrar with the transferee's application for a new certificate and appropriate taxes and
55.21 fees, within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

55.22 (e) With respect to vehicles sold to buyers who will remove the vehicle from this state,
55.23 the dealer ~~shall~~ must remove any license plates from the vehicle, issue a 31-day temporary
55.24 permit pursuant to section 168.091, and notify the ~~registrar~~ commissioner within 48 hours
55.25 of the sale that the vehicle has been removed from this state. The notification must be made
55.26 in an electronic format prescribed by the ~~registrar~~ commissioner. The dealer may contract
55.27 with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy
55.28 registrar may charge a fee of \$7 per transaction to provide this service.

55.29 **EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title
55.30 transfers on or after that date.

55.31 Sec. 38. Minnesota Statutes 2022, section 168A.11, subdivision 2, is amended to read:

55.32 Subd. 2. **Notification on vehicle held for resale; service fee.** Within 48 hours of
55.33 acquiring a vehicle titled and registered in Minnesota, a dealer ~~shall~~ must:

56.1 (1) notify the registrar commissioner that the dealership is holding the vehicle for resale.
56.2 The notification must be made electronically as prescribed by the registrar commissioner.
56.3 The dealer may contract this service to a deputy registrar and the registrar may charge a fee
56.4 of \$7 per transaction to provide this service; and

56.5 (2) remove any plates from the vehicle and dispose of them as prescribed by the
56.6 commissioner.

56.7 **EFFECTIVE DATE.** This section is effective October 1, 2024, for vehicles on or after
56.8 that date.

56.9 Sec. 39. Minnesota Statutes 2022, section 168B.035, subdivision 3, is amended to read:

56.10 **Subd. 3. Towing prohibited.** (a) A towing authority may not tow a motor vehicle
56.11 because:

56.12 (1) the vehicle has expired registration tabs that have been expired for less than 90 days;
56.13 ~~or~~

56.14 (2) the vehicle is at a parking meter on which the time has expired and the vehicle has
56.15 fewer than five unpaid parking tickets; or

56.16 (3) the vehicle is identified in conjunction with a citation to the vehicle owner or lessee
56.17 for (i) a violation under section 169.06, subdivision 10, or (ii) a violation under section
56.18 169.14, subdivision 13.

56.19 (b) A towing authority may tow a motor vehicle, notwithstanding paragraph (a), if:

56.20 (1) the vehicle is parked in violation of snow emergency regulations;

56.21 (2) the vehicle is parked in a rush-hour restricted parking area;

56.22 (3) the vehicle is blocking a driveway, alley, or fire hydrant;

56.23 (4) the vehicle is parked in a bus lane, or at a bus stop, during hours when parking is
56.24 prohibited;

56.25 (5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

56.26 (6) the vehicle is parked in a disability transfer zone or disability parking space without
56.27 a disability parking certificate or disability license plates;

56.28 (7) the vehicle is parked in an area that has been posted for temporary restricted parking
56.29 (i) at least 12 hours in advance in a home rule charter or statutory city having a population
56.30 under 50,000, or (ii) at least 24 hours in advance in another political subdivision;

57.1 (8) the vehicle is parked within the right-of-way of a controlled-access highway or within
57.2 the traveled portion of a public street when travel is allowed there;

57.3 (9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by
57.4 fire, police, public safety, or emergency vehicles;

57.5 (10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International
57.6 Airport owned by the Metropolitan Airports Commission;

57.7 (11) a law enforcement official has probable cause to believe that the vehicle is stolen,
57.8 or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably
57.9 necessary to obtain or preserve the evidence;

57.10 (12) the driver, operator, or person in physical control of the vehicle is taken into custody
57.11 and the vehicle is impounded for safekeeping;

57.12 (13) a law enforcement official has probable cause to believe that the owner, operator,
57.13 or person in physical control of the vehicle has failed to respond to five or more citations
57.14 for parking or traffic offenses;

57.15 (14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use
57.16 by taxicabs;

57.17 (15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle;

57.18 (16) the vehicle is parked, on a school day during prohibited hours, in a school zone on
57.19 a public street where official signs prohibit parking; or

57.20 (17) the vehicle is a junk, abandoned, or unauthorized vehicle, as defined in section
57.21 168B.011, and subject to immediate removal under this chapter.

57.22 (c) A violation under section 169.06, subdivision 10, or 169.14, subdivision 13, is not
57.23 a traffic offense under paragraph (b), clause (13).

57.24 Sec. 40. Minnesota Statutes 2023 Supplement, section 169.011, subdivision 27, is amended
57.25 to read:

57.26 Subd. 27. **Electric-assisted bicycle.** (a) "Electric-assisted bicycle" means a bicycle with
57.27 two or three wheels that:

57.28 (1) has a saddle and fully operable pedals for human propulsion;

57.29 (2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part
57.30 1512, or successor requirements;

58.1 (3) is equipped with an electric motor that has a power output of not more than 750
58.2 watts;

58.3 (4) meets the requirements of a class 1, class 2, ~~or class 3~~, or multiple mode
58.4 electric-assisted bicycle; and

58.5 (5) has a battery or electric drive system that has been tested to an applicable safety
58.6 standard by a third-party testing laboratory.

58.7 (b) A vehicle is not an electric-assisted bicycle if it is designed, manufactured, or intended
58.8 by the manufacturer or seller to be configured or modified to not meet the requirements for
58.9 an electric-assisted bicycle or operate within the requirements for an electric-assisted bicycle
58.10 class.

58.11 (c) For purposes of this subdivision, "configured or modified" includes any of the
58.12 following changes:

58.13 (1) a mechanical switch or button;

58.14 (2) a modification or change to the electric motor or the electric drive system;

58.15 (3) the use of an application to increase or override the electric drive system; or

58.16 (4) through any other means represented or intended by the manufacturer or seller to
58.17 modify the vehicle to no longer meet the requirements or classification of an electric-assisted
58.18 bicycle.

58.19 Sec. 41. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
58.20 to read:

58.21 Subd. 45a. **Multiple mode electric-assisted bicycle.** "Multiple mode electric-assisted
58.22 bicycle" means an electric-assisted bicycle equipped with switchable or programmable
58.23 modes that provide for operation as two or more of a class 1, class 2, or class 3
58.24 electric-assisted bicycle in conformance with the definition and requirements under this
58.25 chapter for each respective class.

58.26 Sec. 42. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
58.27 to read:

58.28 Subd. 62b. **Red light camera system.** "Red light camera system" means an electronic
58.29 system of one or more cameras or other motor vehicle sensors that is specifically designed
58.30 to automatically produce recorded images of a motor vehicle operated in violation of a

59.1 traffic-control signal, including related information technology for recorded image storage,
59.2 retrieval, and transmission.

59.3 Sec. 43. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
59.4 to read:

59.5 Subd. 77a. **Speed safety camera system.** "Speed safety camera system" means an
59.6 electronic system of one or more cameras or other motor vehicle sensors that is specifically
59.7 designed to automatically produce recorded images of a motor vehicle operated in violation
59.8 of the speed limit, including related information technology for recorded image storage,
59.9 retrieval, and transmission.

59.10 Sec. 44. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
59.11 to read:

59.12 Subd. 85a. **Traffic safety camera system.** "Traffic safety camera system" means a red
59.13 light camera system, a speed safety camera system, or both in combination.

59.14 Sec. 45. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
59.15 to read:

59.16 Subd. 92b. **Vulnerable road user.** "Vulnerable road user" means a person in the
59.17 right-of-way of a highway, including but not limited to a bikeway and an adjacent sidewalk
59.18 or trail, who is:

59.19 (1) a pedestrian;

59.20 (2) on a bicycle, including an electric-assisted bicycle, or on another nonmotorized
59.21 vehicle or device;

59.22 (3) on an electric personal assistive mobility device;

59.23 (4) on an implement of husbandry; or

59.24 (5) riding an animal.

59.25 Vulnerable road user includes the operator and any passengers for a vehicle, device, or
59.26 personal conveyance identified in this subdivision.

60.1 Sec. 46. Minnesota Statutes 2022, section 169.04, is amended to read:

60.2 **169.04 LOCAL AUTHORITY.**

60.3 (a) The provisions of this chapter shall not be deemed to prevent local authorities, with
60.4 respect to streets and highways under their jurisdiction, and with the consent of the
60.5 commissioner, with respect to state trunk highways, within the corporate limits of a
60.6 municipality, or within the limits of a town in a county in this state now having or which
60.7 may hereafter have, a population of 500,000 or more, and a land area of not more than 600
60.8 square miles, and within the reasonable exercise of the police power from:

60.9 (1) regulating the standing or parking of vehicles;

60.10 (2) regulating traffic by means of police officers or traffic-control signals;

60.11 (3) regulating or prohibiting processions or assemblages on the highways;

60.12 (4) designating particular highways as one-way roadways and requiring that all vehicles,
60.13 except emergency vehicles, when on an emergency run, thereon be moved in one specific
60.14 direction;

60.15 (5) designating any highway as a through highway and requiring that all vehicles stop
60.16 before entering or crossing the same, or designating any intersection as a stop intersection,
60.17 and requiring all vehicles to stop at one or more entrances to such intersections;

60.18 (6) restricting the use of highways as authorized in sections 169.80 to 169.88;

60.19 (7) regulating speed limits through the use of a speed safety camera system implemented
60.20 under section 169.147; and

60.21 (8) regulating traffic control through the use of a red light camera system implemented
60.22 under section 169.147.

60.23 (b) No ordinance or regulation enacted under paragraph (a), clause (4), (5), or (6), shall
60.24 be effective until signs giving notice of such local traffic regulations are posted upon and
60.25 kept posted upon or at the entrance to the highway or part thereof affected as may be most
60.26 appropriate.

60.27 (c) No ordinance or regulation enacted under paragraph (a), clause (3), or any other
60.28 provision of law shall prohibit:

60.29 (1) the use of motorcycles or vehicles utilizing flashing red lights for the purpose of
60.30 escorting funeral processions, oversize buildings, heavy equipment, parades or similar
60.31 processions or assemblages on the highways; or

61.1 (2) the use of motorcycles or vehicles that are owned by the funeral home and that utilize
61.2 flashing red lights for the purpose of escorting funeral processions.

61.3 (d) Ordinances or regulations enacted under paragraph (a), clauses (7) and (8), are
61.4 effective after August 1, 2025, and before August 1, 2029.

61.5 Sec. 47. Minnesota Statutes 2022, section 169.06, is amended by adding a subdivision to
61.6 read:

61.7 Subd. 10. Red light camera; penalty. (a) Subject to subdivision 11, if a motor vehicle
61.8 is operated in violation of a traffic-control signal and the violation is identified through the
61.9 use of a red light camera system implemented under section 169.147, the owner of the
61.10 vehicle or the lessee of the vehicle is guilty of a petty misdemeanor and must pay a fine of
61.11 \$40.

61.12 (b) A person who commits a first offense under paragraph (a) must be given a warning
61.13 and is not subject to a fine or conviction under paragraph (a). A person who commits a
61.14 second offense under paragraph (a) is eligible for diversion, which must include a traffic
61.15 safety course established under section 169.147, subdivision 11. A person who enters
61.16 diversion and completes the traffic safety course is not subject to a fine or conviction under
61.17 paragraph (a).

61.18 (c) Paragraph (b) does not apply to:

61.19 (1) a violation that occurs in a commercial motor vehicle; or

61.20 (2) a violation committed by a holder of a class A, B, or C commercial driver's license
61.21 or commercial driver learner's permit, without regard to whether the violation was committed
61.22 in a commercial motor vehicle or another vehicle.

61.23 (d) This subdivision applies to violations committed on or after August 1, 2025, and
61.24 before August 1, 2029.

61.25 Sec. 48. Minnesota Statutes 2022, section 169.06, is amended by adding a subdivision to
61.26 read:

61.27 Subd. 11. Red light camera; limitations. (a) An owner or lessee of a motor vehicle is
61.28 not subject to a fine or conviction under subdivision 10 if any of the conditions under section
61.29 169.14, subdivision 14, paragraph (a), clauses (1) to (7), are met.

61.30 (b) The owner or lessee of a motor vehicle may not be issued a citation under subdivision
61.31 10 and under another subdivision in this section for the same conduct.

62.1 (c) A fine or conviction under subdivision 10 does not constitute grounds for revocation
62.2 or suspension of a person's driver's license.

62.3 (d) Except as provided in subdivision 10, paragraph (c), this subdivision applies to
62.4 violations committed on or after August 1, 2025, and before August 1, 2029.

62.5 Sec. 49. Minnesota Statutes 2022, section 169.14, subdivision 10, is amended to read:

62.6 **Subd. 10. Radar; speed-measuring device; standards of evidence.** (a) In any
62.7 prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed
62.8 as indicated on radar or other speed-measuring device, including but not limited to a speed
62.9 safety camera system, is admissible in evidence, subject to the following conditions:

62.10 (1) the officer or traffic enforcement agent under section 169.147 operating the device
62.11 has sufficient training to properly operate the equipment;

62.12 (2) the officer or traffic enforcement agent testifies as to the manner in which the device
62.13 was set up and operated;

62.14 (3) the device was operated with minimal distortion or interference from outside sources;
62.15 and

62.16 (4) the device was tested by an accurate and reliable external mechanism, method, or
62.17 system at the time it was set up.

62.18 (b) Records of tests made of such devices and kept in the regular course of operations
62.19 of any law enforcement agency are admissible in evidence without further foundation as to
62.20 the results of the tests. The records shall be available to a defendant upon demand. Nothing
62.21 in this subdivision shall be construed to preclude or interfere with cross examination or
62.22 impeachment of evidence of the rate of speed as indicated on the radar or speed-measuring
62.23 device.

62.24 (c) Evidence from a speed safety camera system may be used solely for a citation or
62.25 prosecution for a violation under subdivision 13.

62.26 Sec. 50. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to
62.27 read:

62.28 **Subd. 13. Speed safety camera; penalty.** (a) Subject to subdivision 14, if a motor
62.29 vehicle is operated in violation of a speed limit and the violation is identified through the
62.30 use of a speed safety camera system implemented under section 169.147, the owner of the
62.31 vehicle or the lessee of the vehicle is guilty of a petty misdemeanor and must pay a fine of:

63.1 (1) \$40; or

63.2 (2) \$80, if the violation is for a speed at least 20 miles per hour in excess of the speed
63.3 limit.

63.4 (b) A person who commits a first offense under paragraph (a) must be given a warning
63.5 and is not subject to a fine or conviction under paragraph (a). A person who commits a
63.6 second offense under paragraph (a) is eligible for diversion, which must include a traffic
63.7 safety course established under section 169.147, subdivision 11. A person who enters
63.8 diversion and completes the traffic safety course is not subject to a fine or conviction under
63.9 paragraph (a).

63.10 (c) Paragraph (b) does not apply to:

63.11 (1) a violation that occurs in a commercial motor vehicle; or

63.12 (2) a violation committed by a holder of a class A, B, or C commercial driver's license
63.13 or commercial driver learner's permit, without regard to whether the violation was committed
63.14 in a commercial motor vehicle or another vehicle.

63.15 (d) This subdivision applies to violations committed on or after August 1, 2025, and
63.16 before August 1, 2029.

63.17 Sec. 51. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to
63.18 read:

63.19 Subd. 14. **Speed safety camera; limitations.** (a) An owner or lessee of a motor vehicle
63.20 is not subject to a fine or conviction under subdivision 13 if:

63.21 (1) the vehicle was stolen at the time of the violation;

63.22 (2) a transfer of interest in the vehicle in compliance with section 168A.10 was made
63.23 before the time of the violation;

63.24 (3) the vehicle owner is a lessor of the motor vehicle, and the lessor identifies the name
63.25 and address of the lessee;

63.26 (4) the vehicle is an authorized emergency vehicle operated in the performance of official
63.27 duties at the time of the violation;

63.28 (5) another person is convicted, within the meaning under section 171.01, subdivision
63.29 29, for the same violation;

63.30 (6) the vehicle owner provides a sworn statement to the court or prosecuting authority
63.31 that the owner was not operating the vehicle at the time of the violation; or

64.1 (7) the vehicle owner provides a sworn statement to the court or prosecuting authority
64.2 that the owner was operating the vehicle at the time of the violation under the circumstances
64.3 of a medical emergency for either the driver or a passenger in the vehicle.

64.4 (b) The owner or lessee of a motor vehicle may not be issued a citation under subdivision
64.5 13 and under another subdivision in this section for the same conduct.

64.6 (c) Except as provided in subdivision 13, paragraph (c), a fine or conviction under
64.7 subdivision 13 does not constitute grounds for revocation or suspension of a person's driver's
64.8 license.

64.9 (d) A vehicle owner asserting a defense under paragraph (a), clause (7), must provide
64.10 an accompanying sworn statement from the physician responsible for treatment of the
64.11 underlying condition or emergency that necessitated medical attention.

64.12 (e) This subdivision applies to violations committed on or after August 1, 2025, and
64.13 before August 1, 2029.

64.14 **Sec. 52. [169.147] TRAFFIC SAFETY CAMERA SYSTEM PILOT PROGRAM.**

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

64.17 (b) "Camera-based traffic enforcement" means enforcement of traffic control through
64.18 the use of a red light camera system, speed limits through the use of a speed safety camera
64.19 system, or both.

64.20 (c) "Commissioner" means the commissioner of transportation.

64.21 (d) "Commissioners" means the commissioner of transportation as the lead in coordination
64.22 with the commissioner of public safety.

64.23 (e) "Implementing authority" means either:

64.24 (1) the commissioners with respect to trunk highways for the work zone pilot program
64.25 provided under subdivision 17; or

64.26 (2) a local authority specified in paragraph (f) that implements the traffic safety camera
64.27 system pilot program.

64.28 (f) "Local authority" means either the city of Minneapolis or the city of Mendota Heights,
64.29 which are authorized to conduct the pilot program.

64.30 (g) "Monitoring site" means a location at which a traffic safety camera system is placed
64.31 and operated under this section.

65.1 (h) "Pilot program" means the traffic safety camera pilot program established in this
65.2 section.

65.3 (i) "Traffic enforcement agent" means a licensed peace officer or an employee of a local
65.4 authority who is designated as provided in this section.

65.5 Subd. 2. **Pilot program establishment.** (a) In conformance with this section, the
65.6 commissioner of transportation, in coordination with the commissioner of public safety,
65.7 must establish a traffic safety camera pilot program that provides for education and
65.8 enforcement of speeding violations, traffic-control signal violations, or both in conjunction
65.9 with use of traffic safety camera systems.

65.10 (b) The authority for camera-based traffic enforcement under the pilot program is limited
65.11 to August 1, 2025, to July 31, 2029.

65.12 (c) Only the following may implement camera-based traffic enforcement under the pilot
65.13 program:

65.14 (1) the commissioners, as provided under paragraph (d);

65.15 (2) the city of Minneapolis, as provided under paragraph (e); and

65.16 (3) the city of Mendota Heights.

65.17 (d) Under the pilot program, the commissioners must, beginning August 1, 2025,
65.18 commence enforcement of speeding violations in trunk highway work zones as specified
65.19 under subdivision 17.

65.20 (e) The city of Minneapolis is prohibited from implementing the pilot program or
65.21 camera-based traffic enforcement through or in substantive coordination with the city's
65.22 police department.

65.23 Subd. 3. **Local authority requirements.** Prior to implementation of camera-based traffic
65.24 enforcement, a local authority must:

65.25 (1) incorporate both camera-based traffic enforcement and additional strategies designed
65.26 to improve traffic safety in a local traffic safety action plan, transportation plan, or
65.27 comprehensive plan; and

65.28 (2) review and ensure compliance with the requirements under this section.

65.29 Subd. 4. **Traffic safety camera system requirements.** (a) By July 1, 2025, the
65.30 commissioners must establish traffic safety camera system standards that include:

65.31 (1) recording and data requirements as specified in subdivision 15;

66.1 (2) requirements for monitoring site signage in conformance with the requirements under
66.2 subdivision 5, paragraph (b), clause (3);

66.3 (3) procedures for traffic safety camera system placement in conformance with the
66.4 requirements under subdivision 6;

66.5 (4) training and qualification of individuals to inspect and calibrate a traffic safety camera
66.6 system;

66.7 (5) procedures for initial calibration of the traffic safety camera system prior to
66.8 deployment; and

66.9 (6) requirements for regular traffic safety camera system inspection and maintenance
66.10 by a qualified individual.

66.11 (b) Prior to establishing the standards under paragraph (a), the commissioners must
66.12 solicit review and comments and consider any comments received.

66.13 (c) An implementing authority must follow the requirements and standards established
66.14 under this subdivision.

66.15 Subd. 5. **Public engagement and notice.** (a) The commissioner and each implementing
66.16 authority must maintain information on their respective websites that, at a minimum:

66.17 (1) summarizes implementation of traffic safety camera systems under the pilot program;

66.18 (2) provides each camera system impact study performed by the implementing authority
66.19 under subdivision 6, paragraph (b);

66.20 (3) provides information and procedures for a person to contest a citation under the pilot
66.21 program; and

66.22 (4) identifies the enforcement locations under the pilot program.

66.23 (b) An implementing authority must:

66.24 (1) implement a general public engagement and information campaign prior to
66.25 commencing camera-based speed enforcement under the pilot program;

66.26 (2) perform public engagement as part of conducting a camera system impact study
66.27 under subdivision 6, paragraph (b); and

66.28 (3) place conspicuous signage prior to the motorist's arrival at each monitoring site,
66.29 which must:

66.30 (i) notify motor vehicle operators of the use of a traffic safety camera system to detect
66.31 violations; and

67.1 (ii) if a speed safety camera is in use, identify the speed limit.

67.2 (c) Public engagement under paragraph (b) must include but is not limited to:

67.3 (1) outreach to populations that are traditionally underrepresented in public policy or
67.4 planning processes;

67.5 (2) consolidation and analysis of public feedback; and

67.6 (3) creation of an engagement summary that identifies public feedback and the resulting
67.7 impacts on implementation of camera-based traffic enforcement.

67.8 Subd. 6. **Placement requirements.** (a) A local authority with fewer than 10,000 residents
67.9 may place no more than one traffic safety camera system, whether the camera system is
67.10 activated or inactive. A local authority with at least 10,000 residents may place no more
67.11 than one traffic safety camera system per 10,000 residents, whether the camera system is
67.12 activated or inactive. An implementing authority may move the location of a traffic safety
67.13 camera system if the placement requirements under this subdivision are met.

67.14 (b) An implementing authority may only place a traffic safety camera system in
67.15 conformance with the results of a camera system impact study. At a minimum, the study
67.16 must:

67.17 (1) include evaluation of crash rates and severity, vehicle speed, equity, and traffic safety
67.18 treatment alternatives;

67.19 (2) identify traffic safety camera system locations; and

67.20 (3) explain how the locations comply with the placement requirements under paragraph
67.21 (d).

67.22 (c) An implementing authority may only place a traffic safety camera system:

67.23 (1) in a trunk highway work zone; or

67.24 (2) at a location that:

67.25 (i) is within 2,000 feet of (A) a public or nonpublic school, (B) a school zone established
67.26 under section 169.14, subdivision 5a, or (C) a public or private postsecondary institution;
67.27 and

67.28 (ii) has an identified traffic safety concern, as indicated by crash or law enforcement
67.29 data, safety plans, or other documentation.

68.1 (d) An implementing authority that places more than one traffic safety camera system
68.2 must ensure that the cameras are placed in geographically distinct areas and in multiple
68.3 communities with differing socioeconomic conditions.

68.4 (e) An implementing authority may place a traffic safety camera system on a street or
68.5 highway that is not under its jurisdiction only upon approval by the road authority that has
68.6 jurisdiction.

68.7 Subd. 7. **Traffic-control devices.** (a) An implementing authority must not adjust the
68.8 change interval for the steady yellow indication in a traffic-control signal:

68.9 (1) for one month prior to beginning to operate a red light camera system at the associated
68.10 intersection; or

68.11 (2) during the period that the red light camera system is operated at the associated
68.12 intersection.

68.13 (b) The yellow change interval for a traffic-control signal that is subject to paragraph
68.14 (a) must meet or exceed the standards and guidance specified in the Manual on Uniform
68.15 Traffic Control Devices adopted under section 169.06, subdivision 1.

68.16 (c) An implementing authority that adjusts the yellow change interval for a traffic-control
68.17 signal at an intersection where a red light camera system is being operated must deactivate
68.18 the red light camera system and subsequently meet the requirements under paragraph (a).

68.19 Subd. 8. **Traffic enforcement agents.** (a) To meet the requirement established in
68.20 subdivision 2, paragraph (e), the city of Minneapolis must designate one or more permanent
68.21 employees of the authority, who is not a licensed peace officer, as a traffic enforcement
68.22 agent. An employee of a private entity may not be designated as a traffic enforcement agent.
68.23 A traffic enforcement agent who is not a licensed peace officer has the authority to issue
68.24 citations under this section only while engaged in job duties and otherwise has none of the
68.25 other powers and privileges reserved to peace officers.

68.26 (b) The city of Mendota Heights must designate a sworn peace officer as a traffic
68.27 enforcement agent.

68.28 (c) An implementing authority must ensure that a traffic enforcement agent is properly
68.29 trained in the use of equipment and the requirements governing traffic safety camera
68.30 implementation.

68.31 Subd. 9. **Citations; warnings.** (a) A traffic enforcement agent under the pilot program
68.32 has the exclusive authority to issue a citation to the owner or lessee of a motor vehicle for

69.1 (1) a violation under section 169.06, subdivision 10, and (2) a violation under section 169.14,
69.2 subdivision 13.

69.3 (b) A traffic enforcement agent may only issue a citation if:

69.4 (1) the violation is committed at least 30 days after the relevant implementing authority
69.5 has commenced camera-based traffic enforcement;

69.6 (2) with respect to speed limits, the speeding violation is at least ten miles per hour in
69.7 excess of the speed limit; and

69.8 (3) a traffic enforcement agent has inspected and verified recorded images provided by
69.9 the traffic safety camera system.

69.10 (c) An implementing authority must provide a warning for a traffic-control signal
69.11 violation under section 169.06, subdivision 10, or a speeding violation under section 169.14,
69.12 subdivision 13, for the period from (1) the date when camera-based traffic enforcement is
69.13 first commenced, to (2) the date when citations are authorized under paragraph (b), clause
69.14 (1).

69.15 (d) Notwithstanding section 169.022, an implementing authority may specify a speed
69.16 in excess of the speed limit that is higher than the amount specified in paragraph (b), clause
69.17 (2), at which to proceed with issuance of a citation.

69.18 (e) A citation may be issued through the United States mail if postmarked within: (1)
69.19 14 days of the violation for a vehicle registered in Minnesota; or (2) 30 days of the violation
69.20 for a vehicle registered outside of Minnesota. Section 168.346, subdivision 2, applies to a
69.21 private entity that provides citation mailing services under this section.

69.22 Subd. 10. **Uniform citation.** (a) There must be a uniform traffic safety camera citation
69.23 issued throughout the state by a traffic enforcement agent for a violation as provided under
69.24 this section. The uniform traffic safety camera citation is in the form and has the effect of
69.25 a summons and complaint.

69.26 (b) The commissioner of public safety must prescribe the detailed form of the uniform
69.27 traffic safety camera citation. As appropriate, the citation design must conform with the
69.28 requirements for a uniform traffic ticket under section 169.99, subdivisions 1 and 1d. The
69.29 citation design must include:

69.30 (1) a brief overview of the pilot program and implementation of traffic safety camera
69.31 systems;

70.1 (2) a summary of the circumstances of the citation that includes identification of the
70.2 motor vehicle involved, the date and time of the violation, and the location where the
70.3 violation occurred;

70.4 (3) copy of the recorded image or primary images used to identify a violation;

70.5 (4) a notification that the recorded images under clause (3) are evidence of a violation
70.6 under section 169.06, subdivision 10, or 169.14, subdivision 13;

70.7 (5) a statement signed by the traffic enforcement agent who issued the citation stating
70.8 that the agent has inspected the recorded images and determined that the violation occurred
70.9 in the specified motor vehicle;

70.10 (6) a summary of the limitations under sections 169.06, subdivision 11, and 169.14,
70.11 subdivision 14;

70.12 (7) notification that an owner is ineligible for diversion if the violation was committed
70.13 by a holder of a class A, B, or C commercial driver's license or commercial driver learner's
70.14 permit, without regard to whether the violation was committed in a commercial motor
70.15 vehicle or another vehicle;

70.16 (8) information on the diversion and traffic safety course eligibility and requirements
70.17 under sections 169.06, subdivision 10, paragraph (b), and 169.14, subdivision 13, paragraph
70.18 (b);

70.19 (9) the total amount of the fine imposed;

70.20 (10) a notification that the person has the right to contest the citation;

70.21 (11) information on the process and procedures for a person to contest the citation; and

70.22 (12) a statement that payment of the fine constitutes a plea of guilty and failure to appear
70.23 in court is considered a plea of guilty, as provided under section 169.91.

70.24 (c) The commissioner of public safety must make the information required under
70.25 paragraph (b) available in languages that are commonly spoken in the state and in each area
70.26 in which a local authority has implemented camera-based traffic enforcement.

70.27 Subd. 11. **Traffic safety course.** (a) The commissioners must establish a traffic safety
70.28 course that provides at least 30 minutes of instruction on speeding, traffic-control signals,
70.29 and other traffic safety topics. The curriculum must include safety risks associated with
70.30 speed and speeding in school zones and work zones.

70.31 (b) The commissioners must not impose a fee for an individual who is authorized to
70.32 attend the course under sections 169.06, subdivision 10, and 169.14, subdivision 13.

71.1 Subd. 12. **Third-party agreements.** (a) An implementing authority may enter into
71.2 agreements with a private entity for operations, services, or equipment under this section.
71.3 Payment under a contract with a private entity must not be based on the number of violations,
71.4 citations issued, or other similar means.

71.5 (b) An implementing authority that enters into a third-party agreement under this
71.6 subdivision must perform a data practices audit of the private entity to confirm compliance
71.7 with the requirements under subdivisions 14 to 16 and chapter 13. An audit must be
71.8 undertaken at least every other year.

71.9 Subd. 13. **Use of revenue.** (a) Revenue from citations received by an implementing
71.10 authority that is attributable to camera-based traffic enforcement must be allocated as follows:

71.11 (1) first as necessary to provide for implementation costs, which may include but are
71.12 not limited to procurement and installation of traffic safety camera systems, traffic safety
71.13 planning, and public engagement; and

71.14 (2) the remainder for traffic safety measures that perform traffic calming.

71.15 (b) The amount expended under paragraph (a), clause (2), must supplement and not
71.16 supplant existing expenditures for traffic safety.

71.17 Subd. 14. **Data practices; general requirements.** (a) All data collected by a traffic
71.18 safety camera system are private data on individuals as defined in section 13.02, subdivision
71.19 12, or nonpublic data as defined in section 13.02, subdivision 9, unless the data are public
71.20 under section 13.82, subdivision 2, 3, or 6, or are criminal investigative data under section
71.21 13.82, subdivision 7.

71.22 (b) An agreement with a private entity and an implementing authority pursuant to
71.23 subdivision 12 is subject to section 13.05, subdivisions 6 and 11.

71.24 (c) A private entity must use the data gathered under this section only for purposes of
71.25 camera-based traffic enforcement under the pilot program and must not share or disseminate
71.26 the data with an entity other than the appropriate implementing authority, except pursuant
71.27 to a court order. Nothing in this subdivision prevents a private entity from sharing or
71.28 disseminating summary data, as defined in section 13.02, subdivision 19.

71.29 (d) Traffic safety camera system data are not subject to subpoena, discovery, or admission
71.30 into evidence in any prosecution, civil action, or administrative process that is not taken
71.31 pursuant to section 169.06, subdivision 10, or 169.14, subdivision 13.

71.32 Subd. 15. **Data practices; traffic safety camera system.** A traffic safety camera system:

- 72.1 (1) is limited to collection of the following data:
- 72.2 (i) recorded video or images of the rear license plate of a motor vehicle;
- 72.3 (ii) recorded video or images of motor vehicles and areas surrounding the vehicles to
72.4 the extent necessary to (A) identify a violation of a traffic-control device, or (B) calculate
72.5 vehicle speeds;
- 72.6 (iii) date, time, and vehicle location that correlates to the data collected under item (i)
72.7 or (ii); and
- 72.8 (iv) general traffic data:
- 72.9 (A) collected specifically for purposes of pilot program analysis and evaluation;
- 72.10 (B) that does not include recorded video or images;
- 72.11 (C) in which individuals or unique vehicles are not identified; and
- 72.12 (D) from which an individual or unique vehicle is not ascertainable;
- 72.13 (2) must not record in a manner that makes any individual personally identifiable,
72.14 including but not limited to the motor vehicle operator or occupants; and
- 72.15 (3) may only record or retain the data specified in clause (1), items (i) to (iii), if the
72.16 traffic safety camera system identifies an appropriate potential violation for review by a
72.17 traffic enforcement agent.
- 72.18 **Subd. 16. Data practices; destruction of data.** (a) Notwithstanding section 138.17,
72.19 and except as otherwise provided in this subdivision, data collected by a traffic safety camera
72.20 system must be destroyed within 30 days of the date of collection unless the data are criminal
72.21 investigative data under section 13.82, subdivision 7, related to a violation of a traffic-control
72.22 signal or a speed limit.
- 72.23 (b) Upon written request to a law enforcement agency from an individual who is the
72.24 subject of a pending criminal charge or complaint, along with the case or complaint number
72.25 and a statement that the data may be used as exculpatory evidence, data otherwise subject
72.26 to destruction under paragraph (a) must be preserved by the law enforcement agency until
72.27 the charge or complaint is resolved or dismissed.
- 72.28 (c) Upon written request from a program participant under chapter 5B, data collected
72.29 by a traffic safety camera system related to the program participant must be destroyed at
72.30 the time of collection or upon receipt of the request, whichever occurs later, unless the data
72.31 are active criminal investigative data. The existence of a request submitted under this
72.32 paragraph is private data on individuals as defined in section 13.02, subdivision 12.

73.1 (d) Notwithstanding section 138.17, data collected by a traffic safety camera system
73.2 must be destroyed within three years of the resolution of a citation issued pursuant to this
73.3 section.

73.4 (e) The destruction requirements under this subdivision do not apply to: (1) general
73.5 traffic data as provided under subdivision 15, clause (1), item (iv); and (2) data that identifies
73.6 the number of warnings or citations issued to an individual under this section.

73.7 Subd. 17. **Work zone pilot project.** (a) By August 1, 2025, the commissioners must
73.8 implement a speed safety camera pilot project that provides for education of speeding
73.9 violations in conjunction with the development and study of the use of speed safety camera
73.10 systems.

73.11 (b) The commissioners must issue a warning for a violation of section 169.14, subdivision
73.12 13, captured by a speed safety camera system and must not impose any fine for a second
73.13 or subsequent violation.

73.14 (c) The warning issued by the commissioners must include easily understandable
73.15 information on speeding, traffic-control signals, and other safety risks associated with speed
73.16 and speeding in work zones.

73.17 (d) The commissioner must establish an implementation schedule that begins
73.18 commencement of camera-based traffic enforcement on at least two, but no more than four,
73.19 trunk highway work zone segments by August 1, 2025. The commissioners may select
73.20 different trunk highway work zones. The commissioners must conduct the work zone pilot
73.21 project in geographically diverse areas and must consider traffic patterns, work zone accident
73.22 rates, historic speed enforcement and citation rates, and other factors to study further
73.23 deployment of speed camera systems in additional work zones.

73.24 (e) By July 1, 2025, the commissioners of transportation and public safety must establish
73.25 standards, schedules, curricula, and requirements for camera-based traffic enforcement in
73.26 a trunk highway work zone.

73.27 (f) The authority for the work zone pilot project is limited to August 1, 2025, to July 31,
73.28 2029.

73.29 Subd. 18. **Exempt from rulemaking.** Rules adopted to implement this section are
73.30 exempt from rulemaking under chapter 14 and are not subject to exempt rulemaking
73.31 procedures under section 14.386.

73.32 Subd. 19. **Expiration.** This section expires July 31, 2029.

74.1 Sec. 53. Minnesota Statutes 2022, section 169.18, is amended by adding a subdivision to
74.2 read:

74.3 Subd. 13. **Impeding motorcycle.** An operator of a motor vehicle must not intentionally
74.4 impede or attempt to prevent the operation of a motorcycle when the motorcycle is operated
74.5 under the conditions specified in section 169.974, subdivision 5, paragraph (g).

74.6 **EFFECTIVE DATE.** This section is effective July 1, 2025, for violations committed
74.7 on or after that date.

74.8 Sec. 54. Minnesota Statutes 2022, section 169.21, subdivision 6, is amended to read:

74.9 Subd. 6. **Driver education curriculum; vulnerable road users.** The class D curriculum,
74.10 in addition to driver education classroom curriculum prescribed in rules of statutes for class
74.11 D motor vehicles, must include instruction on commissioner must adopt rules for persons
74.12 enrolled in driver education programs offered at public schools, private schools, and
74.13 commercial driver training schools to require inclusion of a section on vulnerable road users
74.14 in the course of instruction. The instruction must include information on:

74.15 (1) the rights and responsibilities of vulnerable road users, as defined in section 169.011,
74.16 subdivision 92b;

74.17 (2) the specific duties of a driver when encountering a bicycle, other nonmotorized
74.18 vehicles, or a pedestrian;

74.19 (3) safety risks for vulnerable road users and motorcyclists or other operators of two-
74.20 or three-wheeled vehicles; and

74.21 (4) best practices to minimize dangers and avoid collisions with vulnerable road users
74.22 and motorcyclists or other operators of two- or three-wheeled vehicles.

74.23 Sec. 55. Minnesota Statutes 2022, section 169.222, subdivision 2, is amended to read:

74.24 Subd. 2. **Manner and number riding.** No bicycle, including a tandem bicycle, cargo
74.25 or utility bicycle, or trailer, shall be used to carry more persons at one time than the number
74.26 for which it is designed and equipped, except an adult rider may carry a child in a seat
74.27 designed for carrying children that is securely attached to the bicycle. (a) For purposes of
74.28 this subdivision, "bicycle" includes a tandem bicycle, electric-assisted bicycle, cargo or
74.29 utility bicycle, or trailer.

74.30 (b) No person may operate a bicycle while carrying more than the number of riders for
74.31 which the bicycle is designed or equipped.

75.1 (c) Notwithstanding paragraph (b), an adult bicycle operator may carry a child in a trailer
 75.2 or seat designed for carrying children that is securely attached to a bicycle.

75.3 Sec. 56. Minnesota Statutes 2022, section 169.222, subdivision 6a, is amended to read:

75.4 Subd. 6a. **Electric-assisted bicycle; riding rules.** (a) A person may operate an
 75.5 electric-assisted bicycle in the same manner as provided for operation of other bicycles,
 75.6 including but not limited to operation on the shoulder of a roadway, a bicycle lane, and a
 75.7 bicycle route, and operation without the motor engaged on a bikeway or bicycle trail.

75.8 (b) A person may operate a class 1 or class 2 electric-assisted bicycle with the motor
 75.9 engaged on a bicycle path, bicycle trail, or shared use path unless prohibited under section
 75.10 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2,
 75.11 paragraph (b), as applicable.

75.12 (c) A person may operate a class 3 electric-assisted bicycle or multiple mode
 75.13 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared
 75.14 use path unless the local authority or state agency having jurisdiction over the bicycle path
 75.15 or trail prohibits the operation.

75.16 (d) The local authority or state agency having jurisdiction over a trail or over a bike park
 75.17 that is designated as nonmotorized and that has a natural surface tread made by clearing
 75.18 and grading the native soil with no added surfacing materials may regulate the operation of
 75.19 an electric-assisted bicycle.

75.20 (e) ~~No~~ A person under the age of 15 ~~shall~~ must not operate an electric-assisted bicycle.

75.21 Sec. 57. Minnesota Statutes 2022, section 169.222, subdivision 6b, is amended to read:

75.22 Subd. 6b. **Electric-assisted bicycle; equipment.** (a) The manufacturer or distributor of
 75.23 an electric-assisted bicycle must apply a label to the bicycle that is permanently affixed in
 75.24 a prominent location. The label must contain the ~~classification~~ class number, top assisted
 75.25 speed, and motor wattage of the electric-assisted bicycle, and must be printed in a legible
 75.26 font with at least 9-point type. A multiple mode electric-assisted bicycle must have labeling
 75.27 that identifies the highest class or each of the electric-assisted bicycle classes in which it is
 75.28 capable of operating.

75.29 (b) A person must not modify an electric-assisted bicycle to change the motor-powered
 75.30 speed capability or motor engagement so that the bicycle no longer meets the requirements
 75.31 for the applicable class, unless:

75.32 (1) the person replaces the label required in paragraph (a) with revised information; or

76.1 (2) for a vehicle that no longer meets the requirements for any electric-assisted bicycle
76.2 class, the person removes the labeling as an electric-assisted bicycle.

76.3 (c) An electric-assisted bicycle must operate in a manner so that the electric motor is
76.4 disengaged or ceases to function ~~when the rider stops pedaling or:~~ (1) when the brakes are
76.5 applied; or (2) except for a class 2 electric-assisted bicycle or a multiple mode
76.6 electric-assisted bicycle operating in class 2 mode, when the rider stops pedaling.

76.7 (d) A class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle must
76.8 be equipped with a speedometer that displays the speed at which the bicycle is traveling in
76.9 miles per hour.

76.10 (e) A multiple mode electric-assisted bicycle equipped with a throttle must not be capable
76.11 of exceeding 20 miles per hour on motorized propulsion alone in any mode when the throttle
76.12 is engaged.

76.13 Sec. 58. Minnesota Statutes 2023 Supplement, section 169.223, subdivision 4, is amended
76.14 to read:

76.15 Subd. 4. **Headlight requirement.** The provisions of section 169.974, subdivision 5,
76.16 paragraph ~~(j)~~ (k), apply to motorized bicycles that are equipped with headlights. A new
76.17 motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight.

76.18 **EFFECTIVE DATE.** This section is effective July 1, 2025.

76.19 Sec. 59. Minnesota Statutes 2022, section 169.346, subdivision 2, is amended to read:

76.20 Subd. 2. **Disability parking space signs.** (a) Parking spaces reserved for physically
76.21 disabled persons must be designated and identified by the posting of signs incorporating
76.22 the international symbol of access in white on blue and indicating that violators are subject
76.23 to a fine of up to \$200. These parking spaces are reserved for disabled persons with motor
76.24 vehicles displaying the required certificate, plates, permit valid for 30 days, or insignia.

76.25 (b) For purposes of this subdivision, a parking space that is clearly identified as reserved
76.26 for physically disabled persons by a permanently posted sign that does not meet all design
76.27 standards, is considered designated and reserved for physically disabled persons. A sign
76.28 posted for the purpose of this section must be visible from inside a motor vehicle parked in
76.29 the space, be kept clear of snow or other obstructions which block its visibility, and be
76.30 nonmovable.

76.31 (c) By August 1, 2024, the Minnesota Council on Disability must select and propose a
76.32 statewide uniform disability parking space sign that is consistent with the Americans with

77.1 Disabilities Act. The selected and proposed sign must not display any variation of the word
77.2 "handicapped." As part of selecting and proposing a statewide uniform disability parking
77.3 space sign, the Minnesota Council on Disability may encourage owners or managers of
77.4 property to replace existing disability parking space signs at the owner's earliest opportunity
77.5 once the sign is made available for distribution.

77.6 (d) Beginning on August 1, 2025, an applicable owner or manager of property on which
77.7 a disability parking sign may be located must install and display the new uniform disability
77.8 parking sign required in paragraph (c) at:

77.9 (1) newly created on-site parking facilities; and

77.10 (2) existing on-site parking facilities when the manager or owner replaces existing
77.11 disability parking space signs.

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

77.13 Sec. 60. **[169.515] LIGHTS ON GRANT PROGRAM.**

77.14 Subdivision 1. **Definition.** For purposes of this section, "high poverty area" means a
77.15 census tract as reported in the most recently completed decennial census published by the
77.16 United States Bureau of the Census that has a poverty area rate of at least 20 percent or in
77.17 which the median family income does not exceed 80 percent of the greater of the statewide
77.18 or metropolitan median family income.

77.19 Subd. 2. **Grant program established.** The Lights On grant program is established under
77.20 this section to provide drivers on Minnesota roads with vouchers of up to \$250 to use at
77.21 participating auto repair shops to repair or replace broken or malfunctioning lighting
77.22 equipment required under sections 169.49 to 169.51.

77.23 Subd. 3. **Eligibility.** Counties, cities, towns, the State Patrol, and local law enforcement
77.24 agencies, including law enforcement agencies of a federally recognized Tribe, as defined
77.25 in United States Code, title 25, section 5304(e), are eligible to apply for grants under this
77.26 section.

77.27 Subd. 4. **Application.** (a) The commissioner of public safety must develop application
77.28 materials and procedures for the Lights On grant program.

77.29 (b) The application must describe the type or types of intended vouchers, the amount of
77.30 money requested, and any other information deemed necessary by the commissioner.

77.31 (c) Applicants must submit an application under this section in the form and manner
77.32 prescribed by the commissioner.

78.1 (d) Applicants must describe how grant money will be used to provide and distribute
78.2 vouchers to drivers.

78.3 Subd. 5. Use of grant award. (a) Applicants must keep records of vouchers distributed
78.4 and records of all expenses associated with awarded grant money.

78.5 (b) Applicants must not use awarded grant money for administrative costs. A nonstate
78.6 organization that contracts with the commissioner to operate the program must not retain
78.7 any of the grant money for administrative costs.

78.8 Subd. 6. Vouchers. (a) An applicant must not distribute more than one voucher per
78.9 motor vehicle in a 90-day period.

78.10 (b) A voucher that is distributed to a driver must contain the following information:

78.11 (1) the motor vehicle license plate number;

78.12 (2) the date of issuance; and

78.13 (3) the badge number of the peace officer distributing the voucher.

78.14 Subd. 7. Grant criteria. Preference for grant awards must be given to applicants whose
78.15 proposals provide resources and vouchers to individuals residing in geographic areas that
78.16 (1) have higher crash rates or higher numbers of tickets issued for broken or malfunctioning
78.17 lighting equipment, or (2) are high poverty areas.

78.18 Subd. 8. Reporting. (a) By February 1 each year, grant recipients must submit a report
78.19 to the commissioner itemizing all expenditures made using grant money during the previous
78.20 calendar year, the purpose of each expenditure, and the disposition of each contact made
78.21 with drivers with malfunctioning or broken lighting equipment. The report must be in the
78.22 form and manner prescribed by the commissioner.

78.23 (b) By March 15 each year, the commissioner must submit a report to the chairs and
78.24 ranking minority members of the legislative committees with jurisdiction over transportation
78.25 policy and finance. The report must list, for the previous calendar year:

78.26 (1) the participating grant recipients and the total number and dollar amount of vouchers
78.27 that each grant recipient distributed; and

78.28 (2) the participating auto repair shops and the total number and dollar amount of vouchers
78.29 that each received.

78.30 Grant recipients and any program organization contracted by the commissioner must provide
78.31 information as requested by the commissioner to complete the report required under this
78.32 paragraph.

79.1 Sec. 61. Minnesota Statutes 2022, section 169.974, subdivision 5, is amended to read:

79.2 Subd. 5. **Driving rules.** (a) An operator of a motorcycle must ride only upon a permanent
79.3 and regular seat which is attached to the vehicle for that purpose. No other person ~~shall~~ may
79.4 ride on a motorcycle, except that passengers may ride (1) upon a permanent and regular
79.5 operator's seat if designed for two persons, (2) upon additional seats attached to or in the
79.6 vehicle, or (3) in a sidecar attached to the vehicle. The operator of a motorcycle is prohibited
79.7 from carrying passengers in a number in excess of the designed capacity of the motorcycle
79.8 or sidecar attached to it. A passenger is prohibited from being carried in a position that
79.9 interferes with the safe operation of the motorcycle or the view of the operator.

79.10 (b) No person ~~shall~~ may ride upon a motorcycle as a passenger unless the person can
79.11 reach the footrests or floorboards with both feet.

79.12 (c) Except for passengers of sidecars, drivers and passengers of three-wheeled
79.13 motorcycles, and persons in an autocycle, no person ~~shall~~ may operate or ride upon a
79.14 motorcycle except while sitting astride the seat, facing forward, with one leg on either side
79.15 of the motorcycle.

79.16 (d) No person ~~shall~~ may operate a motorcycle while carrying animals, packages, bundles,
79.17 or other cargo ~~which~~ that prevent the person from keeping both hands on the handlebars.

79.18 ~~(e) No person shall operate a motorcycle between lanes of moving or stationary vehicles~~
79.19 ~~headed in the same direction, nor shall any person drive a motorcycle abreast of or overtake~~
79.20 ~~or pass another vehicle within the same traffic lane.~~ Motorcycles may, with the consent of
79.21 both drivers, be operated not more than two abreast in a single traffic lane if the vehicles
79.22 fit safely within the designated space of the lane.

79.23 (f) Except under the conditions specified in paragraph (g), no person may operate a
79.24 motorcycle:

79.25 (1) between lanes of moving or stationary vehicles headed in the same direction of travel;

79.26 (2) abreast of moving or stationary vehicles within the same traffic lane; or

79.27 (3) to overtake or pass another vehicle within the same traffic lane.

79.28 (g) A person may operate a motorcycle and overtake and pass another vehicle in the
79.29 same direction of travel and within the same traffic lane if the motorcycle is operated:

79.30 (1) at not more than 25 miles per hour; and

79.31 (2) no more than 15 miles per hour over the speed of traffic in the relevant traffic lanes.

80.1 (h) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and
80.2 no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle of
80.3 the full use of a traffic lane.

80.4 ~~(g)~~ (i) A person operating a motorcycle upon a roadway must be granted the rights and
80.5 is subject to the duties applicable to a motor vehicle as provided by law, except as to those
80.6 provisions which by their nature can have no application.

80.7 ~~(h) Paragraph (e)~~ (j) Paragraphs (e) and (f) of this subdivision ~~does~~ do not apply to police
80.8 officers in the performance of their official duties.

80.9 ~~(i)~~ (k) No person ~~shall~~ may operate a motorcycle on a street or highway unless the
80.10 headlight or headlights are lighted at all times the motorcycle is so operated.

80.11 ~~(j)~~ (l) A person parking a motorcycle on the roadway of a street or highway must:

80.12 (1) if parking in a marked parking space, park the motorcycle completely within the
80.13 marked space; and

80.14 (2) park the motorcycle in such a way that the front of the motorcycle is pointed or
80.15 angled toward the nearest lane of traffic to the extent practicable and necessary to allow the
80.16 operator to (i) view any traffic in both directions of the street or highway without having
80.17 to move the motorcycle into a lane of traffic and without losing balance or control of the
80.18 motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the
80.19 lane is sufficiently clear of traffic.

80.20 **EFFECTIVE DATE.** This section is effective July 1, 2025.

80.21 Sec. 62. Minnesota Statutes 2022, section 169.99, subdivision 1, is amended to read:

80.22 Subdivision 1. **Form.** (a) Except as provided in subdivision 3; section 169.147,
80.23 subdivision 8; and section 169.999, subdivision 3, there shall be a uniform ticket issued
80.24 throughout the state by the police and peace officers or by any other person for violations
80.25 of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in
80.26 the form and have the effect of a summons and complaint. Except as provided in paragraph
80.27 (b), the uniform ticket shall state that if the defendant fails to appear in court in response to
80.28 the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four
80.29 parts, on paper sensitized so that copies may be made without the use of carbon paper, as
80.30 follows:

80.31 (1) the complaint, with reverse side for officer's notes for testifying in court, driver's
80.32 past record, and court's action, printed on white paper;

81.1 (2) the abstract of court record for the Department of Public Safety, which shall be a
81.2 copy of the complaint with the certificate of conviction on the reverse side, printed on yellow
81.3 paper;

81.4 (3) the police record, which shall be a copy of the complaint and of the reverse side of
81.5 copy (1), printed on pink paper; and

81.6 (4) the summons, with, on the reverse side, such information as the court may wish to
81.7 give concerning the Traffic Violations Bureau, and a plea of guilty and waiver, printed on
81.8 off-white tag stock.

81.9 (b) If the offense is a petty misdemeanor, the uniform ticket must state that a failure to
81.10 appear will be considered a plea of guilty and waiver of the right to trial, unless the failure
81.11 to appear is due to circumstances beyond the person's control.

81.12 **EFFECTIVE DATE.** This section is effective August 1, 2025, and expires August 1,
81.13 2029.

81.14 Sec. 63. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to
81.15 read:

81.16 Subd. 45c. **Residence address and permanent mailing address.** "Residence address"
81.17 and "permanent mailing address" mean, for purposes of a driver's license or Minnesota
81.18 identification card, the postal address of the permanent domicile within this state where an
81.19 individual:

81.20 (1) resides;

81.21 (2) intends to reside within 30 calendar days after the date of application; or

81.22 (3) intends to return whenever absent.

81.23 **EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or
81.24 after that date.

81.25 Sec. 64. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to
81.26 read:

81.27 Subd. 48e. **Temporary mailing address.** "Temporary mailing address" means the
81.28 mailing address of any place where a person regularly or occasionally stays and may receive
81.29 mail in their name other than the person's residence address. A temporary mailing address
81.30 does not include the designated address under section 5B.05.

82.1 **EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or
82.2 after that date.

82.3 Sec. 65. Minnesota Statutes 2023 Supplement, section 171.06, subdivision 3, is amended
82.4 to read:

82.5 Subd. 3. **Contents of application; other information.** (a) An application must:

82.6 (1) state the full name, date of birth, sex, and either (i) the residence address of the
82.7 applicant, or (ii) designated address under section 5B.05;

82.8 (2) as may be required by the commissioner, contain a description of the applicant and
82.9 any other facts pertaining to the applicant, the applicant's driving privileges, and the
82.10 applicant's ability to operate a motor vehicle with safety;

82.11 (3) state:

82.12 (i) the applicant's Social Security number; or

82.13 (ii) if the applicant does not have a Social Security number and is applying for a
82.14 Minnesota identification card, instruction permit, or class D provisional or driver's license,
82.15 that the applicant elects not to specify a Social Security number;

82.16 (4) contain a notification to the applicant of the availability of a living will/health care
82.17 directive designation on the license under section 171.07, subdivision 7;

82.18 (5) include a method for the applicant to:

82.19 (i) request a veteran designation on the license under section 171.07, subdivision 15,
82.20 and the driving record under section 171.12, subdivision 5a;

82.21 (ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

82.22 (iii) as applicable, designate document retention as provided under section 171.12,
82.23 subdivision 3c;

82.24 (iv) indicate emergency contacts as provided under section 171.12, subdivision 5b;

82.25 (v) indicate the applicant's race and ethnicity; ~~and~~

82.26 (vi) indicate caretaker information as provided under section 171.12, subdivision 5c;
82.27 and

82.28 (vii) indicate a temporary mailing address separate from the applicant's residence address
82.29 listed on the identification card or license; and

82.30 (6) meet the requirements under section 201.161, subdivision 3.

83.1 (b) Applications must be accompanied by satisfactory evidence demonstrating:

83.2 (1) identity, date of birth, and any legal name change if applicable; and

83.3 (2) for driver's licenses and Minnesota identification cards that meet all requirements of
83.4 the REAL ID Act:

83.5 (i) principal residence address in Minnesota, including application for a change of address,
83.6 unless the applicant provides a designated address under section 5B.05;

83.7 (ii) Social Security number, or related documentation as applicable; and

83.8 (iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

83.9 (c) An application for an enhanced driver's license or enhanced identification card must
83.10 be accompanied by:

83.11 (1) satisfactory evidence demonstrating the applicant's full legal name and United States
83.12 citizenship; and

83.13 (2) a photographic identity document.

83.14 (d) A valid Department of Corrections or Federal Bureau of Prisons identification card
83.15 containing the applicant's full name, date of birth, and photograph issued to the applicant
83.16 is an acceptable form of proof of identity in an application for an identification card,
83.17 instruction permit, or driver's license as a secondary document for purposes of Minnesota
83.18 Rules, part 7410.0400, and successor rules.

83.19 (e) An application form must not provide for identification of (1) the accompanying
83.20 documents used by an applicant to demonstrate identity, or (2) except as provided in
83.21 paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence
83.22 in the United States. The commissioner and a driver's license agent must not inquire about
83.23 an applicant's citizenship, immigration status, or lawful presence in the United States, except
83.24 as provided in paragraphs (b) and (c).

83.25 (f) If an applicant designates a temporary mailing address under paragraph (a), clause
83.26 (5), item (vii), the commissioner must use the temporary mailing address in lieu of the
83.27 applicant's residence address for delivery of the driver's license or identification card. The
83.28 commissioner must send all other correspondence to the applicant's residence address.
83.29 Nothing in this paragraph or paragraph (a), clause (5), item (vii), may be construed to modify
83.30 or remove proof of residency requirements at the time of application for an initial driver's
83.31 permit, driver's license, or identification card.

84.1 **EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or
84.2 after that date.

84.3 Sec. 66. Minnesota Statutes 2022, section 171.06, subdivision 3b, is amended to read:

84.4 Subd. 3b. **Information for applicants.** (a) The commissioner must develop summary
84.5 information on identity document options. The summary information must be available on
84.6 the department's website and at every location where a person may apply for an enhanced,
84.7 REAL ID compliant, or noncompliant driver's license or identification card.

84.8 (b) The summary information must, at a minimum, include:

84.9 (1) each available type of driver's license and Minnesota identification card, including
84.10 a noncompliant license or identification card, an enhanced driver's license, and an enhanced
84.11 identification card;

84.12 (2) the official purposes of and limitations on use for each type of driver's license and
84.13 Minnesota identification card; and

84.14 (3) an overview of data shared outside the state, including through electronic validation
84.15 or verification systems, as part of the application and issuance of each type.

84.16 (c) The commissioner must ensure that the summary information is available to driver's
84.17 license and identification card applicants. Renewal notifications mailed to driver's license
84.18 and identification card holders must include the website address that displays the summary
84.19 information.

84.20 (d) An applicant for an enhanced or noncompliant license or identification card must
84.21 sign an acknowledgment that the applicant understands the limitations on use of the license
84.22 or card.

84.23 (e) If the applicant does not indicate a desire to make an anatomical gift when the
84.24 application is made, the applicant must be offered a donor document in accordance with
84.25 section 171.07, subdivision 5. The application must contain statements sufficient to comply
84.26 with the requirements of the Darlene Luther Revised Uniform Anatomical Gift Act, chapter
84.27 525A, so that execution of the application or donor document will make the anatomical gift
84.28 as provided in section 171.07, subdivision 5, for those indicating a desire to make an
84.29 anatomical gift. The application must be accompanied by information describing Minnesota
84.30 laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the
84.31 legal implications of making an anatomical gift, including the law governing revocation of
84.32 anatomical gifts. The commissioner shall distribute a notice that must accompany all
84.33 applications for and renewals of a driver's license or Minnesota identification card. The

85.1 notice must be prepared in conjunction with a Minnesota organ procurement organization
85.2 that is certified by the federal Department of Health and Human Services and must include:

85.3 (1) a statement that provides a fair and reasonable description of the organ donation
85.4 process, the care of the donor body after death, and the importance of informing family
85.5 members of the donation decision; and

85.6 (2) a telephone number in a certified Minnesota organ procurement organization that
85.7 may be called with respect to questions regarding anatomical gifts.

85.8 (f) The application must be accompanied also by information containing relevant facts
85.9 relating to:

85.10 (1) the effect of alcohol on driving ability;

85.11 (2) the effect of mixing alcohol with drugs;

85.12 (3) the laws of Minnesota relating to operation of a motor vehicle while under the
85.13 influence of alcohol or a controlled substance; and

85.14 (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for
85.15 alcohol-related violations.

85.16 (g) The commissioner must provide information on the department's website about the
85.17 option for an applicant to designate a temporary mailing address. The information on the
85.18 department's website must:

85.19 (1) be easily accessible and address frequently asked questions;

85.20 (2) detail the department's requirements for the use of a temporary mailing address;

85.21 (3) compare the use of a temporary mailing address to the use of an applicant's residence
85.22 address; and

85.23 (4) clarify that a driver's license or identification card will not be delivered to a forwarded
85.24 mail address.

85.25 **EFFECTIVE DATE.** This section is effective October 1, 2024, for applications on or
85.26 after that date.

85.27 Sec. 67. Minnesota Statutes 2022, section 171.061, is amended by adding a subdivision
85.28 to read:

85.29 Subd. 5a. **Competitive bidding.** (a) Notwithstanding any statute or rule to the contrary,
85.30 if a driver's license agent appointed under this section permanently stops offering services
85.31 at the approved office location and permanently closes the approved office location, the

86.1 commissioner must use a competitive bidding process for the appointment of a replacement
86.2 driver's license agent. If available, the replacement driver's license agent appointed by the
86.3 commissioner under this section must continue to offer services at the approved office
86.4 location. If the existing office location is not available to the replacement driver's license
86.5 agent, the replacement office location must be at a location that must be approved by the
86.6 commissioner and must serve a similar service area as the existing office location.

86.7 (b) The commissioner must not give a preference to a partner, owner, manager, or
86.8 employee of the driver's license agent that has permanently stopped offering services at the
86.9 closed office location in a competitive bidding process.

86.10 (c) The commissioner must adopt rules to administer and enforce a competitive bidding
86.11 process to select a replacement driver's license agent. If the replacement driver's license
86.12 agent elects to not offer services at the office location of the prior agent, Minnesota Rules,
86.13 chapter 7404, governing the selection of a proposed office location of a driver's license
86.14 agent, applies.

86.15 **EFFECTIVE DATE.** This section is effective October 1, 2025.

86.16 Sec. 68. Minnesota Statutes 2023 Supplement, section 171.0705, subdivision 2, is amended
86.17 to read:

86.18 Subd. 2. **Driver's manual; ~~bicycle traffic~~ vulnerable road users.** The commissioner
86.19 ~~shall~~ must include in ~~each edition~~ of the driver's manual published by the department a
86.20 section relating to vulnerable road users and motorcyclists or operators of two- or
86.21 three-wheeled vehicles that, at a minimum, includes:

86.22 (1) bicycle traffic laws, including any changes in the law which affect bicycle traffic;

86.23 (2) traffic laws related to pedestrians and pedestrian safety; and

86.24 (3) traffic laws related to motorcycles, autocycles, motorized bicycles, motorized foot
86.25 scooters, and electric personal assistive mobility devices.

86.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and
86.27 applies to each edition of the manual published on or after that date.

87.1 Sec. 69. Minnesota Statutes 2022, section 171.12, is amended by adding a subdivision to
87.2 read:

87.3 Subd. 6a. **Driving record; traffic safety camera system.** (a) Except as provided in
87.4 paragraph (b), the commissioner must not record on an individual's driving record any
87.5 violation of:

87.6 (1) a traffic-control signal under section 169.06, subdivision 10; or

87.7 (2) a speed limit under section 169.14, subdivision 13.

87.8 (b) This subdivision does not apply to:

87.9 (1) a violation that occurs in a commercial motor vehicle; or

87.10 (2) a violation committed by a holder of a class A, B, or C commercial driver's license
87.11 or commercial driver learner's permit, without regard to whether the violation was committed
87.12 in a commercial motor vehicle or another vehicle.

87.13 (c) This subdivision applies to violations committed on or after August 1, 2025, and
87.14 before August 1, 2029.

87.15 Sec. 70. Minnesota Statutes 2022, section 171.13, subdivision 9, is amended to read:

87.16 Subd. 9. **Online driver's license knowledge testing authorization.** (a) The commissioner
87.17 must implement online knowledge testing as provided in this subdivision. The commissioner
87.18 must not charge a fee to a driver education program or an authorized entity for access to
87.19 the online knowledge testing system or for administering the online knowledge test. ~~The~~
87.20 ~~commissioner must administer the fourth or subsequent knowledge test for a person.~~

87.21 (b) Upon written request from a driver education program licensed by the department,
87.22 the commissioner must grant access to the department's web-based knowledge testing system
87.23 to the driver education program. Once granted access to the online knowledge testing system,
87.24 a driver education program may administer the online knowledge test to a student of the
87.25 program.

87.26 (c) An entity other than a driver education program may apply to the commissioner for
87.27 authority to administer online knowledge tests. The commissioner may approve or disapprove
87.28 an application for administering the online knowledge tests under this paragraph. Upon
87.29 approving an application of an entity, the commissioner must grant access to the department's
87.30 web-based knowledge testing system to that authorized entity. Once granted access to the
87.31 online knowledge testing system, the authorized entity may administer the online knowledge
87.32 test.

- 88.1 (d) A driver education program or authorized entity:
- 88.2 (1) must provide all computers and equipment for persons that take the online knowledge
- 88.3 test;
- 88.4 (2) must provide appropriate proctors to monitor persons taking the online knowledge
- 88.5 test; and
- 88.6 (3) may charge a fee of no more than \$10 for administering the online knowledge test.
- 88.7 (e) For purposes of paragraph (d), clause (2), a proctor must be:
- 88.8 (1) an employee of the driver education program, authorized entity, or a state or local
- 88.9 government;
- 88.10 (2) a driver's license agent; or
- 88.11 (3) a classroom teacher, school administrator, or paraprofessional at a public or private
- 88.12 school, excluding a home school.

88.13 The proctor must be physically present at the location where the test is being administered.

88.14 A proctor must not be a relative of the person taking the test. For purposes of this paragraph,

88.15 a relative is a spouse, fiancée, fiancé, grandparent, parent, child, sibling, or legal guardian,

88.16 including adoptive, half, step, and in-law relationships.

88.17 **EFFECTIVE DATE.** This section is effective August 1, 2025.

88.18 Sec. 71. Minnesota Statutes 2022, section 171.16, subdivision 3, is amended to read:

88.19 Subd. 3. **Failure to pay fine.** The commissioner is prohibited from suspending a person's

88.20 driver's license based solely on the fact that a person:

88.21 (1) has been convicted of:

88.22 (i) violating a law of this state or an ordinance of a political subdivision which regulates

88.23 the operation or parking of motor vehicles;

88.24 (ii) a violation under section 169.06, subdivision 10; or

88.25 (iii) a violation under section 169.14, subdivision 13;

88.26 (2) has been sentenced to the payment of a fine or had a surcharge levied against that

88.27 person, or sentenced to a fine upon which a surcharge was levied; and

88.28 (3) has refused or failed to comply with that sentence or to pay the surcharge.

89.1 Sec. 72. Minnesota Statutes 2023 Supplement, section 171.301, subdivision 3, is amended
89.2 to read:

89.3 Subd. 3. **Fees prohibited.** (a) For a reintegration driver's license under this section:

89.4 (1) the commissioner must not impose:

89.5 (i) a fee, surcharge, or filing fee under section 171.06, subdivision 2; ~~or~~

89.6 (ii) a reinstatement fee under sections 171.20, subdivision 4, and 171.29, subdivision 2;

89.7 or

89.8 (iii) an endorsement fee under section 171.06, subdivision 2a; and

89.9 (2) a driver's license agent must not impose a filing fee under section 171.061, subdivision
89.10 4.

89.11 (b) Issuance of a reintegration driver's license does not forgive or otherwise discharge
89.12 any unpaid fees or fines.

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

89.14 Sec. 73. Minnesota Statutes 2023 Supplement, section 171.301, subdivision 6, is amended
89.15 to read:

89.16 Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule
89.17 to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license
89.18 to a person who possesses a reintegration driver's license if:

89.19 (1) the person has possessed the reintegration driver's license for at least one full year;

89.20 (2) the reintegration driver's license has not been canceled under subdivision 4 and has
89.21 not expired under subdivision 5;

89.22 (3) the person meets the application requirements under section 171.06, including payment
89.23 of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and
89.24 2a, and 171.061, subdivision 4; and

89.25 (4) issuance of the license does not conflict with the requirements of the nonresident
89.26 violator compact.

89.27 (b) The commissioner must forgive any outstanding balance due on a reinstatement fee
89.28 or surcharge under ~~section~~ sections 171.20, subdivision 4, and 171.29, subdivision 2, for a
89.29 person who is eligible and applies for a license under paragraph (a).

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

90.1 Sec. 74. Minnesota Statutes 2022, section 174.02, is amended by adding a subdivision to
90.2 read:

90.3 Subd. 11. **Tribal worksite training program.** The commissioner must establish a Tribal
90.4 worksite training program for state-funded construction projects. The commissioner may
90.5 enter into an agreement with any private, public, or Tribal entity for the planning, designing,
90.6 developing, and hosting of the program. The commissioner must not use trunk highway
90.7 funds for the worksite training program if the state-funded construction project is not a
90.8 highway construction project.

90.9 Sec. 75. Minnesota Statutes 2022, section 174.185, subdivision 2, is amended to read:

90.10 Subd. 2. **Required analysis.** For each project in the reconditioning, resurfacing, and
90.11 road repair funding categories, the commissioner ~~shall~~ must perform a life-cycle cost analysis
90.12 and ~~shall~~ document the lowest life-cycle costs and all alternatives considered. The
90.13 commissioner ~~shall~~ must document the chosen pavement strategy and, if the lowest life
90.14 cycle is not selected, document the justification for the chosen strategy. ~~A life-cycle cost~~
90.15 ~~analysis is required for projects to be constructed after July 1, 2011.~~

90.16 Sec. 76. Minnesota Statutes 2022, section 174.185, is amended by adding a subdivision
90.17 to read:

90.18 Subd. 2a. **Review and collaboration.** (a) Before finalizing a pavement selection, the
90.19 commissioner must post a draft of the life-cycle cost analysis and the draft pavement selection
90.20 on the department's Office of Materials and Road Research website for 21 days. During
90.21 this period, the commissioner must allow industry association representatives to submit
90.22 questions and comments. The commissioner must collaborate with the person who submitted
90.23 the question or comment, where necessary, to ensure the commissioner fully understands
90.24 the question or comment. The commissioner must respond to each question or comment in
90.25 writing, which must include a description of any associated changes that will be made to
90.26 the life-cycle cost analysis.

90.27 (b) After the review period under paragraph (a) closes, the commissioner may make
90.28 revisions, when deemed appropriate, to the life-cycle cost analysis in response to questions
90.29 or comments received. If the commissioner revises the type of pavement from concrete to
90.30 asphalt or from asphalt to concrete, the commissioner must post the revised life-cycle cost
90.31 analysis for review in accordance with the requirements under paragraph (a).

90.32 **EFFECTIVE DATE.** This section is effective July 1, 2025.

91.1 Sec. 77. Minnesota Statutes 2022, section 174.185, is amended by adding a subdivision
91.2 to read:

91.3 Subd. 2b. **Selection.** (a) After the review period required in subdivision 2a and any
91.4 subsequent changes to the analysis, the commissioner must select the pavement strategy
91.5 and prepare a document of justification. At a minimum, the document of justification must:

91.6 (1) explain why the pavement strategy was selected;

91.7 (2) if the lowest life-cycle cost is not selected, justify why a strategy with a higher
91.8 life-cycle cost was selected; and

91.9 (3) include all questions and comments received during the review period and the
91.10 commissioner's responses to each.

91.11 (b) The commissioner must submit the analysis and document of justification to a licensed
91.12 professional engineer for review. A life-cycle cost analysis is not considered final until it
91.13 is certified and signed by a licensed professional engineer as provided by Minnesota Rules,
91.14 part 1800.4200.

91.15 (c) For all projects that began construction on or after January 1, 2024, the commissioner
91.16 must store all life-cycle cost analyses and documents of justification on the department's
91.17 website in a manner that allows the public to easily access the documents.

91.18 (d) After completing the certification and signature requirements in paragraph (b) and
91.19 the posting requirements in paragraph (c), the commissioner may advance the project to
91.20 substantial plan development.

91.21 (e) For purposes of this subdivision, "substantial plan development" means the point in
91.22 time during the plan development process after which any further activities would preclude
91.23 any of the feasible pavement alternatives from being selected or constructed.

91.24 **EFFECTIVE DATE.** This section is effective July 1, 2025.

91.25 Sec. 78. Minnesota Statutes 2022, section 174.185, subdivision 3, is amended to read:

91.26 Subd. 3. **Report.** By January 31 of each year, the commissioner ~~shall~~ must report ~~annually~~
91.27 to the chairs and ranking minority members of the ~~senate and house of representatives~~
91.28 legislative committees with jurisdiction over transportation policy and finance on life-cycle
91.29 cost analyses conducted under this section. At a minimum, the report must include
91.30 information on the results of the analyses ~~required in~~ required in under subdivision 2, the public review
91.31 under subdivision 2a, and the final selection and document of justification under subdivision
91.32 2b.

92.1 **EFFECTIVE DATE.** This section is effective July 1, 2025.

92.2 Sec. 79. Minnesota Statutes 2022, section 174.40, subdivision 3, is amended to read:

92.3 Subd. 3. **Safe routes to school accounts.** (a) A safe routes to school account is established
92.4 in the bond proceeds fund. The account consists of state bond proceeds appropriated to the
92.5 commissioner. Money in the account may only be expended on bond-eligible costs of a
92.6 project receiving financial assistance as provided under this section. All uses of funds from
92.7 the account must be for publicly owned property.

92.8 (b) A safe routes to school account is established in the ~~general~~ special revenue fund.
92.9 The account consists of funds as provided by law, and any other money donated, allotted,
92.10 transferred, or otherwise provided to the account. Money in the account may only be
92.11 expended on a project receiving financial assistance as provided under this section.

92.12 Sec. 80. Minnesota Statutes 2023 Supplement, section 174.49, subdivision 6, is amended
92.13 to read:

92.14 Subd. 6. **Metropolitan counties; use of funds.** (a) A metropolitan county must use
92.15 funds that are received under subdivision 5 as follows:

92.16 (1) 41.5 percent for active transportation and transportation corridor safety studies;

92.17 (2) 41.5 percent for:

92.18 (i) repair, preservation, and rehabilitation of transportation systems; and

92.19 (ii) roadway replacement to reconstruct, reclaim, or modernize a corridor without adding
92.20 traffic capacity, except for auxiliary lanes with a length of less than 2,500 feet; and

92.21 (3) 17 percent for any of the following:

92.22 (i) transit purposes, including but not limited to operations, maintenance, capital
92.23 maintenance, demand response service, and assistance to replacement service providers
92.24 under section 473.388;

92.25 (ii) complete streets projects, as provided under section 174.75; and

92.26 (iii) projects, programs, or operations activities that meet the requirements of a mitigation
92.27 action under section 161.178, subdivision 4.

92.28 (b) Funds under paragraph (a), clause (3), must supplement and not supplant existing
92.29 sources of revenue.

93.1 (c) A metropolitan county may use funds that are received under subdivision 5 as debt
93.2 service for obligations issued by the county in accordance with chapter 475, provided that
93.3 the obligations are issued for a use allowable under this section.

93.4 Sec. 81. Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, is amended
93.5 to read:

93.6 Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account
93.7 is established in the special revenue fund. The account consists of funds as provided in this
93.8 subdivision and any other money donated, allotted, transferred, collected, or otherwise
93.9 provided to the account.

93.10 (b) By July 15 annually beginning in calendar year 2027, the commissioner of revenue
93.11 must transfer an amount from the general fund to the passenger rail account that equals 50
93.12 percent of the portion of the state general tax under section 275.025 levied on railroad
93.13 operating property, as defined under section 273.13, subdivision 24, in the prior calendar
93.14 year.

93.15 (c) Money in the account is annually appropriated to the commissioner of transportation
93.16 for the ~~net~~ operating and capital maintenance costs of intercity passenger rail, which may
93.17 include but are not limited to planning, designing, developing, constructing, equipping,
93.18 administering, operating, promoting, maintaining, and improving passenger rail service
93.19 within the state, after accounting for operating revenue, federal funds, and other sources.

93.20 (d) By November 1 each year, the commissioner must report on the passenger rail account
93.21 to the chairs and ranking minority members of the legislative committees with jurisdiction
93.22 over transportation policy and finance. The report must, at a minimum, include:

93.23 (1) the actual revenue and expenditures in each of the previous two fiscal years;

93.24 (2) the budgeted and forecasted revenue and expenditures in the current fiscal year and
93.25 each fiscal year within the state forecast period;

93.26 (3) the plan for collection of fees and revenue, as defined and authorized under
93.27 subdivision 3, in the current fiscal year and each fiscal year within the state forecast period;
93.28 and

93.29 (4) the uses of expenditures or planned expenditures in each fiscal year included under
93.30 clauses (1) and (2).

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

94.1 Sec. 82. Minnesota Statutes 2023 Supplement, section 174.634, is amended by adding a
94.2 subdivision to read:

94.3 Subd. 3. **Fee and revenue collection authorized.** (a) For purposes of this subdivision,
94.4 "fees and revenue" means:

94.5 (1) ridership fees or fares, including ticket sales;

94.6 (2) revenue from the sale of on-board commissary and convenience goods to the traveling
94.7 public; and

94.8 (3) revenue from the sale of promotional goods related to passenger rail routes and
94.9 corridors within Minnesota.

94.10 (b) The commissioner may, directly or through a contractor, vendor, operator, or
94.11 partnership with a federal or state government entity, including Amtrak, collect fees and
94.12 revenue related to passenger rail services within the state, as specified under this subdivision.

94.13 (c) Fees and revenue under this subdivision may be collected as determined by the
94.14 commissioner and are not subject to section 16A.1283, except that, if priced exclusively by
94.15 the commissioner, a ridership fee or fare must not exceed an annual five percent increase
94.16 and the price of a commissary, convenience, or promotional good must not exceed an annual
94.17 ten percent increase.

94.18 (d) Fees and revenue collected under this subdivision must be deposited in the passenger
94.19 rail account in the special revenue fund.

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

94.21 Sec. 83. Minnesota Statutes 2022, section 174.75, subdivision 1, is amended to read:

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

94.24 (b) "Complete streets" is the planning, scoping, design, implementation, operation, and
94.25 maintenance of roads in order to reasonably address the safety and accessibility needs of
94.26 users of all ages and abilities. Complete streets considers the needs of motorists, pedestrians,
94.27 transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along
94.28 and across roads, intersections, and crossings in a manner that is sensitive to the local context
94.29 and recognizes that the needs vary in urban, suburban, and rural settings.

94.30 (c) "Vulnerable road user" has the meaning given in section 169.011, subdivision 92b.

95.1 Sec. 84. Minnesota Statutes 2022, section 174.75, subdivision 2, is amended to read:

95.2 Subd. 2. **Implementation.** (a) The commissioner ~~shall~~ must implement a complete
95.3 streets policy after consultation with stakeholders, state and regional agencies, local
95.4 governments, and road authorities. The commissioner, after such consultation, ~~shall~~ must
95.5 address relevant protocols, guidance, standards, requirements, and training, ~~and shall~~
95.6 integrate.

95.7 (b) The complete streets policy must include but is not limited to:

95.8 (1) integration of related principles of context-sensitive solutions;

95.9 (2) integration throughout the project development process;

95.10 (3) methods to evaluate inclusion of active transportation facilities in a project, which
95.11 may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility,
95.12 and bikeways; and

95.13 (4) consideration of consultation with other road authorities regarding existing and
95.14 planned active transportation network connections.

95.15 Sec. 85. Minnesota Statutes 2022, section 174.75, is amended by adding a subdivision to
95.16 read:

95.17 Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that
95.18 accompanies the complete streets policy under this section. The guidance must include
95.19 sections on:

95.20 (1) an analysis framework that provides for:

95.21 (i) identification of characteristics of a project;

95.22 (ii) highway system categorization based on context, including population density, land
95.23 use, density and scale of surrounding development, volume of highway use, and the nature
95.24 and extent of active transportation; and

95.25 (iii) relative emphasis for different road system users in each of the categories under
95.26 item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists
95.27 or other operators of two- or three-wheeled vehicles, and public transit users; and

95.28 (2) an analysis of speed limit reductions and associated roadway design modifications
95.29 to support safety and mobility in active transportation.

96.1 Sec. 86. Minnesota Statutes 2022, section 216E.02, subdivision 1, is amended to read:

96.2 Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to
96.3 locate large electric power facilities and high voltage transmission lines in an orderly manner
96.4 compatible with environmental preservation and the efficient use of resources. In accordance
96.5 with this policy, the commission shall choose locations that minimize adverse human and
96.6 environmental impact while insuring continuing electric power system reliability and integrity
96.7 and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

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

96.9 Sec. 87. Minnesota Statutes 2023 Supplement, section 219.015, subdivision 2, is amended
96.10 to read:

96.11 Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in
96.12 this subdivision, the commissioner must annually assess railroad companies that are (1)
96.13 defined as common carriers under section 218.011; (2) classified by federal law or regulation
96.14 as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and
96.15 (3) operating in this state.

96.16 (b) The assessment must be calculated to allocate state rail safety inspection program
96.17 costs proportionally among carriers based on route miles operated in Minnesota at the time
96.18 of assessment. The commissioner must include in the assessment calculation all state rail
96.19 safety inspection program costs to support up to six rail safety inspector positions, including
96.20 but not limited to salary, administration, supervision, travel, equipment, training, and ongoing
96.21 state rail inspector duties.

96.22 (c) The assessments collected under this subdivision must be deposited in a state rail
96.23 safety inspection account, which is established in the special revenue fund. The account
96.24 consists of funds provided by this subdivision and section 221.0255 and any other money
96.25 donated, allotted, transferred, or otherwise provided to the account. Money in the account
96.26 is appropriated to the commissioner to administer the state rail safety inspection program
96.27 and for costs under section 221.0255.

96.28 Sec. 88. **[219.756] YARDMASTER HOURS OF SERVICE.**

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

96.31 (b) "Railroad" means a common carrier that is classified by federal law or regulation as
96.32 a Class I railroad, Class II railroad, or Class III railroad.

97.1 (c) "Yardmaster" means an employee of a common carrier who is responsible for
97.2 supervising and coordinating the control of trains and engines operating within a railyard,
97.3 not including a dispatching service employee, signal employee, or train employee as those
97.4 terms are defined in United States Code, title 49, section 21101.

97.5 Subd. 2. **Hours of service.** (a) A railroad operating in this state must not require or allow
97.6 a yardmaster to remain or go on duty:

97.7 (1) in any month when the employee has spent a total of 276 hours on duty or in any
97.8 other mandatory service for the carrier;

97.9 (2) for a period exceeding 12 consecutive hours; and

97.10 (3) unless the employee has had at least ten consecutive hours off duty during the prior
97.11 24 hours.

97.12 (b) A railroad operating in this state must not require or allow a yardmaster to remain
97.13 or go on duty after the employee has initiated an on-duty period each day for six consecutive
97.14 days unless the employee has had 48 consecutive hours off at the employee's home terminal,
97.15 during which time the employee is unavailable for any service.

97.16 Sec. 89. Minnesota Statutes 2022, section 221.0255, subdivision 4, is amended to read:

97.17 **Subd. 4. Motor carrier of railroad employees; requirements.** (a) The motor carrier
97.18 of railroad employees must implement a policy that provides for annual training and
97.19 certification of the operator in:

97.20 (1) safe operation of the vehicle transporting railroad employees;

97.21 (2) knowing and understanding relevant laws, rules of the road, and safety policies;

97.22 (3) handling emergency situations;

97.23 (4) proper use of seat belts;

97.24 (5) performance of pretrip and posttrip vehicle inspections, and inspection record keeping;

97.25 and

97.26 (6) proper maintenance of required records.

97.27 (b) The motor carrier of railroad employees must:

97.28 (1) confirm that the person is not disqualified under subdivision 6, by performing a
97.29 criminal background check of the operator, which must include:

97.30 (i) a criminal history check of the state criminal records repository; and

- 98.1 (ii) if the operator has resided in Minnesota less than five years, a criminal history check
98.2 from each state of residence for the previous five years;
- 98.3 (2) annually verify the operator's driver's license;
- 98.4 (3) document meeting the requirements in this subdivision, which must include
98.5 maintaining at the carrier's business location:
- 98.6 (i) a driver qualification file on each operator who transports passengers under this
98.7 section; and
- 98.8 (ii) records of pretrip and posttrip vehicle inspections as required under subdivision 3,
98.9 paragraph (a), clause (3);
- 98.10 (4) maintain liability insurance in a minimum amount of \$5,000,000 regardless of the
98.11 seating capacity of the vehicle;
- 98.12 (5) maintain uninsured and underinsured coverage in a minimum amount of ~~\$1,000,000~~
98.13 \$2,000,000; and
- 98.14 (6) ensure inspection of each vehicle operated under this section as provided under
98.15 section 169.781.
- 98.16 (c) A driver qualification file under paragraph (b), clause (3), must include:
- 98.17 (1) a copy of the operator's most recent medical examiner's certificate;
- 98.18 (2) a copy of the operator's current driver's license;
- 98.19 (3) documentation of annual license verification;
- 98.20 (4) documentation of annual training;
- 98.21 (5) documentation of any known violations of motor vehicle or traffic laws; and
- 98.22 (6) responses from previous employers, if required by the current employer.
- 98.23 (d) The driver qualification file must be retained for one year following the date of
98.24 separation of employment of the driver from the carrier. A record of inspection under
98.25 paragraph (b), clause (3), item (ii), must be retained for one year following the date of
98.26 inspection.
- 98.27 (e) If a party contracts with the motor carrier on behalf of the railroad to transport the
98.28 railroad employees, then the insurance requirements may be satisfied by either that party
98.29 or the motor carrier, so long as the motor carrier is a named insured or additional insured
98.30 under any policy.

99.1 **EFFECTIVE DATE.** This section is effective August 1, 2024.

99.2 Sec. 90. Minnesota Statutes 2022, section 221.0255, subdivision 9, is amended to read:

99.3 Subd. 9. **Inspection and investigation authority.** (a) Upon receipt of a complaint form
99.4 or other information alleging a violation of this section, the commissioner must investigate
99.5 the relevant matter. Representatives of the Department of Transportation and the State Patrol
99.6 have the authority to enter, at a reasonable time and place, any vehicle or facility of the
99.7 carrier for purposes of complaint investigations, random inspections, safety reviews, audits,
99.8 or accident investigations.

99.9 (b) Failure of a railroad or motor carrier of railroad employees to permit a complaint
99.10 investigation under this subdivision is grounds for issuance of a civil penalty under
99.11 subdivision 10.

99.12 **EFFECTIVE DATE.** This section is effective August 1, 2024.

99.13 Sec. 91. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision
99.14 to read:

99.15 Subd. 10. **Civil penalty.** (a) After completion of an investigation or as provided in
99.16 subdivision 9, paragraph (b), the commissioner may issue a civil penalty to a railroad or
99.17 motor carrier of railroad employees that violates this section. A civil penalty issued under
99.18 this paragraph is in the amount of:

99.19 (1) not less than \$200 but not more than \$500 for a first offense;

99.20 (2) not less than \$500 but not more than \$1,000 for a second offense; and

99.21 (3) not less than \$1,000 but not more than \$5,000 for a third or subsequent offense
99.22 committed within three years of the first offense.

99.23 (b) The civil penalty amounts identified under paragraph (a) are for all violations
99.24 identified in a single investigation and are not per violation.

99.25 (c) The recipient of a civil penalty under this subdivision has 30 days to notify the
99.26 commissioner in writing of intent to contest the civil penalty. If within 30 days after receiving
99.27 the civil penalty the recipient fails to notify the commissioner of intent to contest the penalty,
99.28 the civil penalty is not subject to further review.

99.29 (d) Civil penalties assessed under this subdivision are subject to chapter 14 and may be
99.30 recovered in a civil action.

100.1 (e) Civil penalties collected under this section must be deposited in the state rail safety
100.2 inspection account in the special revenue fund.

100.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations
100.4 committed on or after that date.

100.5 Sec. 92. Minnesota Statutes 2022, section 297A.815, subdivision 3, is amended to read:

100.6 Subd. 3. **Motor vehicle lease sales tax revenue.** (a) On or before June 30 of each fiscal
100.7 year, the commissioner of revenue must estimate the revenues, including interest and
100.8 penalties and minus refunds, collected under this section for the current fiscal year.

100.9 (b) By July 15 of the subsequent fiscal year, the commissioner of management and
100.10 budget must transfer the revenues estimated under paragraph (a) from the general fund as
100.11 follows:

100.12 (1) 38 percent to the county state-aid highway fund;

100.13 (2) 38 percent to the greater Minnesota transit account;

100.14 (3) 13 percent to the ~~Minnesota state transportation fund~~ local bridge program account
100.15 in the special revenue fund, which is hereby created; and

100.16 (4) 11 percent to the highway user tax distribution fund.

100.17 (c) Notwithstanding any other law to the contrary, the commissioner of transportation
100.18 must allocate the funds transferred under paragraph (b), clause (1), to the counties in the
100.19 metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of
100.20 Hennepin and Ramsey, so that each county receives the percentage that its population, as
100.21 defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year
100.22 prior to the current calendar year, bears to the total population of the counties receiving
100.23 funds under this paragraph.

100.24 (d) ~~The amount transferred~~ Money in the local bridge program account under paragraph
100.25 (b), clause (3), ~~must be used~~ is appropriated to the commissioner of transportation for the
100.26 local bridge program under section 174.50, subdivisions 6 to 7.

100.27 (e) The revenues under this subdivision do not include the revenues, including interest
100.28 and penalties and minus refunds, generated by the sales tax imposed under section 297A.62,
100.29 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
100.30 article XI, section 15.

101.1 Sec. 93. Minnesota Statutes 2023 Supplement, section 297A.993, subdivision 2a, is
101.2 amended to read:

101.3 Subd. 2a. **Uses reporting.** By February 15 of each even-numbered year, a metropolitan
101.4 county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section
101.5 must submit a report to the chairs and ranking minority members of the legislative committees
101.6 with jurisdiction over transportation policy and finance. At a minimum, the report must
101.7 include:

101.8 (1) actual transportation sales tax collections by the county over the previous five calendar
101.9 years;

101.10 (2) an estimation of the total sales tax revenue that is estimated to be collected by the
101.11 county in the current year and for the next ten calendar years; and

101.12 (3) for each of the previous five calendar years, the current calendar year, and for the
101.13 next ten calendar years:

101.14 (i) the amount of sales tax revenue expended or proposed to be expended for each of
101.15 the following:

101.16 (A) planning, construction, operation, or maintenance of guideways, as defined in section
101.17 473.4485, subdivision 1, paragraph (d);

101.18 (B) nonguideway transit and active transportation uses;

101.19 (C) highway uses; and

101.20 (D) uses not otherwise specified in subitems (A) to (C); ~~and~~

101.21 (ii) completed, current, planned, and eligible projects for each category under item (i);
101.22 and

101.23 (iii) an estimated balance of unspent or undesignated county sales tax revenue.

101.24 Sec. 94. Minnesota Statutes 2022, section 299E.01, subdivision 2, is amended to read:

101.25 Subd. 2. **Responsibilities.** (a) The division ~~shall be~~ is responsible and ~~shall~~ must utilize
101.26 state employees for security and public information services in state-owned buildings and
101.27 state leased-to-own buildings in the Capitol Area, as described in section 15B.02. It ~~shall~~
101.28 must provide personnel as are required by the circumstances to insure the orderly conduct
101.29 of state business and the convenience of the public. Until July 1, 2026, it must provide
101.30 emergency assistance and security escorts at any location within the Capitol Area, as
101.31 described in section 15B.02, when requested by a state constitutional officer.

102.1 (b) As part of the division permanent staff, the director must establish the position of
102.2 emergency manager that includes, at a minimum, the following duties:

102.3 (1) oversight of the consolidation, development, and maintenance of plans and procedures
102.4 that provide continuity of security operations;

102.5 (2) the development and implementation of tenant training that addresses threats and
102.6 emergency procedures; and

102.7 (3) the development and implementation of threat and emergency exercises.

102.8 (c) The director must provide a minimum of one state trooper assigned to the Capitol
102.9 complex at all times.

102.10 (d) The director, in consultation with the advisory committee under section 299E.04,
102.11 shall, at least annually, hold a meeting or meetings to discuss, among other issues, Capitol
102.12 complex security, emergency planning, public safety, and public access to the Capitol
102.13 complex. The meetings must include, at a minimum:

102.14 (1) Capitol complex tenants and state employees;

102.15 (2) nongovernmental entities, such as lobbyists, vendors, and the media; and

102.16 (3) the public and public advocacy groups.

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

102.18 Sec. 95. **[325F.661] SALE OF ELECTRIC-ASSISTED BICYCLES AND OTHER**
102.19 **ELECTRIC CYCLES.**

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

102.22 (b) "Class 1 electric-assisted bicycle," "class 2 electric-assisted bicycle," and "class 3
102.23 electric-assisted bicycle" have the meanings given in section 169.011, subdivisions 15a,
102.24 15b, and 15c.

102.25 (c) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision
102.26 27.

102.27 (d) "Motorcycle" has the meaning given in section 169.011, subdivision 44.

102.28 (e) "Motorized bicycle" has the meaning given in section 169.011, subdivision 45.

102.29 (f) "Multiple mode electric-assisted bicycle" has the meaning given in section 169.011,
102.30 subdivision 45a.

103.1 Subd. 2. **Electric-assisted bicycle.** Before a purchase is completed, a seller of an
103.2 electric-assisted bicycle must disclose to a consumer in written form:

103.3 (1) the maximum motor power of the electric-assisted bicycle;

103.4 (2) the maximum speed of the electric-assisted bicycle, as evaluated using a test method
103.5 matching the criteria specified in Code of Federal Regulations, title 16, section 1512.2(a)(2),
103.6 or successor requirements; and

103.7 (3) whether the electric-assisted bicycle is a class 1, class 2, class 3, or multiple mode
103.8 electric-assisted bicycle.

103.9 Subd. 3. **Other electric cycles.** (a) A seller of a motorized bicycle or motorcycle equipped
103.10 with an electric motor for propulsion may not sell the vehicle or offer the vehicle for sale
103.11 if it is labeled as a class 1, class 2, class 3, or multiple mode electric-assisted bicycle.

103.12 (b) Before a purchase is completed and in any advertising materials, a seller of a
103.13 motorized bicycle or motorcycle equipped with an electric motor for propulsion who
103.14 describes the vehicle as an "electric bicycle," "electric bike," "e-bike," or other similar term
103.15 must disclose to a consumer:

103.16 (1) the name or classification of the vehicle under state law or the most likely
103.17 classification following an intended or anticipated vehicle modification as defined in section
103.18 169.011, subdivision 27, paragraph (c); and

103.19 (2) the following statement:

103.20 "This vehicle is not an "electric-assisted bicycle" as defined in Minnesota law. It is
103.21 instead a type of motor vehicle and subject to applicable motor vehicle laws if used on
103.22 public roads or public lands. Your insurance policies might not provide coverage for crashes
103.23 involving the use of this vehicle. To determine coverage, you should contact your insurance
103.24 company or agent."

103.25 (c) Advertising materials under paragraph (b) include but are not limited to a website
103.26 or social media post that identifies or promotes the vehicle.

103.27 (d) The disclosure under paragraph (b) must be (1) written, and (2) provided clearly and
103.28 conspicuously and in a manner designed to attract the attention of a consumer.

103.29 Subd. 4. **Unlawful practices.** It is an unlawful practice under section 325F.69 to advertise,
103.30 offer for sale, or sell a motorized bicycle or motorcycle equipped with an electric motor for
103.31 propulsion:

103.32 (1) as an electric-assisted bicycle; or

104.1 (2) using the words "electric bicycle," "electric bike," "e-bike," or other similar term
104.2 without providing the disclosure required under subdivision 3.

104.3 Sec. 96. Minnesota Statutes 2023 Supplement, section 357.021, subdivision 6, is amended
104.4 to read:

104.5 Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this
104.6 subdivision, the court shall impose and the court administrator shall collect a \$75 surcharge
104.7 on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty
104.8 misdemeanor offense, other than a violation of: (1) a law or ordinance relating to vehicle
104.9 parking, for which there is a \$12 surcharge; and (2) section 609.855, subdivision 1, 3, or
104.10 3a, for which there is a \$25 surcharge. When a defendant is convicted of more than one
104.11 offense in a case, the surcharge shall be imposed only once in that case. In the Second
104.12 Judicial District, the court shall impose, and the court administrator shall collect, an additional
104.13 \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor,
104.14 or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle
104.15 parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The
104.16 surcharge shall be imposed whether or not the person is sentenced to imprisonment or the
104.17 sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty
104.18 misdemeanor for which no fine is imposed.

104.19 (b) The court may reduce the amount or waive payment of the surcharge required under
104.20 this subdivision on a showing of indigency or undue hardship upon the convicted person
104.21 or the convicted person's immediate family. Additionally, the court may permit the defendant
104.22 to perform community work service in lieu of a surcharge.

104.23 (c) The court administrator or other entity collecting a surcharge shall forward it to the
104.24 commissioner of management and budget.

104.25 (d) If the convicted person is sentenced to imprisonment and has not paid the surcharge
104.26 before the term of imprisonment begins, the chief executive officer of the correctional
104.27 facility in which the convicted person is incarcerated shall collect the surcharge from any
104.28 earnings the inmate accrues from work performed in the facility or while on conditional
104.29 release. The chief executive officer shall forward the amount collected to the court
104.30 administrator or other entity collecting the surcharge imposed by the court.

104.31 (e) A person who enters a diversion program, continuance without prosecution,
104.32 continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay
104.33 the surcharge described in this subdivision. A surcharge imposed under this paragraph shall
104.34 be imposed only once per case.

105.1 (f) The surcharge does not apply to:

105.2 (1) citations issued pursuant to section 169.06, subdivision 10;

105.3 (2) citations issued pursuant to section 169.14, subdivision 13;

105.4 (3) administrative citations issued pursuant to section 169.999; or

105.5 ~~(g) The surcharge does not apply to~~ (4) administrative citations issued by transit rider
 105.6 investment program personnel pursuant to section 473.4075.

105.7 **EFFECTIVE DATE.** This section is effective August 1, 2025.

105.8 Sec. 97. **[430.001] DEFINITIONS.**

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

105.11 Subd. 2. **City.** "City" means a home rule charter or statutory city.

105.12 Subd. 3. **City council.** "City council" means the governing body of a city.

105.13 Subd. 4. **Residence district.** "Residence district" means the territory contiguous to and
 105.14 including a highway not comprising a business district when the property on such highway
 105.15 for a distance of 300 feet or more is predominantly improved with (1) residences, or (2)
 105.16 residences and buildings in use for business.

105.17 Subd. 5. **System of streets, parks, and parkways.** "System of streets, parks, and
 105.18 parkways" means a body of contiguous land designated to be used in part for streets and in
 105.19 part for parks or parkways.

105.20 Sec. 98. Minnesota Statutes 2022, section 430.01, subdivision 2, is amended to read:

105.21 Subd. 2. **Parking lots; pedestrian malls and uses.** The council of a city ~~of the first~~
 105.22 class may by resolution designate land to be acquired, improved, and operated for motor
 105.23 vehicle parking lots. By resolution, the council may designate lands to be acquired, improved,
 105.24 and operated for pedestrian malls. By ordinance adopted under section 430.011, the council
 105.25 may designate ~~streets in central business districts~~ any property within a city right-of-way
 105.26 to be improved primarily for pedestrian uses.

105.27 Sec. 99. Minnesota Statutes 2022, section 430.011, subdivision 1, is amended to read:

105.28 Subdivision 1. **Legislative findings.** The legislature finds that: (1) increases in population
 105.29 and automobile usage have created traffic congestion in ~~central business districts of cities~~
 105.30 ~~of the first class~~ cities; (2) those conditions endanger pedestrians and impede the movement

106.1 of police and fire equipment, ambulances, and other emergency vehicles; (3) certain streets
106.2 ~~in those central business districts~~ cities have been improved to their maximum width for
106.3 sidewalk and roadway purposes and cannot be further widened without taking valuable
106.4 buildings and improvements, substantially impairing the primary function of those city
106.5 streets as pedestrian facilities, and impairing the cities' sources of tax revenue; and (4)
106.6 limitation on the use of those streets by private vehicles may be found by the council of any
106.7 city ~~of the first class~~ to be in the interest of the city and state, to be of benefit to adjoining
106.8 properties, and to be essential to the effective use of the streets for street purposes.

106.9 Sec. 100. Minnesota Statutes 2022, section 430.011, subdivision 2, is amended to read:

106.10 Subd. 2. **Statement of policy.** It is the state's policy to permit the city council of any
106.11 city ~~of the first class~~ to protect the public welfare and the interests of the public in the safe
106.12 and effective movement of persons and to preserve and enhance the function and appearance
106.13 ~~of the central business districts of cities of the first class~~ cities by adopting pedestrian mall
106.14 ordinances under this section.

106.15 Sec. 101. Minnesota Statutes 2022, section 430.011, subdivision 3, is amended to read:

106.16 Subd. 3. **Pedestrian mall ordinances authorized.** (a) A pedestrian mall ordinance may
106.17 be adopted if the city council finds that:

106.18 (1) a street or a part of a street (i) is not a part of any ~~state~~ trunk highway, (ii) is located
106.19 ~~primarily in a central business district~~ within a city right-of-way, and (iii) is improved to
106.20 its maximum width for roadway and sidewalk purposes, and (iv) ~~is congested during all or~~
106.21 ~~a substantial part of normal business hours~~ except for a city of the first class, is not part of
106.22 a residence district;

106.23 (2) the movement of police and fire equipment and other emergency vehicles would not
106.24 be impeded;

106.25 ~~(2)~~ (3) reasonably convenient alternate routes exist for private vehicles to other parts of
106.26 the city and state;

106.27 ~~(3)~~ (4) continued unlimited use of the street or part of the street by private vehicles may
106.28 endanger pedestrians;

106.29 ~~(4)~~ (5) abutting properties can reasonably and adequately receive and deliver merchandise
106.30 and materials from other streets and alleys or through arrangements for limited use of the
106.31 streets by carriers of merchandise and materials; and

107.1 ~~(5)~~ (6) it would be in the best interests of the city and the public and of benefit to adjacent
107.2 properties to use the street primarily for pedestrian purposes and pedestrian use is the highest
107.3 and best use of the street or part of it.

107.4 (b) In addition to meeting the criteria under paragraph (a), a pedestrian mall ordinance
107.5 may be adopted relating to property that is immediately adjacent to at least one side of an
107.6 intersection with a road that is under the jurisdiction of another road authority only if the
107.7 city has consulted with the other road authority, which must include consideration of changes
107.8 to traffic flow. If the other road authority is opposed to the location of the proposed pedestrian
107.9 mall, the city must make publicly available a detailed written response to the road authority
107.10 before adopting the ordinance. A pedestrian mall ordinance may be adopted relating to
107.11 property that borders another city only if the city developing the ordinance has received the
107.12 approval of the bordering city.

107.13 (c) As relevant, the city must collaborate with the state and local units of government
107.14 in the pedestrian mall planning process.

107.15 Sec. 102. Minnesota Statutes 2022, section 430.023, is amended to read:

107.16 **430.023 WHEN CLERK TO MAIL NOTICE IN CONDEMNATION**
107.17 **PROCEEDING.**

107.18 If a city ~~of the first class~~ is authorized in its charter to condemn property for public use
107.19 and to appoint commissioners to assess damages or benefits on condemned property and is
107.20 required by its charter to give notice of the filing of the commissioners' report, the city clerk
107.21 shall give the required notice. Notice must be given by mailing it to the person whose name
107.22 appears on the records of the auditor of the county in which the city is located as the person
107.23 who last paid the taxes on the property proposed to be taken, within 48 hours after the filing
107.24 of the commissioners' report.

107.25 Sec. 103. Minnesota Statutes 2022, section 430.031, subdivision 1, is amended to read:

107.26 Subdivision 1. **Limitation of actions.** No action may be commenced or maintained, and
107.27 no defense interposed, questioning the validity, regularity, or legality of all or part of a
107.28 pedestrian mall ordinance, or an amendment, to it adopted by a city ~~of the first class~~ under
107.29 section 430.011, subdivision 3 or 13 except by an appeal to the district court of the county
107.30 in which the city is located within 20 days after the final adoption and publication of the
107.31 ordinance or amendment.

108.1 Sec. 104. Minnesota Statutes 2022, section 430.13, is amended to read:

108.2 **430.13 SCOPE OF CHAPTER; DEFINITION; BONDED DEBT.**

108.3 ~~This chapter applies to cities of the first class.~~

108.4 ~~The term "city council" means the governing body of a city.~~

108.5 Certificates or bonds that may be issued to finance an improvement under this chapter
108.6 are part of the bonded debt of the city. In calculating the net indebtedness of the city due to
108.7 the issue of certificates or bonds, there may be deducted from the gross debt of the city the
108.8 amount of certificates or bonds that are payable wholly or partly from collections of special
108.9 assessments levied on property benefited by the improvements, including general obligations
108.10 of the issuing city, if the city is entitled to reimbursement, in whole or in part, from the
108.11 proceeds of special assessments levied upon property especially benefited by the
108.12 improvements.

108.13 Sec. 105. Minnesota Statutes 2022, section 473.13, is amended by adding a subdivision
108.14 to read:

108.15 Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council
108.16 must submit a financial review that details revenue and expenditures for the transportation
108.17 components under the council's budget, as specified in paragraph (c). A financial review
108.18 submitted under this paragraph must provide the information using state fiscal years.

108.19 (b) Annually by the earlier of the accounting close of a budget year or August 15, the
108.20 council must submit a financial review update that provides the following for the most
108.21 recent completed budget year: actual revenues; expenditures; transfers; reserves; balances;
108.22 and a comparison between the budgeted and actual amounts. A financial review update
108.23 under this paragraph must include the information specified in paragraph (d).

108.24 (c) At a minimum, a financial review must identify:

108.25 (1) the actual revenues, expenditures, transfers, reserves, and balances in each of the
108.26 previous four years;

108.27 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in
108.28 the current year and each year within the state forecast period;

108.29 (3) for the most recent completed year, a comparison between the budgeted and actual
108.30 amounts under clause (1); and

108.31 (4) for the most recent completed year, fund balances for each replacement service
108.32 provider under section 473.388.

109.1 (d) The information under paragraph (c), clauses (1) to (3), must include:

109.2 (1) a breakdown by each transportation funding source identified by the council, including
109.3 but not limited to legislative appropriations; federal funds; fare collections; property tax;
109.4 and sales tax, including sales tax used for active transportation under section 473.4465,
109.5 subdivision 2, paragraph (a), clause (1);

109.6 (2) a breakdown by each transportation operating budget category established by the
109.7 council, including but not limited to bus, light rail transit, commuter rail, planning, special
109.8 transportation service under section 473.386, and assistance to replacement service providers
109.9 under section 473.388; and

109.10 (3) data for operations, capital maintenance, and transit capital.

109.11 (e) A financial review under paragraph (a) or (b) must provide information or a
109.12 methodology sufficient to establish a conversion between state fiscal years and budget years,
109.13 summarize reserve policies, identify the methodology for cost allocation, and describe
109.14 revenue assumptions and variables affecting the assumptions.

109.15 (f) The council must submit each financial review to the chairs and ranking minority
109.16 members of the legislative committees and divisions with jurisdiction over transportation
109.17 policy and finance and to the commissioner of management and budget.

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

109.21 Sec. 106. Minnesota Statutes 2022, section 473.3927, is amended to read:

109.22 **473.3927 ZERO-EMISSION AND ELECTRIC TRANSIT VEHICLES.**

109.23 Subdivision 1. **Transition plan required.** (a) The council must develop and maintain
109.24 a zero-emission and electric transit vehicle transition plan.

109.25 (b) The council must ~~complete the initial~~ revise the plan by February 15, 2022 2025,
109.26 and revise the plan at least once every ~~five~~ three years following each prior revision.

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

109.29 (b) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
109.30 subdivision 2.

110.1 (c) "Qualified transit bus" means a motor vehicle that meets the requirements under
 110.2 paragraph (d), clauses (1) and (2).

110.3 (d) "Zero-emission transit bus" means a motor vehicle that:

110.4 (1) is designed for public transit service;

110.5 (2) has a capacity of more than 15 passengers, including the driver; and

110.6 (3) produces no exhaust-based greenhouse gas emissions from the onboard source of
 110.7 motive power of the vehicle under all operating conditions.

110.8 **Subd. 2. Plan development.** At a minimum, the plan must:

110.9 (1) establish ~~implementation~~ policies and, guidance, and recommendations to implement
 110.10 the transition to a transit service fleet of exclusively zero-emission and electric transit
 110.11 vehicles, including for recipients of financial assistance under section 473.388;

110.12 (2) establish a bus procurement transition strategy so that beginning on January 1, 2035,
 110.13 any qualified transit bus purchased for regular route transit service or special transportation
 110.14 service under section 473.386 by the council is a zero-emission transit bus;

110.15 (3) consider methods for transit providers to maximize greenhouse gas reduction in
 110.16 addition to zero-emission transit bus procurement, including but not limited to service
 110.17 expansion, reliability improvements, and other transit service improvements;

110.18 (4) analyze greenhouse gas emission reduction from transit improvements identified
 110.19 under clause (3) in comparison to the zero-emission transit bus procurement strategy under
 110.20 clause (2);

110.21 (5) set transition milestones or performance measures, or both, which may include vehicle
 110.22 procurement goals over the transition period in conjunction with the strategy under clause
 110.23 (2);

110.24 ~~(3)~~ (6) identify barriers, constraints, and risks, and determine objectives and strategies
 110.25 to address the issues identified;

110.26 ~~(4)~~ (7) consider findings and best practices from other transit agencies;

110.27 ~~(5)~~ (8) analyze zero-emission and electric transit vehicle technology impacts, including
 110.28 cold weather operation and emerging technologies;

110.29 (9) prioritize deployment of zero-emission transit buses based on the extent to which
 110.30 service is provided to environmental justice areas, as defined in section 116.065, subdivision
 110.31 1;

111.1 ~~(6)~~ (10) consider opportunities to prioritize the deployment of zero-emissions vehicles
 111.2 in areas with poor air quality;

111.3 (11) consider opportunities to prioritize deployment of zero-emission transit buses along
 111.4 arterial and highway bus rapid transit routes, including methods to maximize cost
 111.5 effectiveness with bus rapid transit construction projects;

111.6 ~~(7)~~ (12) provide detailed estimates of implementation costs to implement the plan and
 111.7 achieve the transition under clause (2), which, to the extent feasible, must include a forecast
 111.8 of annual expenditures, identification of potential sources of funding, and a summary of
 111.9 any anticipated or planned activity to seek additional funds; and

111.10 ~~(8)~~ (13) examine capacity, constraints, and potential investments in the electric
 111.11 transmission and distribution grid, in consultation with appropriate public utilities;

111.12 (14) identify methods to coordinate necessary facility upgrades in a manner that
 111.13 maximizes cost effectiveness and overall system reliability;

111.14 (15) examine workforce impacts under the transition plan, including but not limited to
 111.15 changes in staffing complement; personnel skill gaps and needs; and employee training,
 111.16 retraining, or role transitions; and

111.17 (16) summarize updates to the plan from the most recent version.

111.18 Subd. 3. **Copy to legislature.** Upon completion or revision of the plan, the council must
 111.19 provide a copy to the chairs, ranking minority members, and staff of the legislative
 111.20 committees with jurisdiction over transportation policy and finance.

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

111.24 Sec. 107. Minnesota Statutes 2023 Supplement, section 473.3999, is amended to read:

111.25 **473.3999 LIGHT RAIL TRANSIT CONSTRUCTION; COUNCIL AUTHORITY;**
 111.26 **STAFF ASSISTANCE; PROJECT MANAGER QUALIFICATIONS.**

111.27 Subdivision 1. Powers. ~~(a)~~ The Metropolitan council may exercise the powers granted
 111.28 in this chapter and in other applicable law, as necessary, to plan, design, acquire, construct,
 111.29 and equip light rail transit facilities in the metropolitan area as defined in section 473.121,
 111.30 subdivision 2.

111.31 Subd. 2. Staff and project assistance required; Department of Transportation. ~~(b)~~
 111.32 (a) Notwithstanding any cooperative agreement between the commissioner of transportation

112.1 and the ~~Metropolitan~~ council in section 473.3994, subdivision 1a, if the council is the
112.2 responsible authority, the commissioner of transportation must provide staff and project
112.3 assistance to the council for review and oversight of the project's development. ~~To the extent~~
112.4 ~~practicable,~~ The ~~Metropolitan~~ council must utilize the Department of Transportation staff
112.5 and project assistance for:

112.6 (1) the appropriate delivery method selection for the design, planning, acquisition,
112.7 construction, and equipping of light rail transit projects;

112.8 (2) risk assessment analysis and cost analysis in the planning, designing, and construction
112.9 of a light rail transit facility or a new light rail transit project, including but not limited to:

112.10 (i) a critical path schedule for the planning and design phases of a project developed
112.11 jointly by the council and the commissioner of transportation;

112.12 (ii) peer reviews or value engineering reviews at various milestones established in the
112.13 critical path schedule created under item (i); and

112.14 (iii) council participation in cost estimate reviews by third-party independent cost
112.15 estimators in conformance with Federal Transit Administration regulations and guidance;

112.16 (3) contractor and subcontractor schedule analysis and contractual requirements, including
112.17 but not limited to:

112.18 (i) development and review of requests for proposals and bid documents prior to
112.19 advertisement and solicitation;

112.20 (ii) review of bids submitted prior to the award of bids;

112.21 (iii) review of draft contractual language prior to the execution of project contracts;

112.22 (iv) review of change orders for major cost items exceeding \$500,000 and schedule
112.23 delays of more than 30 calendar days prior to the execution of a change order; and

112.24 (v) participation in any dispute resolution process that may arise to address competing
112.25 claims or disputes between a contractor and the council;

112.26 (4) light rail transit project cost management and budget analysis for the planning,
112.27 designing, and construction of a light rail transit facility or new light rail transit project,
112.28 including but not limited to:

112.29 (i) recommendations to address or manage cost overruns or discrepancies, funding
112.30 sources, contingency funding sources and availability, and the management of state or
112.31 county financial resources;

113.1 (ii) recommendations on appropriate contractual enforcement mechanisms and penalties
113.2 for any council agreement with a contractor for a light rail transit project; and

113.3 (iii) the development of future cost estimates and communication of projected cost
113.4 increases for a light rail transit project; and

113.5 (5) any other ~~technical~~ areas of expertise that the Department of Transportation may
113.6 offer.

113.7 ~~(e)~~ (b) The council must provide the commissioner of transportation all relevant
113.8 information required by this section.

113.9 (c) Staff from the Department of Transportation providing project assistance to the
113.10 council must report to the commissioner of transportation. Staff assistance from the
113.11 Department of Transportation must include at least one licensed professional engineer.

113.12 (d) If the commissioner of transportation provides the council with staff and project
113.13 assistance for the development of a light rail transit project as provided under this section,
113.14 the commissioner must submit and detail all recommendations made to the council to the
113.15 chairs and ranking minority members of the legislative committees with jurisdiction over
113.16 transportation policy and finance within 30 days of submitting its recommendations to the
113.17 council.

113.18 (e) The council must give strong consideration to utilizing input or recommendations
113.19 developed by the commissioner of transportation. If the council decides against utilizing
113.20 input or recommendations from the department, the council must reconcile significant
113.21 deviations to the extent practicable and that portion of the project cannot move forward
113.22 from the critical path schedule's milestone until the recommendation is reconciled. If the
113.23 council has sufficient reasoning to justify not utilizing input or recommendations from the
113.24 department, the council must, within 30 business days, provide written notice and
113.25 documentation of the decision to the department and the chairs and ranking minority members
113.26 of the legislative committees with jurisdiction over transportation policy and finance. The
113.27 notice and documentation must provide the reasons why the council is not utilizing the input
113.28 or recommendations provided by the department.

113.29 Subd. 3. **Project costs.** The project budget is responsible for costs incurred by the
113.30 commissioner of transportation for duties required in this section. The council must only
113.31 use direct appropriations in law or federal sources to pay its portion of light rail transit
113.32 capital construction costs.

114.1 Subd. 4. **Project manager; qualifications.** If the Metropolitan Council is the responsible
114.2 authority, the council must select a qualified project manager and lead project engineer with
114.3 at least ten years' transportation industry experience to lead the planning, design, acquisition,
114.4 construction, or equipping of a new light rail transit project.

114.5 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
114.6 final enactment. Subdivision 2 does not apply to the Southwest light rail transit (Green Line
114.7 Extension) project. This section applies in the counties of Anoka, Carver, Dakota, Hennepin,
114.8 Ramsey, Scott, and Washington.

114.9 Sec. 108. Minnesota Statutes 2023 Supplement, section 473.4051, is amended by adding
114.10 a subdivision to read:

114.11 Subd. 4. **Bus rapid transit project scope; infrastructure.** (a) The council must design,
114.12 fully scope, and construct each arterial bus rapid transit project with the following elements:

114.13 (1) sidewalk curb ramps and pedestrian signals that meet current Americans with
114.14 Disabilities Act standards as of the time of engineering completion at the four intersection
114.15 quadrants of an intersection adjacent to a bus rapid transit station;

114.16 (2) transit pavement markings, as applicable; and

114.17 (3) traffic signal transit priority modifications, where feasible and reasonable, to improve
114.18 speed and efficiency of service.

114.19 (b) The requirements under paragraph (a), clause (1), include intersection infrastructure
114.20 that serves the bus rapid transit station from the opposite side of a street. The requirements
114.21 under paragraph (a), clause (1), exclude locations that are:

114.22 (1) compliant with current Americans with Disabilities Act standards as of the time of
114.23 engineering completion for the project; or

114.24 (2) otherwise included in a programmed and colocated roadway construction project.

114.25 (c) For bus rapid transit project costs resulting from the requirements under paragraph
114.26 (a), clause (1), the council must pay 50 percent of the costs and the unit of government with
114.27 jurisdiction over the road must pay 50 percent of the costs. The council must pay the project
114.28 costs resulting from the requirements under paragraph (a), clauses (2) and (3).

114.29 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
114.30 final enactment for projects that first commence construction on or after that date. This
114.31 section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
114.32 Washington.

115.1 Sec. 109. Minnesota Statutes 2023 Supplement, section 473.412, subdivision 2, is amended
115.2 to read:

115.3 Subd. 2. **Standards established.** (a) ~~By October 1, 2023,~~ The Metropolitan Council
115.4 must adopt standards on cleanliness and repair of transit vehicles and stations. To the extent
115.5 practicable, the standards must address:

115.6 (1) cleaning requirements for transit stations and vehicles operated by the council;

115.7 (2) a strategy for discovering and removing vandalism, graffiti, or other defacement to
115.8 transit stations or vehicles operated by the council;

115.9 (3) a proposal for the timely repair of damage to transit stations and transit vehicle
115.10 fixtures, structures, or other property used for the purpose of supporting public transit; and

115.11 (4) any other cleanliness standards necessary to provide a quality ridership experience
115.12 for all transit users.

115.13 (b) ~~By February 1, 2024,~~ The Metropolitan Council must provide information on the
115.14 council's website on how the council solicits public feedback on cleanliness and rider
115.15 experience at transit stations and on transit vehicles. The council must post conspicuous
115.16 notice of the public feedback options at each light rail transit station and bus rapid transit
115.17 station operated by the council.

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

115.19 Sec. 110. Minnesota Statutes 2023 Supplement, section 473.412, subdivision 3, is amended
115.20 to read:

115.21 Subd. 3. **Report required; cleaning standards and expenditures.** (a) ~~By October 1,~~
115.22 ~~2023, and every two years~~ October 1, 2024, and every year thereafter, the Metropolitan
115.23 Council must report to the chairs and ranking minority members of the legislative committees
115.24 with jurisdiction over transit policy and finance on transit cleanliness and the ridership
115.25 experience.

115.26 (b) The ~~first~~ report ~~due~~ under paragraph (a) must provide information on the council's
115.27 ~~adopted~~ cleanliness standards required under subdivision 2, including whether the council
115.28 adopted new cleanliness standards or revisions to current cleanliness standards. ~~The first~~
115.29 ~~report must also provide information on how the council developed the cleanliness standards,~~
115.30 ~~the stakeholders it consulted in drafting the cleanliness standards, and the financial resources~~
115.31 ~~needed to implement the cleaning and repair standards.~~ ~~The first report must also identify~~
115.32 ~~the council's proposal for soliciting public feedback on cleanliness and rider experience at~~

116.1 ~~transit stations and on transit vehicles operated by the council.~~ A report prepared under this
116.2 subdivision must include information gathered from the required public feedback on
116.3 cleanliness and rider experience required in subdivision 2, paragraph (b). The council must
116.4 consider and recommend revisions to cleanliness standards based on the collection of public
116.5 feedback and must summarize feedback received by the council in the report.

116.6 (c) ~~For reports submitted on October 1, 2025, and every two years thereafter, the report~~
116.7 A report submitted under this subdivision must include:

116.8 (1) the total expenditures for cleaning and repairing transit stations and transit vehicles;

116.9 (2) ~~a report on~~ the frequency, type, and location of repairs;

116.10 (3) ~~a report on~~ whether specific transit stations needed a higher proportion of cleaning
116.11 or repairs and detail the council's strategy to resolve identified and persistent concerns at
116.12 those locations;

116.13 (4) ~~a report on~~ recommendations to address workforce challenges for maintaining the
116.14 the implementation and maintenance of cleanliness and repair standards adopted by the
116.15 council, including whether the council maintained agreements with third-party services for
116.16 cleaning and repair;

116.17 (5) whether the council has adopted preventative measures against vandalism or graffiti;
116.18 and

116.19 (6) any recommendations for additions to the transit rider code of conduct ~~adopted by~~
116.20 ~~the council~~ under section 473.4065 or the transit rider investment program under section
116.21 473.4075.

116.22 (d) ~~The council must collect and summarize the public comments it receives and~~
116.23 ~~incorporate those comments into the report required under paragraph (c).~~

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

116.25 Sec. 111. Minnesota Statutes 2023 Supplement, section 473.4465, subdivision 4, is amended
116.26 to read:

116.27 Subd. 4. **Use of funds; metropolitan counties; reporting.** (a) A metropolitan county
116.28 must use revenue from the regional transportation sales and use tax under section 297A.9915
116.29 in conformance with the requirements under section 174.49, subdivision 6.

116.30 (b) By February 15 of each even-numbered year, a metropolitan county must submit a
116.31 report to the chairs and ranking minority members of the legislative committees with
116.32 jurisdiction over transportation policy and finance on the use of funds received under section

117.1 297A.9915. This report must be submitted in conjunction with the report required under
117.2 section 297A.993, subdivision 2a. At a minimum, the report must include:

117.3 (1) actual sales tax collections allocated to the county over the previous five calendar
117.4 years;

117.5 (2) an estimation of the total sales tax revenue that is estimated to be allocated to the
117.6 county in the current year and for the next ten calendar years; and

117.7 (3) for each of the previous five calendar years, the current calendar year, and for the
117.8 next ten calendar years:

117.9 (i) the amount of sales tax revenue expended or proposed to be expended for each of
117.10 the allowable uses under section 174.49, subdivision 6;

117.11 (ii) completed, current, planned, and eligible projects or programs for each category
117.12 under item (i); and

117.13 (iii) an estimated balance of unspent or undesignated regional transportation sales and
117.14 use tax revenue.

117.15 Sec. 112. Minnesota Statutes 2022, section 473.452, is amended to read:

117.16 **473.452 TRANSIT OPERATING RESERVES; REPORT.**

117.17 (a) By ~~February 1~~ December 15 each year, each replacement service provider under
117.18 section 473.388 must report to the council its projected total operating expenses for the
117.19 current ~~calendar~~ state fiscal year and its projected operating reserve fund balance as of the
117.20 previous ~~December~~ July 31.

117.21 (b) By ~~March 1~~ January 15 each year, the council must submit a report to the chairs and
117.22 ranking minority members of the legislative committees with jurisdiction over transportation
117.23 policy and finance. The report must include:

117.24 (1) the information from each provider received under paragraph (a); and

117.25 (2) the council's projected total operating expenses for the current ~~calendar~~ state fiscal
117.26 year and its projected operating reserve fund balance as of the previous ~~December~~ July 31.

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

118.1 Sec. 113. Minnesota Statutes 2022, section 480.15, is amended by adding a subdivision
118.2 to read:

118.3 Subd. 10d. **Uniform collections policies and procedures; limitations.** The uniform
118.4 collections policies and procedures under subdivision 10c must not allow collections of
118.5 court debt, as defined in subdivision 10c, or referral of court debt to the Department of
118.6 Revenue, that only arises from a single violation under section 169.06, subdivision 10, or
118.7 169.14, subdivision 13.

118.8 **EFFECTIVE DATE.** This section is effective August 1, 2025, and expires August 1,
118.9 2029.

118.10 Sec. 114. Laws 2023, chapter 68, article 4, section 108, is amended to read:

118.11 Sec. 108. **ADDITIONAL DEPUTY REGISTRAR OF MOTOR VEHICLES FOR**
118.12 **RAMSEY COUNTY.**

118.13 Notwithstanding Minnesota Statutes, ~~section~~ sections 168.33 and 171.061, and rules
118.14 adopted by the commissioner of public safety limiting sites for the office of deputy registrar
118.15 or driver's license agent based on either the distance to an existing deputy registrar or driver's
118.16 license agent office or the annual volume of transactions processed by any deputy registrar
118.17 or driver's license agent within Ramsey County before or after the proposed appointment,
118.18 the commissioner of public safety must appoint a new private deputy registrar of motor
118.19 vehicles and driver's license agent to operate a new full-service office ~~of deputy registrar~~,
118.20 with full authority to function as a registration and motor vehicle tax collection bureau or
118.21 driver's license agent bureau, at or in the vicinity of the Hmong Village shopping center at
118.22 1001 Johnson Parkway in the city of St. Paul. The addition of a driver's license agent
118.23 establishes the location as a full-service office with full authority to function as a registration
118.24 and motor vehicle tax collection and driver's license bureau. All other provisions regarding
118.25 the appointment and operation of a deputy registrar of motor vehicles and driver's license
118.26 agent under Minnesota Statutes, ~~section~~ sections 168.33 and 171.061, and Minnesota Rules,
118.27 ~~chapter~~ chapters 7404 and 7406, apply to the office.

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

119.1 Sec. 115. Laws 2023, chapter 68, article 4, section 126, is amended to read:

119.2 Sec. 126. **LEGISLATIVE REPORT; SPEED SAFETY CAMERAS.**

119.3 (a) By ~~November 1, 2024~~ January 15, 2025, the commissioner of public safety must
 119.4 submit a report to the chairs and ranking minority members of the legislative committees
 119.5 with jurisdiction over transportation policy and finance that identifies a process and associated
 119.6 policies for issuance of a mailed citation to the owner or lessee of a motor vehicle that a
 119.7 speed safety camera system detects is operated in violation of a speed limit.

119.8 (b) The commissioner must convene a task force to assist in the development of the
 119.9 report. The task force must include the Advisory Council on Traffic Safety under Minnesota
 119.10 Statutes, section 4.076, a representative from the Minnesota County Attorneys Association,
 119.11 a representative from the judicial branch, and a person with expertise in data privacy and
 119.12 may include other members as the commissioner determines are necessary to develop the
 119.13 report.

119.14 (c) At a minimum, the report must include consideration and analysis of:

119.15 (1) methods to identify the owner, operator, and any lessee of the motor vehicle;

119.16 (2) compliance with federal enforcement requirements related to holders of a commercial
 119.17 driver's license;

119.18 (3) authority of individuals who are not peace officers to issue citations;

119.19 (4) authority of individuals who are not peace officers to issue citations electronically;

119.20 (5) judicial and court administrative capacity to process violations issued under the pilot
 119.21 program authorized in Minnesota Statutes, section 169.147;

119.22 (6) the appropriate legal classification of citations issued under a camera-based traffic
 119.23 enforcement system;

119.24 (7) data practices, including but not limited to concerns related to data privacy;

119.25 ~~(5)~~ (8) due process, an appeals process, the judicial system, and other legal issues;

119.26 ~~(6)~~ (9) technology options, constraints, and factors, including the implementation of
 119.27 electronic citations; and

119.28 ~~(7)~~ (10) recommendations regarding implementation, including but not limited to any
 119.29 legislative proposal and information on implementation costs of the pilot program authorized
 119.30 in Minnesota Statutes, section 169.147.

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

120.1 Sec. 116. **TRAFFIC SAFETY CAMERA SYSTEMS; EVALUATION AND**
120.2 **REPORTING.**

120.3 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms and the
120.4 terms defined in Minnesota Statutes, section 169.147, subdivision 1, have the meanings
120.5 given.

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

120.7 (c) "Commissioners" means the commissioners of transportation and public safety.

120.8 (d) "Implementing authority" has the meaning given in Minnesota Statutes, section
120.9 169.147, subdivision 1, paragraph (e).

120.10 (e) "Pilot program" means the traffic safety camera system pilot project established in
120.11 Minnesota Statutes, section 169.147.

120.12 (f) "Traffic safety camera system" has the meaning given in Minnesota Statutes, section
120.13 169.011, subdivision 85a.

120.14 **Subd. 2. Independent evaluation; general requirements.** (a) The commissioner must
120.15 arrange for an independent evaluation of traffic safety camera systems that includes analysis
120.16 of the pilot program. By December 31, 2028, the commissioner must submit a copy of the
120.17 evaluation to the chairs and ranking minority members of the legislative committees with
120.18 jurisdiction over transportation policy and finance.

120.19 (b) The evaluation must be performed outside the Departments of Transportation and
120.20 Public Safety by an entity with qualifying experience in traffic safety research. The evaluation
120.21 must include any monitoring sites established by an implementing authority.

120.22 (c) The commissioner must establish an evaluation methodology that provides
120.23 standardized metrics and evaluation measures and enables valid statistical comparison across
120.24 monitoring sites.

120.25 (d) At a minimum, the evaluation must:

120.26 (1) analyze the effectiveness of traffic safety camera systems in lowering travel speeds,
120.27 reducing speed differentials, reducing violations of traffic-control signals, and meeting any
120.28 other measures identified in the evaluation methodology;

120.29 (2) perform statistical analyses of traffic speeds, crashes, injuries, fatalities, and other
120.30 measurable traffic incidents; and

120.31 (3) identify any changes in traffic congestion attributable to traffic safety camera systems.

121.1 Subd. 3. **Independent evaluation; implementing authorities.** (a) An implementing
121.2 authority under the pilot program must follow the evaluation methodology established under
121.3 subdivision 2.

121.4 (b) An implementing authority under the pilot program must provide information for
121.5 the evaluation under subdivision 2 as requested and include the following:

121.6 (1) the total number of warnings issued;

121.7 (2) the total number of citations issued;

121.8 (3) the number of people who opted for diversion under Minnesota Statutes, sections
121.9 169.06, subdivision 10, paragraph (b), and 169.14, subdivision 13, paragraph (b);

121.10 (4) gross and net revenue received;

121.11 (5) expenditures incurred;

121.12 (6) a description of how the net revenue generated by the program was used;

121.13 (7) total amount of any payments made to a contractor;

121.14 (8) the number of employees involved in the pilot program;

121.15 (9) the type of traffic safety camera system used;

121.16 (10) the location of each monitoring site;

121.17 (11) the activation start and stop dates of the traffic safety camera system at each
121.18 monitoring site;

121.19 (12) the number of citations issued, with a breakout by monitoring site;

121.20 (13) the number of instances in which a traffic enforcement agent reviewed recorded
121.21 video or images for a potential violation but did not issue a resulting citation; and

121.22 (14) details on traffic safety camera system inspection and maintenance activities.

121.23 Subd. 4. **Pilot program reporting.** (a) An implementing authority that operates a traffic
121.24 safety camera system in a calendar year must publish a report on the authority's website on
121.25 the implementation for that calendar year. The report is due by March 1 of the following
121.26 calendar year.

121.27 (b) At a minimum, the report must summarize the activities of the implementing authority
121.28 and provide the information required under subdivision 3, paragraph (b).

122.1 Subd. 5. **Legislative report.** By January 15, 2029, the commissioners must submit a
122.2 report on traffic safety camera systems to the members of the legislative committees with
122.3 jurisdiction over transportation policy and finance. At a minimum, the report must:

122.4 (1) provide a review of the pilot program;

122.5 (2) provide data on citations issued under the pilot program, with breakouts by year and
122.6 location;

122.7 (3) summarize the results of the independent evaluation under subdivision 2;

122.8 (4) evaluate any disparities in impacts under the pilot programs, including by income,
122.9 by race, and in communities that are historically underrepresented in transportation planning;

122.10 (5) identify fiscal impacts of implementation of traffic safety camera systems; and

122.11 (6) make any recommendations regarding ongoing traffic safety camera implementation,
122.12 including but not limited to any draft legislative proposal.

122.13 **Sec. 117. REPORT; WORK ZONE SAFETY PILOT PROJECT RESULTS.**

122.14 (a) By October 1, 2029, the commissioners of transportation and public safety must
122.15 submit a report on the results and findings of the work zone pilot project that utilized
122.16 camera-based speed enforcement to issue warnings as provided in Minnesota Statutes,
122.17 section 169.147, subdivision 17.

122.18 (b) At a minimum, the report must:

122.19 (1) provide a review of the work zone pilot project;

122.20 (2) provide data on warning notices issued by the pilot project, with breakouts by year,
122.21 location, and trunk highway type;

122.22 (3) evaluate any disparities in impacts under the work zone pilot project;

122.23 (4) make recommendations on the calibration, installation, enforcement, administration,
122.24 adjudication, and implementation of speed camera traffic enforcement in trunk highway
122.25 work zones, including any statutory or legislative changes needed; and

122.26 (5) make recommendations on how to integrate trunk highway work zone speed camera
122.27 enforcement into the commissioner's strategies, practices, and methods to reduce vehicle
122.28 speeds and enhance worker safety in work zones.

122.29 **EFFECTIVE DATE. This section is effective August 1, 2025.**

123.1 Sec. 118. ANTIDISPLACEMENT COMMUNITY PROSPERITY PROGRAM
123.2 BOARD.

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

123.5 (b) "Antidisplacement community prosperity program" or "program" means the
123.6 antidisplacement community prosperity program established under section 119.

123.7 (c) "Blue Line light rail transit extension corridor" or "corridor" has the meaning given
123.8 in section 119.

123.9 (d) "Board" means the Antidisplacement Community Prosperity Program Board
123.10 established in this section.

123.11 Subd. 2. Creation. The Antidisplacement Community Prosperity Program Board is
123.12 established to implement the antidisplacement community prosperity program.

123.13 Subd. 3. Membership. Subject to modification as provided in the bylaws adopted under
123.14 subdivision 8, the board consists of the members of the Blue Line Extension
123.15 Anti-Displacement Working Group established by Hennepin County and the Metropolitan
123.16 Council, as specified in the Blue Line Extension Anti-Displacement Recommendations
123.17 report published in April 2023 by the Center for Urban and Regional Affairs at the University
123.18 of Minnesota.

123.19 Subd. 4. Chair; other officers. The chair of the Metropolitan Council, or a designee,
123.20 is responsible for chairing the first meeting of the board. The board must elect from among
123.21 its members a chair and vice-chair at the first meeting.

123.22 Subd. 5. Duties. (a) The board must establish an application process to review and
123.23 approve proposed expenditures for the antidisplacement community prosperity program.
123.24 An application for a proposed expenditure must receive approval from a majority of board
123.25 members. The board may request information on financial disclosures from any entity or
123.26 individual seeking funds under the program, including a complete independent financial
123.27 audit of the entity. The board must not approve an expenditure that would violate the standard
123.28 under subdivision 8, paragraph (a), clause (2).

123.29 (b) The application process must evaluate proposed expenditures to determine whether
123.30 the expenditure is for a qualifying purpose under section 119, subdivision 3, whether an
123.31 equal amount of funds have been secured from nonstate sources as required in section 119,
123.32 and whether the expenditure benefits the people along the Blue Line light rail transit extension
123.33 corridor.

124.1 (c) The Metropolitan Council and state and metropolitan agencies must cooperate with
124.2 the board and provide information on the Blue Line light rail transit extension project in a
124.3 timely manner to assist the board in conducting its business and reviewing applications for
124.4 program expenditures.

124.5 (d) The board must review and consult with the Minnesota Housing Finance Agency,
124.6 the Department of Employment and Economic Development, the Department of Labor and
124.7 Industry, and the Metropolitan Council on applications for prospective expenditures to
124.8 identify areas of need along the project corridor and ensure expenditures achieve the
124.9 qualifying purpose established in section 119, subdivision 3.

124.10 Subd. 6. **Expiration.** The Antidisplacement Community Prosperity Program Board
124.11 expires on June 30, 2030.

124.12 Subd. 7. **Administration.** By August 1, 2024, the board must be convened and meet a
124.13 minimum of three times. On or after January 1, 2025, the board must meet at least quarterly
124.14 to consider, review, and approve proposed expenditures.

124.15 Subd. 8. **Bylaws; requirements.** (a) The board must adopt bylaws related to board
124.16 governance. The bylaws must establish:

124.17 (1) procedures for board appointments and appointing authorities, membership, terms,
124.18 removal, and vacancies; and

124.19 (2) a standard and procedures for recusal and conflicts of interest.

124.20 (b) Appointments to the board must not include a member of the legislature.

124.21 (c) The board may adopt procedures to carry out the requirements of the program and
124.22 as needed to review, approve, and facilitate applications for eligible program expenditures
124.23 under section 119, subdivision 3.

124.24 Subd. 9. **Compensation.** Board member compensation and reimbursement for expenses
124.25 are governed by Minnesota Statutes, section 15.0575, subdivision 3.

124.26 Subd. 10. **Administrative support; staff.** Hennepin County must provide meeting space,
124.27 administrative support, and staff support for the board. The board must hold its meetings
124.28 within one mile of the Blue Line light rail transit extension project corridor.

124.29 Subd. 11. **Open meeting law.** Meetings of the board are subject to Minnesota Statutes,
124.30 chapter 13D.

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

125.1 Sec. 119. **BLUE LINE LIGHT RAIL TRANSIT EXTENSION**
125.2 **ANTIDISPLACEMENT COMMUNITY PROSPERITY PROGRAM.**

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

125.5 (b) "Antidisplacement community prosperity program" or "program" means the program
125.6 established under subdivision 2.

125.7 (c) "Antidisplacement community prosperity program money" or "program money"
125.8 means the money allocated to the program from the state.

125.9 (d) "Blue Line light rail transit extension corridor" or "corridor" means the neighborhoods
125.10 and communities within one mile of the route selected for the Blue Line light rail transit
125.11 extension project and the neighborhoods and communities within one mile of the former
125.12 Blue Line light rail transit extension project route.

125.13 Subd. 2. Establishment. The antidisplacement community prosperity program is
125.14 established to preserve and enhance affordable housing, small business support, job training
125.15 and placement, and economic vitality and to benefit the people and sense of community
125.16 along the Blue Line light rail transit extension corridor. Proposed program expenditures are
125.17 reviewed and approved by the Antidisplacement Community Prosperity Program Board
125.18 under section 118.

125.19 Subd. 3. Qualifying purposes. Program money must only be expended for the following
125.20 purposes:

125.21 (1) affordable housing to support:

125.22 (i) existing residents staying in place along the project corridor; and

125.23 (ii) development, preservation, and access to safe affordable housing and house choice;

125.24 (2) small business and community ownership support to:

125.25 (i) incentivize community institutions, businesses, and community members to own
125.26 property along the corridor and preserve cultural heritage;

125.27 (ii) connect business owners, community institutions, and community members in the
125.28 corridor to other commercial nodes;

125.29 (iii) improve the business climate before, during, and after construction in the corridor;

125.30 (iv) prioritize the development of spaces for small businesses;

125.31 (v) support opportunities for existing businesses to stay in place and feel supported; and

126.1 (vi) create opportunities for further community ownership in the corridor while preserving
126.2 existing levels of ownership;

126.3 (3) public space infrastructure enhancements to:

126.4 (i) improve infrastructure around the project and corridor;

126.5 (ii) enhance community connections to the corridor; and

126.6 (iii) preserve cultural heritage in the corridor; and

126.7 (4) job training and placement to increase corridor resident participation in the Blue
126.8 Line light rail transit extension project and program initiatives.

126.9 Subd. 4. **Program governance.** Expenditures funded under this section must be reviewed
126.10 and approved by the Antidisplacement Community Prosperity Program Board established
126.11 in section 118. The board's review must determine whether a prospective expenditure is for
126.12 a qualifying purpose as provided in subdivision 3. The board must not approve an expenditure
126.13 for any purpose unless the purpose has received an equal amount of funding from nonstate
126.14 sources, including federal, local, Metropolitan Council, or philanthropic funding. The board
126.15 is responsible for administering the program expenditure to the approved entity or individual.

126.16 Subd. 5. **Report.** By February 1 of each year, the Antidisplacement Community
126.17 Prosperity Program Board must submit a report to the chairs and ranking minority members
126.18 of the legislative committees with jurisdiction over transportation policy and finance. The
126.19 report must include a complete review and summary of antidisplacement community
126.20 programming, including:

126.21 (1) a detailed fiscal review of all expenditures, including a report on expenditures not
126.22 approved by the board;

126.23 (2) the criteria for determining whether a prospective expenditure is for a qualifying
126.24 purpose, including a detailed analysis of the decision-making process in applying the factors
126.25 set forth in subdivision 3;

126.26 (3) a description of programs or activities funded with expenditures approved by the
126.27 board, including any measurable outcomes achieved as a result of the funding;

126.28 (4) the source and amount of money collected and distributed by the board;

126.29 (5) an explanation of administrative expenses and staffing costs related to the board's
126.30 administration of the program, including identifying each board member's role and
126.31 responsibility;

126.32 (6) detailed financial information of nonstate funding received by the board;

127.1 (7) a detailed financial review of instances when the board required a complete,
127.2 independent financial audit to the extent allowed under law; and

127.3 (8) documentation of any identified misuse of expenditures or expenditures not deemed
127.4 to be a qualified purpose under the criteria of subdivision 3.

127.5 Subd. 6. **Expiration.** The antidisplacement community prosperity program expires on
127.6 June 30, 2030.

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

127.8 Sec. 120. **COMMUNITY ROADSIDE LANDSCAPE PARTNERSHIPS.**

127.9 Subject to available funds, the commissioner of transportation must assess and undertake
127.10 methods to improve and expand the Department of Transportation's community roadside
127.11 landscape partnership program, including:

127.12 (1) identifying and evaluating locations for partnership opportunities throughout the
127.13 state where there is high traffic volume and minimal existing vegetation coverage in the
127.14 form of trees or large shrubs;

127.15 (2) performing outreach and engagement about the program with eligible community
127.16 partners;

127.17 (3) prioritizing roadsides where vegetation could reduce neighborhood noise impacts or
127.18 improve aesthetics for neighborhoods that border interstate highways without regard to
127.19 whether there are existing noise walls; and

127.20 (4) analyzing methods to include cost sharing between the department and participating
127.21 community partners for ongoing landscape maintenance.

127.22 Sec. 121. **MINNESOTA ADVISORY COUNCIL ON INFRASTRUCTURE**
127.23 **IMPLEMENTATION ACTIVITIES.**

127.24 (a) Appointing authorities under Minnesota Statutes, section 16B.357, subdivision 2,
127.25 must make initial appointments by May 1, 2025.

127.26 (b) By May 1, 2025, the commissioner of administration must hire an executive director
127.27 as provided under Minnesota Statutes, section 16B.359.

127.28 (c) Following the appointments under paragraph (a) and hiring an executive director
127.29 under paragraph (b), the Minnesota Advisory Council on Infrastructure established under
127.30 Minnesota Statutes, section 16B.357, must undertake community engagement efforts
127.31 throughout the state that include hearings to obtain comments and information related to

128.1 providing for effective and efficient management of infrastructure and preserving and
128.2 extending the longevity of Minnesota's public and privately owned infrastructure.

128.3 **Sec. 122. PUBLIC EDUCATION CAMPAIGN; MOTORCYCLE OPERATIONS.**

128.4 The commissioner of public safety must implement a statewide public education campaign
128.5 to alert drivers and the public on how motorcycles may safely overtake and pass a vehicle
128.6 within the same lane or between parallel lanes. The information must be consistent with the
128.7 requirements of Minnesota Statutes, section 169.974, subdivision 5.

128.8 **Sec. 123. DRIVER AND VEHICLE SERVICES; MATERIALS IN A LANGUAGE**
128.9 **OTHER THAN ENGLISH.**

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

128.12 (b) "Commissioner" means the commissioner of public safety.

128.13 (c) "Deputy registrar" means a public or private deputy registrar appointed by the
128.14 commissioner under Minnesota Statutes, section 168.33.

128.15 (d) "Driver's license agent" means a public or private driver's license agent appointed
128.16 by the commissioner under Minnesota Statutes, section 171.061.

128.17 (e) "Equivalent materials" means written materials such as forms, applications,
128.18 questionnaires, letters, or notices that are used to ask or order a person to provide information
128.19 or to give a person information on provisions relevant to a person's rights, duties, or privileges
128.20 under Minnesota Statutes, chapters 168, 168A, and 171, offered in a qualifying language.

128.21 (f) "Qualifying language" means a language not in English and must include Spanish,
128.22 Hmong, Somali, Karen, Russian, Vietnamese, and any other language used by significant
128.23 populations within Minnesota as determined in subdivision 2.

128.24 (g) "Substantial number" means 20 percent of the total number of transactions or office
128.25 visits at a given deputy registrar or driver's license agent location.

128.26 **Subd. 2. Offering of translated materials required.** (a) The commissioner must produce
128.27 equivalent materials for distribution and use by a deputy registrar or driver's license agent
128.28 to a non-English speaking person seeking the service of a deputy registrar or driver's license
128.29 agent. The commissioner must translate materials in English into a qualifying language and
128.30 prioritize translation of material that is distributed most frequently to the public.

129.1 (b) The commissioner, in consultation with the commissioner of administration and the
129.2 organizations specified in paragraph (c), must determine whether a location of an appointed
129.3 deputy registrar or driver's license agent serves a substantial number of non-English speaking
129.4 people and whether the non-English speaking population has access to equivalent materials
129.5 in a qualifying language. If the commissioner determines a location serves a substantial
129.6 number of non-English speaking people, the commissioner must notify the location and
129.7 provide the equivalent materials in all qualifying languages to the deputy registrar or driver's
129.8 license agent free of charge. If the commissioner determines a location serves a substantial
129.9 number of non-English speaking people but the language spoken is not a qualifying language,
129.10 the commissioner must produce equivalent materials for distribution and use by the location
129.11 in the nonqualifying language within 30 days of its determination.

129.12 (c) The commissioner must consult with the Minnesota Council on Latino Affairs, the
129.13 Minnesota Council on Asian Pacific Minnesotans, the Council for Minnesotans of African
129.14 Heritage, and other organizations representing other non-English speaking people on the
129.15 extent of services offered by a deputy registrar or driver's license agent location and whether
129.16 there is need for equivalent materials at that location. The commissioner must periodically
129.17 consult with the organizations specified in this paragraph to determine whether:

129.18 (1) equivalent materials are required in new, nonqualifying additional languages spoken
129.19 by populations within Minnesota; and

129.20 (2) existing deputy registrar or driver's license agent locations are meeting the needs of
129.21 non-English speaking populations in qualifying and nonqualifying languages.

129.22 (d) If a non-English speaking person seeks the services of a deputy registrar or driver's
129.23 license agent but the language spoken by the person is not determined to be a qualifying
129.24 language, the deputy registrar or driver's license agent must determine whether the
129.25 Department of Public Safety has produced those materials in the language spoken by the
129.26 person. If the materials are not yet available, the Division of Driver and Vehicle Services
129.27 must be notified and provide the equivalent materials in the new language within 30 days.
129.28 The equivalent materials must be provided free of charge to the requester.

129.29 (e) If the commissioner determines that equivalent materials are required in a new
129.30 language, the commissioner must notify the organizations specified in paragraph (c) and
129.31 provide notice to deputy registrars and driver's license agents of the availability of equivalent
129.32 materials. The commissioner, in consultation with the commissioner of administration, must
129.33 establish administrative support procedures for assisting deputy registrars and driver's license
129.34 agents with requests for equivalent materials in a qualifying or nonqualifying language.

130.1 Subd. 3. **Report required.** By February 1, 2026, the commissioner must submit a report
130.2 to the chairs and ranking minority members of the legislative committees with jurisdiction
130.3 over transportation policy and finance. The report must detail the efforts of the Division of
130.4 Driver and Vehicle Services to implement the requirements of this section and must include
130.5 the following:

130.6 (1) the locations of deputy registrars and driver's license agents who serve a substantial
130.7 number of non-English speaking people on a yearly basis;

130.8 (2) the different languages requested at locations serving a substantial number of
130.9 non-English speaking people;

130.10 (3) how many requests for equivalent materials in languages other than English were
130.11 made but not at locations that serve a substantial number of non-English speaking people
130.12 on a yearly basis;

130.13 (4) the expenditures used on producing equivalent materials in languages other than
130.14 English;

130.15 (5) any recommended legislative changes needed to produce equivalent materials in
130.16 languages other than English statewide;

130.17 (6) any information or feedback from deputy registrars and driver's license agents; and

130.18 (7) any information or feedback from persons who requested equivalent materials under
130.19 this section.

130.20 **EFFECTIVE DATE.** This section is effective October 1, 2024.

130.21 Sec. 124. **STUDY; DYNAMIC TRANSPORTATION OPTIONS; GREATER**
130.22 **MINNESOTA TRANSIT PLAN; REPORT.**

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

130.25 (1) "commissioner" means the commissioner of transportation;

130.26 (2) "dynamic transportation options" includes but is not limited to nonfixed route options,
130.27 prearranged and dial-a-ride options arranged via telephone, digital application, or website;
130.28 demand response microtransit service for last-mile connection; and private transportation
130.29 companies, including but not limited to transportation network companies or taxi companies;

130.30 (3) "nonmetropolitan county" means any Minnesota county other than those under
130.31 Minnesota Statutes, section 473.121, subdivision 4; and

131.1 (4) "wheelchair accessible vehicle" means a vehicle equipped with a ramp or lift capable
131.2 of transporting nonfolding motorized wheelchairs, mobility scooters, or other mobility
131.3 devices.

131.4 Subd. 2. **Study required; pilot program proposal.** (a) The commissioner must study,
131.5 in collaboration with identified stakeholders in subdivision 3, increasing access to transit
131.6 and transportation options, including ridesharing or other dynamic transportation options
131.7 in rural, nonmetropolitan areas. The report must identify existing gaps in transportation
131.8 service in greater Minnesota. The commissioner may include the results of the report required
131.9 under this section in the 2025 Greater Minnesota transit investment plan provided in
131.10 Minnesota Statutes, section 174.24, subdivision 1a.

131.11 (b) The commissioner must outline and make recommendations on establishing a
131.12 proposed rural dynamic transportation options pilot program in coordination with a rural
131.13 transportation coordinating council. The proposed pilot program must attempt to increase
131.14 service in the rural transportation coordinating council's area by identifying gaps in service
131.15 and propose options to increase mobility, including but not limited to the use of transportation
131.16 network companies or taxis with access to wheelchair accessible vehicles. The proposed
131.17 pilot project plan must compare the regional transportation coordinating council's current
131.18 service area versus its proposed new service area, the cost differential, and the anticipated
131.19 new users of the pilot program. The proposed pilot project plan must include a timeline for
131.20 deployment and what resources may be needed to implement the pilot for at least two years.

131.21 Subd. 3. **Stakeholders.** (a) The commissioner must develop the study in consultation
131.22 with:

131.23 (1) one representative from the Minnesota Council on Disability;

131.24 (2) two representatives, who must be jointly selected by the American Council of the
131.25 Blind of Minnesota, the National Federation of the Blind of Minnesota, and the Minnesota
131.26 DeafBlind Association;

131.27 (3) one representative from a transportation network company, as defined in Minnesota
131.28 Statutes, section 65B.472, subdivision 1;

131.29 (4) one representative from a taxicab company;

131.30 (5) one representative with familiarity and experience in transit vehicle dispatching
131.31 services and route connection expertise;

131.32 (6) the executive director of the Minnesota Council on Transportation Access or a
131.33 designee;

132.1 (7) two representatives from a Minnesota regional transportation coordination council,
132.2 one of whom must be a volunteer driver who transports persons or goods on behalf of a
132.3 nonprofit organization or governmental unit using their own private passenger vehicle or a
132.4 volunteer driver coordinator;

132.5 (8) one county commissioner from a nonmetropolitan county;

132.6 (9) a private transit or transportation services provider;

132.7 (10) one representative from a transit provider who provides transportation services in
132.8 a small urban area and receives funds under United States Code, title 49, section 5307; and

132.9 (11) one representative from a transit provider who provides transportation services in
132.10 a rural area and receives funds under United States Code, title 49, section 5311.

132.11 (b) The commissioner may convene an in-person meeting of stakeholders to develop
132.12 the report's contents and recommendations. The commissioner is responsible for providing
132.13 accessible meeting space and administrative and technical support for any stakeholder
132.14 meeting to develop the report. Public members of the working group serve without
132.15 compensation or payment of expenses.

132.16 (c) If the groups specified in paragraph (a), clause (2), are unable to select a member to
132.17 participate in the development of the report, the commissioner may appoint two members
132.18 of the public who:

132.19 (1) are blind, partially blind, or deafblind; and

132.20 (2) possess relevant experience in transportation or transit policy or as a rider of special
132.21 transportation services.

132.22 Subd. 4. **Duties.** At a minimum, the commissioner and the stakeholders provided in
132.23 subdivision 3 must identify and analyze:

132.24 (1) inefficiencies in route connections and demand response;

132.25 (2) improvements in coordination across different public, private, and individual sources
132.26 of transportation;

132.27 (3) existing gaps in service in Greater Minnesota, including but not limited to:

132.28 (i) crossing county lines;

132.29 (ii) collaboration between counties;

132.30 (iii) resolving local funding share issues; and

132.31 (iv) vehicle availability, operating funds, staffing, and other capital issues;

133.1 (4) improvements in dispatch and service time for public and private service, including
133.2 an analysis of digital and voice technology commercially available to transportation
133.3 providers;

133.4 (5) areas of coordination to maximize the availability and use of vehicles for ambulatory
133.5 people and maximizing the number of wheelchair-accessible vehicles in the program;

133.6 (6) the impact of Federal Transit Administration rules on mobility service improvements;

133.7 (7) the impact of Medicare services on transportation availability and options;

133.8 (8) nonemergency medical transportation issues;

133.9 (9) the impact of the commissioner's shared mobility work with the Moving Greater
133.10 Minnesota Forward program; and

133.11 (10) rural and small urban transportation funding sources and their limitations for use
133.12 of each relevant source.

133.13 Subd. 5. **Report.** By February 15, 2025, the commissioner of transportation must report
133.14 the results of the study to the chairs and ranking minority members of the legislative
133.15 committees with jurisdiction over transportation policy and finance.

133.16 Subd. 6. **Expiration.** The requirement for collaboration between the stakeholders and
133.17 the commissioner expires on May 15, 2025, or upon submission of the report required under
133.18 subdivision 5, whichever is earlier.

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

133.20 Sec. 125. **STUDY; METRO MOBILITY ENHANCEMENTS; REPORT.**

133.21 (a) The commissioner of transportation must, in consultation with the chair of the
133.22 Metropolitan Council, perform a Metro Mobility enhancement and service study and develop
133.23 recommendations to improve the efficiency, effectiveness, reliability, dignity, and experience
133.24 of riders of the special transportation service under Minnesota Statutes, section 473.386.

133.25 (b) The study must include:

133.26 (1) an evaluation of the Metropolitan Council's efforts to deliver improvements in the
133.27 reliability, effectiveness, and efficiency of services as required by state and federal law,
133.28 including workforce and procurement efforts to meet the demand for Metro Mobility services;

133.29 (2) an analysis of the extent to which Metro Mobility can fully meet demand for its
133.30 services in both the federally defined and state-defined services areas, including a

134.1 comprehensive examination of the Metropolitan Council's on-demand taxi alternative for
134.2 Metro Mobility-certified riders and Metro Move services;

134.3 (3) an evaluation of whether Metro Mobility met performance goals for the fulfillment
134.4 of ride requests in the state-mandated service area under Minnesota Statutes, section 473.386,
134.5 subdivision 1, paragraph (a);

134.6 (4) an analysis of whether state service requirements in law should be amended to prohibit
134.7 or restrict the denial of ride requests in the state-mandated service area and whether such a
134.8 requirement in service can be met with existing resources;

134.9 (5) suggested improvements to the Metropolitan Council's oversight and management
134.10 of its reservation and dispatch structure and a detailed analysis and recommendations on a
134.11 Metropolitan Council-operated centralized reservation system;

134.12 (6) a comprehensive analysis of the Metropolitan Council's oversight and management
134.13 of transit providers contracted to provide rides for Metro Mobility, including services plans,
134.14 payment and bonus structure, and performance standards;

134.15 (7) recommendations on the adequacy of the Metro Mobility complaints process and an
134.16 evaluation of whether the Metropolitan Council receives all rider concerns and whether
134.17 concerns are addressed appropriately;

134.18 (8) an evaluation of the Metro Mobility enhancement pilot program instituted under
134.19 Laws 2023, chapter 68, article 4, section 121;

134.20 (9) an evaluation and assessment of how to implement the use of transportation network
134.21 companies or taxi services to provide an enhanced service option in which riders may pay
134.22 a higher fare than other users of Metro Mobility services;

134.23 (10) an evaluation of the feasibility of nonsubsidized, subsidized, and tiered ride services
134.24 handled by a dispatching service provider; and

134.25 (11) an analysis of and recommendations for comprehensive improvements in route
134.26 coordination, call sequencing and customer service, integration with transportation network
134.27 company applications, and cataloging rides for maximum efficiency and driver compensation.

134.28 (c) The Metropolitan Council must cooperate with the Department of Transportation
134.29 and provide information requested in a timely fashion to implement and conduct the study.

134.30 (d) The commissioner must consult with interested parties and stakeholders in conducting
134.31 the service study and report, including representatives from the Minnesota Council on
134.32 Disability, American Council of the Blind of Minnesota, the Minnesota DeafBlind

135.1 Association, the National Federation of the Blind's Minnesota chapter, metro-area private
135.2 transportation companies, identified riders of Metro Mobility, transit providers, Metro
135.3 Mobility drivers, the Board on Aging, the Department of Human Services, and any other
135.4 interested party with experience in providing mobility services for disabled persons.

135.5 (e) By February 15, 2026, the commissioner must submit the report and findings to the
135.6 chairs and ranking minority members of the legislative committees with jurisdiction over
135.7 transportation policy and finance.

135.8 **Sec. 126. STUDY; HIGHWAY DESIGNATION REVIEW COMMITTEE.**

135.9 (a) By December 15, 2024, the commissioner of transportation must conduct a study on
135.10 the establishment of a standing committee to evaluate and authorize designations of highways
135.11 and bridges on the trunk highway system.

135.12 (b) At a minimum, the study required in paragraph (a) must:

135.13 (1) evaluate the feasibility and effectiveness of establishing a standing committee with
135.14 authority to review proposals for designation of memorial highways and bridges on the
135.15 trunk highway system and approve a designation without enactment of a law that specifies
135.16 the designation in the manner under Minnesota Statutes, section 161.14;

135.17 (2) propose criteria for a standing committee to evaluate each designation proposal, with
135.18 consideration of public interest, community support, and the locations of existing
135.19 designations;

135.20 (3) examine whether other states have adopted similar review committees and identify
135.21 any best practices or other considerations;

135.22 (4) evaluate the potential costs or benefits to authorizing establishment of designations
135.23 as provided under clause (1);

135.24 (5) assess the required resources, staffing, and administrative support needed to establish
135.25 and maintain the standing committee; and

135.26 (6) recommend draft legislation.

135.27 (c) The commissioner must submit the results of the study to the chairs and ranking
135.28 minority members of the legislative committees with jurisdiction over transportation policy
135.29 and finance.

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

136.1 **Sec. 127. STUDY; ELECTRIC-ASSISTED BICYCLE YOUTH OPERATION.**

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

136.4 (b) "Active transportation advisory committee" means the committee established in
136.5 Minnesota Statutes, section 174.375.

136.6 (c) "Advisory Council on Traffic Safety" means the advisory council established in
136.7 Minnesota Statutes, section 4.076.

136.8 (d) "Commissioners" means the commissioner of public safety and the commissioner
136.9 of transportation.

136.10 (e) "Electric-assisted bicycle" has the meaning given in Minnesota Statutes, section
136.11 169.011, subdivision 27.

136.12 **Subd. 2. Electric-assisted bicycles study.** (a) The commissioners must conduct a study
136.13 and develop recommendations on the operation of electric-assisted bicycles by persons
136.14 under the age of 18 to increase the safety of riders, other cyclists, and all other users of
136.15 active transportation infrastructure. The commissioners must conduct the study jointly with
136.16 the active transportation advisory committee and the Advisory Council on Traffic Safety.

136.17 (b) The study required under paragraph (a) must:

136.18 (1) identify challenges to the safe operation of electric-assisted bicycles by those under
136.19 the age of 18;

136.20 (2) evaluate existing legal authority for strategies, practices, and methods to reduce the
136.21 availability of modifications to the electric motor of electric-assisted bicycles;

136.22 (3) make recommendations on whether to change state law to improve electric-assisted
136.23 bicycle safety on roads, trails, and other areas where safe operation of electric-assisted
136.24 bicycles is needed; and

136.25 (4) propose educational and public awareness campaigns to educate the public about
136.26 electric-assisted bicycles, promote their safe operation, and raise awareness of their unique
136.27 characteristics when operating on roadways.

136.28 (c) In conducting the study with the Advisory Council on Traffic Safety and the active
136.29 transportation advisory committee, the commissioners must consult with interested
136.30 stakeholders, including but not limited to:

136.31 (1) active transportation and bicycling advocates;

- 137.1 (2) local elected officials;
- 137.2 (3) retailers and manufacturers of electric-assisted bicycles;
- 137.3 (4) the Department of Natural Resources;
- 137.4 (5) the Department of Commerce;
- 137.5 (6) E-12 educators with experience in active transportation safety training;
- 137.6 (7) medical professionals and emergency medical technicians;
- 137.7 (8) the State Patrol and local law enforcement; and
- 137.8 (9) consumer protection advocates.
- 137.9 Subd. 3. **Report.** By February 1, 2026, the commissioners must submit the study
- 137.10 conducted under this section to the chairs and ranking minority members of the legislative
- 137.11 committees with jurisdiction over transportation policy and finance.
- 137.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 137.13 Sec. 128. **STUDY; DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT**
- 137.14 **LOCATIONS COMPETITIVE BIDDING.**
- 137.15 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
- 137.16 the meanings given.
- 137.17 (b) "Commissioner" means the commissioner of public safety.
- 137.18 (c) "Deputy registrar" means a public or private deputy registrar appointed by the
- 137.19 commissioner under Minnesota Statutes, section 168.33.
- 137.20 (d) "Driver's license agent" means a public or private driver's license agent appointed
- 137.21 by the commissioner under Minnesota Statutes, section 171.061.
- 137.22 Subd. 2. **Study required.** The commissioner must conduct a driver's license agent and
- 137.23 deputy registrar open bidding process study. The study must evaluate and analyze the
- 137.24 appointment process for a replacement deputy registrar or driver's license agent when an
- 137.25 appointed deputy registrar or driver's license agent closes an approved office location. At
- 137.26 a minimum, the study must evaluate the requirements established in Minnesota Statutes,
- 137.27 sections 168.33, subdivision 8b, and 171.061, subdivision 5a, and must include:
- 137.28 (1) the commissioner's proposal to establish a competitive bidding process to appoint a
- 137.29 replacement deputy registrar or driver's license agent at an existing approved office location
- 137.30 or approved replacement location;

138.1 (2) recommended legislation to establish, implement, administer, and enforce a
138.2 competitive bidding process and its requirements in statute;

138.3 (3) an analysis of how the competitive bidding process would interact with the
138.4 commissioner's existing rules on deputy registrar and driver's license agent office locations
138.5 and propose recommendations to reconcile any issues;

138.6 (4) the effect of a competitive bidding process on service outcomes, financial
138.7 sustainability, and needed financial assistance for deputy registrars and driver's license
138.8 agents;

138.9 (5) how a competitive bidding process would initiate business development for persons
138.10 who are seeking appointment as a deputy registrar or driver's license agent;

138.11 (6) the expected fiscal impact for creating and administering a competitive bidding
138.12 process;

138.13 (7) an evaluation and recommendations on the impact of implementing a competitive
138.14 bidding process on existing deputy registrar and driver's license agent locations; and

138.15 (8) feedback solicited from existing deputy registrars and driver's license agents on the
138.16 commissioner's proposal.

138.17 Subd. 3. **Report.** By February 1, 2025, the commissioner must complete the study and
138.18 report the results of the study to the chairs and ranking minority members of the legislative
138.19 committees with jurisdiction over transportation policy and finance. The report must include
138.20 proposed legislation to establish and implement the competitive bidding process required
138.21 in Minnesota Statutes, sections 168.33, subdivision 8b, and 171.061, subdivision 5a.

138.22 Sec. 129. **STUDY; WAYSIDE DETECTORS.**

138.23 (a) For purposes of this section, the following terms have the meanings given:

138.24 (1) "commissioner" means the commissioner of transportation; and

138.25 (2) "wayside detector" or "wayside detector system" means one or more electronic
138.26 devices that:

138.27 (i) perform automated scanning of passing trains, rolling stock, and on-track equipment
138.28 to detect defects or precursors to defects in equipment or component parts; and

138.29 (ii) provide notification to individuals of a defect or precursor to a defect.

138.30 (b) The commissioner must conduct a comprehensive study on wayside detector systems
138.31 and other rail inspection technologies. The commissioner must engage with the governor's

139.1 Council on Freight Rail under Executive Order 24-02 to consider and review issues related
139.2 to wayside detectors, including analyzing existing federal regulations and guidance, incidents
139.3 and performance data, safety complaints, and best practices.

139.4 (c) The study must:

139.5 (1) identify current practices for defect notification to train crews;

139.6 (2) identify current practices for wayside detector systems or other inspection technology
139.7 deployment and maintenance;

139.8 (3) analyze deployed and emerging wayside detector system technology, including
139.9 known detector types and quantities and may include but is not limited to the following
139.10 inspection technologies:

139.11 (i) acoustic bearing detectors;

139.12 (ii) hot box detectors;

139.13 (iii) wheel tread inspection detectors;

139.14 (iv) wheel impact load detectors;

139.15 (v) wheel temperature detectors;

139.16 (vi) wheel profile detectors; and

139.17 (vii) machine vision systems;

139.18 (4) analyze wayside detector systems' impacts on railroad safety and identify accidents
139.19 and incident trends of rolling stock or other conditions monitored by wayside detectors;

139.20 (5) estimate costs of requiring wayside detector systems for Class II and Class III railroads
139.21 and rail carriers and identify potential state funding mechanisms to institute the requirements;

139.22 (6) include a federal preemption analysis of mandating wayside detector systems under
139.23 state law that includes an analysis and examination of federal law, case law, and federal
139.24 guidance;

139.25 (7) analyze the costs and impacts, if any, on the transport of goods on certain Minnesota
139.26 industries and sectors, including agriculture, taconite mining, manufacturing, timber, retail,
139.27 and automotive, if implementation of a wayside detector system is required in Minnesota;
139.28 and

139.29 (8) review current and anticipated Federal Railroad Administration efforts to regulate
139.30 wayside detector systems, including guidance from the federal Railroad Safety Advisory
139.31 Committee on wayside detectors.

140.1 (d) By January 15, 2026, the commissioner must submit a joint report with the governor's
140.2 Council on Freight Rail on the study to the chairs and ranking minority members of the
140.3 legislative committees with jurisdiction over transportation, commerce, and civil law policy
140.4 and finance.

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

140.6 Sec. 130. **STUDY; COMMERCIAL DRIVER WORKFORCE.**

140.7 (a) The commissioners of public safety and transportation must jointly conduct a study
140.8 to address commercial driver shortages in transportation and transit sectors and propose
140.9 recommendations to address the challenges posed by driver shortages and the attrition rate
140.10 of commercial vehicle drivers in Minnesota. The study must comprehensively examine
140.11 challenges in test access, workforce development, driver compensation and retention, training
140.12 and certification offered by postsecondary institutions, and how each of those challenges
140.13 may be addressed by the legislature or other state regulatory action.

140.14 (b) In conducting the study, the commissioners must consult with stakeholders involved
140.15 in the training, certification, licensing, development, and education of commercial drivers,
140.16 including but not limited to representatives from trucking companies, freight and logistics
140.17 companies, transit and bus operators, labor unions representing commercial motor vehicle
140.18 drivers, public and private commercial driver's license testing providers and behind-the-wheel
140.19 instructors, or any other entity that may assist the commissioners in conducting the study.
140.20 Stakeholders must assist the commissioners to identify key issues or policies that warrant
140.21 further examination, address or clarify competing claims across industries, provide analysis
140.22 on the reasons behind an operator shortage in Minnesota, and identify ways to increase
140.23 driver access, participation, and retention in commercial driving operations.

140.24 (c) The commissioners must also consult with the commissioners of labor and industry,
140.25 commerce, and employment and economic development; Metro Transit; the Center for
140.26 Transportation Studies at the University of Minnesota; and the Board of Trustees of the
140.27 State Colleges and Universities of Minnesota in conducting the study and developing the
140.28 report to the legislature.

140.29 (d) The commissioners must convene an initial meeting with stakeholders and
140.30 representatives from the agencies specified in paragraph (c) by July 15, 2024, to prepare
140.31 for the study, identify areas of examination, and establish a solicitation process for public
140.32 comment on the report. The public notification process required under this paragraph must
140.33 attempt to solicit participation from the public on commercial driver shortage and workforce

141.1 issues and include those comments in the report required under paragraph (f). The
141.2 commissioners must convene at least six meetings before publication of the report.

141.3 (e) The commissioner of transportation is responsible for providing meeting space and
141.4 administrative services for meetings with stakeholders in developing the report required
141.5 under this section. Public members of the working group serve without compensation or
141.6 payment of expenses. The commissioner of transportation must host the public notification,
141.7 participation, and comment requirements under paragraph (d) on its website and use the
141.8 information in preparing the study.

141.9 (f) By February 15, 2025, the commissioners must submit the results of the study,
141.10 stakeholder and public comments, and recommended legislative changes to the chairs and
141.11 ranking minority members of the legislative committees with jurisdiction over transportation
141.12 policy and finance.

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

141.14 Sec. 131. **STUDY; SPECIAL LICENSE PLATE REVIEW COMMITTEE.**

141.15 (a) By February 15, 2025, the commissioner of public safety must conduct a
141.16 comprehensive study on the establishment of a standing committee in the Division of Driver
141.17 and Vehicle Services to review and approve proposals for special license plates. The study
141.18 must also evaluate potential improvements to the current statutory and legislative process
141.19 for approving specialty license plates, including removal and delegation of legislative
141.20 authority in the approval of new special license plates.

141.21 (b) The study required in paragraph (a) must:

141.22 (1) evaluate the feasibility and effectiveness of establishing a standing committee tasked
141.23 with reviewing and approving proposals for special license plates;

141.24 (2) propose criteria for a standing committee to evaluate each special license plate
141.25 proposal based on criteria such as public interest, community support, relevance to the
141.26 purpose of special license plates, and potential revenue generation;

141.27 (3) assess the current statutory process for approving special license plates, including
141.28 Minnesota Statutes, section 168.1293, and include suggested improvements to the statutory
141.29 language to improve transparency, accountability, and public input in the special license
141.30 plate process;

141.31 (4) analyze the roles and responsibilities of relevant stakeholders, including the legislature,
141.32 the Department of Public Safety, community organizations, or other interested parties

142.1 involved in the current approval, creation, and distribution of special license plates in
142.2 Minnesota;

142.3 (5) examine other states that have adopted similar review committees for special license
142.4 plates;

142.5 (6) evaluate the potential costs or benefits to removing legislative authority to approve
142.6 special license plates, including a detailed analysis of fiscal considerations;

142.7 (7) evaluate whether the creation of a standing committee for review of special license
142.8 plates would have any impact on rules currently adopted and enforced by the commissioner,
142.9 including Minnesota Rules, part 7403.0500;

142.10 (8) evaluate whether the standing committee should be responsible for monitoring the
142.11 implementation and usage of approved special license plates and recommend any necessary
142.12 modifications or discontinuations to existing special license plates;

142.13 (9) assess the required resources, staffing, and administrative support needed to establish
142.14 and maintain the standing committee; and

142.15 (10) provide any other recommendations to the potential improvement to the special
142.16 license plate process, including design, implementation, and public engagement.

142.17 (c) The commissioner must submit the results of the study to the chairs and ranking
142.18 minority members of the legislative committees with jurisdiction over transportation policy
142.19 and finance.

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

142.21 Sec. 132. **REVISOR INSTRUCTION.**

142.22 (a) The revisor of statutes must recodify Minnesota Statutes, section 169.21, subdivision
142.23 6, as Minnesota Statutes, section 171.0701, subdivision 1b. The revisor must correct any
142.24 cross-references made necessary by this recodification.

142.25 (b) The revisor of statutes must recodify Minnesota Statutes, section 473.3927,
142.26 subdivision 1, as Minnesota Statutes, section 473.3927, subdivision 1b. The revisor must
142.27 correct any cross-references made necessary by this recodification.

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

142.29 Sec. 133. **REPEALER.**

142.30 Minnesota Statutes 2022, section 168.1297, is repealed.

ARTICLE 4

LABOR APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2023, chapter 53, or other law to the specified agency. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. DEPARTMENT OF HEALTH \$ -0- \$ 174,000

\$174,000 the second year is for technical assistance for rulemaking for acceptable blood lead levels for workers. This is a onetime appropriation and is available until June 30, 2026.

Sec. 3. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT \$ -0- \$ 9,651,000

(a) \$9,000,000 the second year is for a grant to Tending the Soil, to design, redesign, renovate, construct, furnish, and equip the Rise Up Center, a building located in Minneapolis, that will house a workforce development and job training center, administrative offices, and a public gathering space. This is a onetime appropriation and is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs.

144.1 (b) \$651,000 the second year is for
 144.2 implementation of the broadband provisions
 144.3 in article 13.

144.4 Sec. 4. **PUBLIC UTILITIES COMMISSION** \$ -0- \$ **39,000**

144.5 \$39,000 the second year is for investigation
 144.6 and enforcement of conduct by or on behalf
 144.7 of telecommunications carriers, telephone
 144.8 companies, or cable communications system
 144.9 providers that impacts public utility or
 144.10 cooperative electric association infrastructure.

144.11 Sec. 5. **DEPARTMENT OF REVENUE** \$ -0- \$ **143,000**

144.12 \$143,000 the second year is for the disclosure
 144.13 and records management unit to work on
 144.14 agency-to-agency data-sharing agreements
 144.15 related to worker misclassification. This is a
 144.16 onetime appropriation.

144.17 Sec. 6. **ATTORNEY GENERAL** \$ -0- \$ **49,000**

144.18 \$49,000 the second year is to represent the
 144.19 Department of Labor and Industry in contested
 144.20 case hearings related to worker
 144.21 misclassification. This appropriation is
 144.22 available until June 30, 2026. The base for this
 144.23 appropriation is \$98,000 in fiscal year 2027
 144.24 and each year thereafter.

144.25 Sec. 7. Laws 2023, chapter 53, article 14, section 1, is amended to read:

144.26 Section 1. **EARNED SICK AND SAFE TIME APPROPRIATIONS.**

144.27 (a) \$1,445,000 in fiscal year 2024 and ~~\$2,209,000~~ \$1,899,000 in fiscal year 2025 are
 144.28 appropriated from the general fund to the commissioner of labor and industry for enforcement
 144.29 and other duties regarding earned sick and safe time under Minnesota Statutes, sections
 144.30 181.9445 to 181.9448, and chapter 177. ~~The base for this appropriation is \$1,899,000 for~~
 144.31 ~~fiscal year 2026 and each year thereafter.~~

145.1 (b) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from
 145.2 the general fund to the commissioner of labor and industry for grants to community
 145.3 organizations under Minnesota Statutes, section 177.50, subdivision 4. This is a onetime
 145.4 appropriation.

145.5 (c) \$310,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
 145.6 of labor and industry for rulemaking related to earned sick and safe time under Minnesota
 145.7 Statutes, sections 181.9445 to 181.9448, and chapter 177. This is a onetime appropriation
 145.8 and is available until June 30, 2027.

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

145.10 Sec. 8. Laws 2023, chapter 53, article 19, section 2, subdivision 1, is amended to read:

145.11				44,044,000	
145.12	Subdivision 1. Total Appropriation	\$	47,710,000	\$	<u>45,017,000</u>

145.13 Appropriations by Fund

	2024	2025
145.14		
145.15		4,889,000
145.16	7,200,000	<u>5,522,000</u>
145.17		32,390,000
145.18	30,599,000	<u>32,669,000</u>
145.19		6,765,000
145.20	9,911,000	<u>6,826,000</u>

145.21 The amounts that may be spent for each
 145.22 purpose are specified in the following
 145.23 subdivisions. The general fund base for this
 145.24 appropriation is ~~\$4,936,000~~ \$5,150,000 in
 145.25 fiscal year 2026 and ~~\$4,958,000~~ \$5,169,000
 145.26 in fiscal year 2027 and each year thereafter.

145.27 The workers compensation fund base is
 145.28 ~~\$32,749,000~~ \$32,892,000 in fiscal year 2026
 145.29 and \$32,458,000 in fiscal year 2027 and each
 145.30 year thereafter. The workforce development
 145.31 fund base is ~~\$6,765,000~~ \$6,826,000 in fiscal
 145.32 year 2026 and each year thereafter.

145.33 Sec. 9. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

145.34			6,270,000
145.35	Subd. 3. Labor Standards	6,520,000	<u>6,964,000</u>

146.1	Appropriations by Fund		
146.2			4,635,000
146.3	General	4,957,000	<u>5,268,000</u>
146.4	Workforce		1,635,000
146.5	Development	1,563,000	<u>1,696,000</u>

146.6 The general fund base for this appropriation
 146.7 is ~~\$4,682,000~~ \$4,896,000 in fiscal year 2026
 146.8 and ~~\$4,704,000~~ \$4,915,000 in fiscal year 2027
 146.9 and each year thereafter.

146.10 (a) \$2,046,000 each year is for wage theft
 146.11 prevention.

146.12 (b) \$1,563,000 the first year and ~~\$1,635,000~~
 146.13 \$1,696,000 the second year are from the
 146.14 workforce development fund for prevailing
 146.15 wage enforcement.

146.16 (c) \$134,000 the first year and \$134,000 the
 146.17 second year are for outreach and enforcement
 146.18 efforts related to changes to the nursing
 146.19 mothers, lactating employees, and pregnancy
 146.20 accommodations law.

146.21 (d) \$661,000 the first year and \$357,000 the
 146.22 second year are to perform work for the
 146.23 Nursing Home Workforce Standards Board.
 146.24 The base for this appropriation is \$404,000 in
 146.25 fiscal year 2026 and \$357,000 in fiscal year
 146.26 2027.

146.27 (e) \$225,000 the first year and \$169,000 the
 146.28 second year are for the purposes of the Safe
 146.29 Workplaces for Meat and Poultry Processing
 146.30 Workers Act.

146.31 (f) \$27,000 the first year is for the creation
 146.32 and distribution of a veterans' benefits and
 146.33 services poster under Minnesota Statutes,
 146.34 section 181.536.

147.1 (g) \$141,000 the second year is to inform and
 147.2 educate employers relating to Minnesota
 147.3 Statutes, section 181.960.

147.4 (h) \$56,000 the second year is for education
 147.5 and training related to employee
 147.6 misclassification. The base for this
 147.7 appropriation is \$70,000 in fiscal year 2026
 147.8 and each fiscal year thereafter.

147.9 (i) From the general fund appropriation for
 147.10 this purpose, \$436,000 in the second year is
 147.11 available through June 30, 2027.

147.12 Sec. 10. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

147.13			<u>7,559,000</u>
147.14	Subd. 5. Workplace Safety	8,644,000	<u>7,838,000</u>

147.15	Appropriations by Fund		
147.16	General	2,000,000	-0-
147.17	Workers'		<u>7,559,000</u>
147.18	Compensation	6,644,000	<u>7,838,000</u>

147.19 The workers compensation fund base for this
 147.20 appropriation is ~~\$7,918,000~~ \$8,061,000 in
 147.21 fiscal year 2026 and \$7,627,000 in fiscal year
 147.22 2027 and each year thereafter.

147.23 \$2,000,000 the first year is for the ergonomics
 147.24 safety grant program. This appropriation is
 147.25 available until June 30, 2026. This is a onetime
 147.26 appropriation.

147.27 Sec. 11. Laws 2023, chapter 53, article 19, section 4, is amended to read:

147.28	Sec. 4. BUREAU OF MEDIATION SERVICES \$	3,707,000 \$	3,789,000
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147.29 ~~(a)~~ \$750,000 each year is for purposes of the
 147.30 Public Employment Relations Board under
 147.31 Minnesota Statutes, section 179A.041.

148.1 ~~(b) \$68,000 each year is for grants to area~~
148.2 ~~labor management committees. Grants may~~
148.3 ~~be awarded for a 12-month period beginning~~
148.4 ~~July 1 each year. Any unencumbered balance~~
148.5 ~~remaining at the end of the first year does not~~
148.6 ~~cancel but is available for the second year.~~

148.7 ~~(c) \$47,000 each year is for rulemaking,~~
148.8 ~~staffing, and other costs associated with peace~~
148.9 ~~officer grievance procedures.~~

148.10 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

148.11 **ARTICLE 5**
148.12 **COMBATIVE SPORTS**

148.13 Section 1. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

148.14 **341.25 RULES.**

148.15 (a) The commissioner may adopt rules that include standards for the physical examination
148.16 and condition of combatants and referees.

148.17 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
148.18 chapter, including, but not limited to, the conduct of all combative sport contests and their
148.19 manner, supervision, time, and place.

148.20 (c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated
148.21 by the Association of Boxing Commissions, is incorporated by reference and made a part
148.22 of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In
148.23 the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

148.24 (d) The most recent version of the Unified Rules of Boxing, as promulgated by the
148.25 Association of Boxing Commissions, is incorporated by reference and made a part of this
148.26 chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event
148.27 of a conflict between this chapter and the Unified Rules, this chapter must govern.

148.28 (e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of
148.29 Muay Thai, as promulgated by the Association of Boxing Commissions, is are incorporated
148.30 by reference and made a part of this chapter except as qualified by this chapter and any
148.31 applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified~~
148.32 Rules those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event

149.1 governed by a different set of kickboxing rules, the promoter must send the commissioner
149.2 a copy of the rules under which the proposed bouts will be conducted at least 45 days before
149.3 the event. The commissioner may approve or deny the use of the alternative rules at the
149.4 commissioner's discretion. If the alternative rules are approved for an event, this chapter
149.5 and any applicable Minnesota Rules, except of those incorporating the Unified Rules of
149.6 Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the
149.7 rules and Minnesota law.

149.8 Sec. 2. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended
149.9 to read:

149.10 Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this
149.11 chapter specifically states otherwise, contests or exhibitions for martial arts and amateur
149.12 boxing are exempt from the requirements of this chapter and officials at these events are
149.13 not required to be licensed under this chapter.

149.14 (b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth
149.15 in subdivision 6 or 7, must be regulated by a nationally recognized organization approved
149.16 by the commissioner. The organization must have a set of written standards, procedures, or
149.17 rules used to sanction the combative sports it oversees.

149.18 (c) Any regulatory body overseeing a martial arts or amateur boxing event must submit
149.19 bout results to the commissioner within 72 hours after the event. If the regulatory body
149.20 issues suspensions, the regulatory body must submit to the commissioner a list of any
149.21 suspensions resulting from the event within 72 hours after the event. Regulatory bodies that
149.22 oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject
149.23 to this paragraph.

149.24 Sec. 3. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to
149.25 read:

149.26 Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts
149.27 contests between individuals under the age of 18 years are exempt from the requirements
149.28 of this chapter and officials at these events are not required to be licensed under this chapter.
149.29 A contest under this subdivision must be regulated by (1) a widely recognized organization
149.30 that regularly oversees youth competition, or (2) a local government.

150.1 Sec. 4. Minnesota Statutes 2022, section 341.29, is amended to read:

150.2 **341.29 JURISDICTION OF COMMISSIONER.**

150.3 The commissioner shall:

150.4 (1) have sole direction, supervision, regulation, control, and jurisdiction over all
150.5 combative sport contests that are held within this state unless a contest is exempt from the
150.6 application of this chapter under federal law;

150.7 (2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

150.8 (3) grant a license to an applicant if, in the judgment of the commissioner, the financial
150.9 responsibility, experience, character, and general fitness of the applicant are consistent with
150.10 the public interest, ~~convenience, or necessity~~ and in the best interests of combative sports
150.11 and conforms with this chapter and the commissioner's rules;

150.12 (4) deny, suspend, or revoke a license using the enforcement provisions of section
150.13 326B.082, except that the licensing reapplication time frames remain within the sole
150.14 discretion of the commissioner; and

150.15 (5) serve final nonlicensing orders in performing the duties of this chapter which are
150.16 subject to the contested case procedures provided in sections 14.57 to 14.69.

150.17 Sec. 5. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended
150.18 to read:

150.19 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's
150.20 license to an individual, corporation, or other business entity, the applicant shall complete
150.21 a licensing application on the Office of Combative Sports website or on forms prescribed
150.22 by the commissioner and shall:

150.23 (1) show on the licensing application the owner or owners of the applicant entity and
150.24 the percentage of interest held by each owner holding a 25 percent or more interest in the
150.25 applicant;

150.26 (2) provide the commissioner with a copy of the latest financial statement of the applicant;

150.27 (3) provide proof, where applicable, of authorization to do business in the state of
150.28 Minnesota; and

150.29 (4) deposit with the commissioner a surety bond in an amount set by the commissioner,
150.30 which must not be less than \$10,000. The bond shall be executed in favor of this state and

151.1 shall be conditioned on the faithful performance by the promoter of the promoter's obligations
151.2 under this chapter and the rules adopted under it.

151.3 (b) Before the commissioner issues a license to a combatant, the applicant shall:

151.4 (1) submit to the commissioner the results of current medical examinations on forms
151.5 prescribed by the commissioner that state that the combatant is cleared to participate in a
151.6 combative sport contest. The applicant must undergo and submit the results of the following
151.7 medical examinations, which do not exempt a combatant from the requirements in section
151.8 341.33:

151.9 (i) a physical examination performed by a licensed medical doctor, doctor of osteopathic
151.10 medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations
151.11 are valid for one year from the date of the exam;

151.12 (ii) an ophthalmological examination performed by an ophthalmologist or optometrist
151.13 that includes dilation designed to detect any retinal defects or other damage or a condition
151.14 of the eye that could be aggravated by combative sports. Ophthalmological examinations
151.15 are valid for one year from the date of the exam;

151.16 (iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C
151.17 antibody), and HIV. Blood work results are good for one year from the date blood was
151.18 drawn. The commissioner shall not issue a license to an applicant submitting positive test
151.19 results for HBsAg, HCV, or HIV; and

151.20 (iv) other appropriate neurological or physical examinations before any contest, if the
151.21 commissioner determines that the examination is desirable to protect the health of the
151.22 combatant;

151.23 (2) complete a licensing application on the Office of Combative Sports website or on
151.24 forms prescribed by the commissioner; and

151.25 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's
151.26 license, state photo identification card, passport, or birth certificate combined with additional
151.27 photo identification.

151.28 (c) Before the commissioner issues an amateur combatant license to an individual, the
151.29 applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's
151.30 prior bout history and evidence showing that the applicant has completed at least six months
151.31 of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

151.32 (d) Before the commissioner issues a professional combatant license to an individual,
151.33 the applicant must submit proof of qualifications that includes an applicant's prior bout

152.1 history showing the applicant has competed in at least four sanctioned combative sports
152.2 contests. If the applicant has not competed in at least four sanctioned combative sports
152.3 contests, the commissioner may still grant the applicant a license if the applicant provides
152.4 evidence demonstrating that the applicant has sufficient skills and experience in combative
152.5 sports or martial arts to compete as a professional combatant.

152.6 ~~(e)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the
152.7 applicant must submit proof of qualifications that may include certified training from the
152.8 Association of Boxing Commissions, licensure with other regulatory bodies, professional
152.9 references, or a log of bouts worked.

152.10 ~~(d)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant
152.11 must submit proof that they are licensed to practice medicine in the state of Minnesota and
152.12 in good standing.

152.13 Sec. 6. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

152.14 **341.321 FEE SCHEDULE.**

152.15 (a) The fee schedule for professional and amateur licenses issued by the commissioner
152.16 is as follows:

152.17 (1) referees, \$25;

152.18 (2) promoters, \$700;

152.19 (3) judges and knockdown judges, \$25;

152.20 (4) trainers and seconds, \$40;

152.21 (5) timekeepers, \$25;

152.22 (6) professional combatants, \$70;

152.23 (7) amateur combatants, \$35; and

152.24 (8) ringside physicians, \$25.

152.25 All license fees shall be paid no later than the weigh-in prior to the contest. No license may
152.26 be issued until all prelicensure requirements in section 341.30 are satisfied and fees are
152.27 paid.

152.28 (b) A promoter or event organizer of an event regulated by the Department of Labor and
152.29 Industry must pay, per event, a combative sport contest fee of ~~of~~ _____.

153.1 (c) If the promoter sells tickets for the event, the event fee is \$1,500 per event or four
153.2 percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

153.3 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

153.4 (2) \$1,000 at the weigh-in prior to the contest;

153.5 (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to
153.6 the commissioner within 14 days of the completed contest; and

153.7 (4) the value of all complimentary tickets distributed for an event, to the extent they
153.8 exceed five percent of total event attendance, counts toward gross tickets sales for the
153.9 purposes of determining a combative sports contest fee. For purposes of this clause, the
153.10 lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

153.11 (d) If the promoter does not sell tickets and receives only a flat payment from a venue
153.12 to administer the event, the event fee is \$1,500 per event or four percent of the flat payment,
153.13 whichever is greater. The fee must be paid as follows:

153.14 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

153.15 (2) \$1,000 at the weigh-in prior to the contest; and

153.16 (3) if four percent of the flat payment is greater than \$1,500, the balance is due to the
153.17 commissioner within 14 days of the completed contest.

153.18 ~~(e)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
153.19 commissioner account in the special revenue fund.

153.20 Sec. 7. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a
153.21 subdivision to read:

153.22 Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that
153.23 doing so would be desirable to protect the health of a combatant, provide the combatant's
153.24 medical information collected under this chapter to the physician conducting a prebout exam
153.25 under this section or to the ringside physician or physicians assigned to the combatant's
153.26 combative sports contest.

153.27 Sec. 8. [341.352] DATA PRIVACY.

153.28 All health records collected, created, or maintained under this chapter are private data
153.29 on individuals, as defined in section 13.02, subdivision 12.

154.1 Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

154.2 **341.355 CIVIL PENALTIES.**

154.3 When the commissioner finds that a person has violated one or more provisions of any
154.4 statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the
154.5 commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each
154.6 violation, or a civil penalty that deprives the person of any economic advantage gained by
154.7 the violation, or both. The commissioner may also impose these penalties against a person
154.8 who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

154.9 **ARTICLE 6**

154.10 **CONSTRUCTION CODES AND LICENSING**

154.11 Section 1. Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1, is
154.12 amended to read:

154.13 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
154.14 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
154.15 Construction Codes Advisory Council establish a code of standards for the construction,
154.16 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
154.17 design and construction, fire protection, health, sanitation, and safety, including design and
154.18 construction standards regarding heat loss control, illumination, and climate control. The
154.19 code must also include duties and responsibilities for code administration, including
154.20 procedures for administrative action, penalties, and suspension and revocation of certification.
154.21 The code must conform insofar as practicable to model building codes generally accepted
154.22 and in use throughout the United States, including a code for building conservation. In the
154.23 preparation of the code, consideration must be given to the existing statewide specialty
154.24 codes presently in use in the state. Model codes with necessary modifications and statewide
154.25 specialty codes may be adopted by reference. The code must be based on the application
154.26 of scientific principles, approved tests, and professional judgment. To the extent possible,
154.27 the code must be adopted in terms of desired results instead of the means of achieving those
154.28 results, avoiding wherever possible the incorporation of specifications of particular methods
154.29 or materials. To that end the code must encourage the use of new methods and new materials.
154.30 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
154.31 administer and enforce the provisions of those sections.

154.32 (b) The commissioner shall develop rules addressing the plan review fee assessed to
154.33 similar buildings without significant modifications including provisions for use of building
154.34 systems as specified in the industrial/modular program specified in section 326B.194.

155.1 Additional plan review fees associated with similar plans must be based on costs
155.2 commensurate with the direct and indirect costs of the service.

155.3 (c) Beginning with the 2018 edition of the model building codes and every six years
155.4 thereafter, the commissioner shall review the new model building codes and adopt the model
155.5 codes as amended for use in Minnesota, within two years of the published edition date. The
155.6 commissioner may adopt amendments to the building codes prior to the adoption of the
155.7 new building codes to advance construction methods, technology, or materials, or, where
155.8 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
155.9 or the use of a building.

155.10 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
155.11 residential energy code and the new model commercial energy code in accordance with
155.12 federal law for which the United States Department of Energy has issued an affirmative
155.13 determination in compliance with United States Code, title 42, section 6833. The
155.14 commissioner may adopt amendments prior to adoption of the new energy codes, as amended
155.15 for use in Minnesota, to advance construction methods, technology, or materials, or, where
155.16 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
155.17 or use of a building.

155.18 (e) Beginning in 2024, the commissioner shall act on the new model commercial energy
155.19 code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard.
155.20 The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent
155.21 reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a
155.22 baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that
155.23 incrementally move toward achieving the 80 percent reduction in annual net energy
155.24 consumption. By January 15 of the year following each new code adoption, the commissioner
155.25 shall make a report on progress under this section to the legislative committees with
155.26 jurisdiction over the energy code.

155.27 (f) Nothing in this section shall be interpreted to limit the ability of a public utility to
155.28 offer code support programs, or to claim energy savings resulting from such programs,
155.29 through its energy conservation and optimization plans approved by the commissioner of
155.30 commerce under section 216B.241 or an energy conservation and optimization plan filed
155.31 by a consumer-owned utility under section 216B.2403.

155.32 (g) Beginning in 2026, the commissioner shall act on the new model residential energy
155.33 code by adopting each new published edition of the International Energy Conservation Code
155.34 or a more efficient standard. The residential energy code in effect in 2038 and thereafter

156.1 must achieve a 70 percent reduction in annual net energy consumption or greater, using the
 156.2 2006 International Energy Conservation Code State Level Residential Codes Energy Use
 156.3 Index for Minnesota, as published by the United States Department of Energy's Building
 156.4 Energy Codes Program, as a baseline. The commissioner shall adopt residential energy
 156.5 codes from 2026 to 2038 that incrementally move toward achieving the 70 percent reduction
 156.6 in annual net energy consumption. By January 15 of the year following each new code
 156.7 adoption, the commissioner shall submit a report on progress under this section to the
 156.8 legislative committees with jurisdiction over the energy code.

156.9 Sec. 2. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

156.10 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
 156.11 fund to an owner or a lessee in an amount greater than ~~\$75,000~~ \$100,000 per licensee. The
 156.12 commissioner shall not pay compensation from the fund to owners and lessees in an amount
 156.13 that totals more than \$550,000 per licensee. The commissioner shall only pay compensation
 156.14 from the fund for a final judgment that is based on a contract directly between the licensee
 156.15 and the homeowner or lessee that was entered into prior to the cause of action and that
 156.16 requires licensure as a residential building contractor or residential remodeler.

156.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

156.18

ARTICLE 7

156.19

BUREAU OF MEDIATION SERVICES

156.20 Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

156.21 Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section
 156.22 must complete training as required by the commissioner during the person's appointment.
 156.23 At a minimum, an initial training must include:

156.24 (1) at least six hours on the topics of cultural competency, racism, implicit bias, and
 156.25 recognizing and valuing community diversity and cultural differences; and

156.26 (2) at least six hours on topics related to the daily experience of peace officers, which
 156.27 may include ride-alongs with on-duty officers or other activities that provide exposure to
 156.28 the environments, choices, and judgments required of officers in the field.

156.29 (b) The commissioner may adopt rules establishing training requirements consistent
 156.30 with this subdivision.

156.31 ~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required~~
 156.32 ~~initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after

157.1 2020 must complete the required initial training within six months of the arbitrator's
157.2 appointment.

157.3 ~~(e)~~ (d) The Bureau of Mediation Services must pay for all costs associated with the
157.4 required training must be borne by the arbitrator.

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

157.6 Sec. 2. **REPEALER.**

157.7 (a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84,
157.8 subdivision 1; and 179.85, are repealed.

157.9 (b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120, subparts 1, 2, 3, 4, 5, 6,
157.10 and 7; 5520.0200; 5520.0250, subparts 1, 2, and 4; 5520.0300; 5520.0500, subparts 1, 2,
157.11 3, 4, 5, and 6; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700;
157.12 5520.0710; and 5520.0800, are repealed.

157.13

ARTICLE 8

157.14

PUBLIC EMPLOYEE LABOR RELATIONS (PELRA)

157.15 Section 1. Minnesota Statutes 2023 Supplement, section 13.43, subdivision 6, is amended
157.16 to read:

157.17 Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public**
157.18 **Employment Relations Board.** (a) Notwithstanding classification by any other provision
157.19 of this chapter upon request from an exclusive representative, personnel data must be
157.20 disseminated to labor organizations and the Public Employment Relations Board to the
157.21 extent necessary to conduct elections, investigate and process grievances, and implement
157.22 the provisions of chapters 179 and 179A.

157.23 (b) Personnel data shall be disseminated to labor organizations, the Public Employment
157.24 Relations Board, and the Bureau of Mediation Services to the extent the dissemination is
157.25 ordered or authorized by the commissioner of the Bureau of Mediation Services or the
157.26 Public Employment Relations Board or its employees or agents. Employee Social Security
157.27 numbers are not necessary to implement the provisions of chapters 179 and 179A.

157.28 ~~(b)~~ (c) Personnel data described under section 179A.07, subdivision 8, must be
157.29 disseminated to an exclusive representative under the terms of that subdivision.

158.1 ~~(e)~~ (d) An employer who disseminates personnel data to a labor organization pursuant
158.2 to this subdivision shall not be subject to liability under section 13.08. Nothing in this
158.3 paragraph shall impair or limit any remedies available under section 325E.61.

158.4 ~~(d)~~ (e) The home addresses, nonemployer issued phone numbers and email addresses,
158.5 dates of birth, and emails or other communications between exclusive representatives and
158.6 their members, prospective members, and nonmembers are private data on individuals.

158.7 Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is amended
158.8 to read:

158.9 Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means
158.10 any person appointed or employed by a public employer except:

158.11 (1) elected public officials;

158.12 (2) election officers;

158.13 (3) commissioned or enlisted personnel of the Minnesota National Guard;

158.14 (4) emergency employees who are employed for emergency work caused by natural
158.15 disaster;

158.16 (5) part-time employees whose service does not exceed the lesser of 14 hours per week
158.17 or 35 percent of the normal work week in the employee's appropriate unit;

158.18 (6) employees, other than those working in a school as a paraprofessional or other
158.19 noninstructional position, whose positions are basically temporary or seasonal in character
158.20 and: ~~(i) are not for more than 67 working days in any calendar year;~~ ~~(ii) are not working for~~
158.21 ~~a Minnesota school district or charter school; or (iii) are not for more than 100 working~~
158.22 ~~days in any calendar year and the employees are.~~

158.23 (7) full-time students under the age of 22, ~~are full-time students~~ enrolled in a nonprofit
158.24 or public educational institution prior to being hired by the employer, excluding employment
158.25 by the Board of Regents of the University of Minnesota, whose positions are temporary or
158.26 seasonal in character and are not for more than 100 working days in any calendar year, and
158.27 who have indicated, either in an application for employment or by being enrolled at an
158.28 educational institution for the next academic year or term, an intention to continue as students
158.29 during or after their temporary employment;

158.30 ~~(7)~~ (8) employees providing services for not more than two consecutive quarters to the
158.31 Board of Trustees of the Minnesota State Colleges and Universities under the terms of a
158.32 professional or technical services contract as defined in section 16C.08, subdivision 1;

159.1 ~~(8)~~ (9) employees of charitable hospitals as defined by section 179.35, subdivision 3,
159.2 except that employees of charitable hospitals as defined by section 179.35, subdivision 3,
159.3 are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;

159.4 ~~(9)~~ (10) full-time undergraduate students employed by the school, excluding employment
159.5 by the Board of Regents of the University of Minnesota, which they attend under a
159.6 work-study program or in connection with the receipt of financial aid, irrespective of number
159.7 of hours of service per week;

159.8 ~~(10)~~ (11) an individual who is employed for less than 300 hours in a fiscal year as an
159.9 instructor in an adult vocational education program;

159.10 ~~(11)~~ (12) with respect to court employees:

159.11 (i) personal secretaries to judges;

159.12 (ii) law clerks;

159.13 (iii) managerial employees;

159.14 (iv) confidential employees; and

159.15 (v) supervisory employees; or

159.16 ~~(12)~~ (13) with respect to employees of Hennepin Healthcare System, Inc., managerial,
159.17 supervisory, and confidential employees.

159.18 (b) The following individuals are public employees regardless of the exclusions of
159.19 paragraph (a), clauses (5) to ~~(7)~~ (8) and (10):

159.20 (1) an employee hired by a school district or the Board of Trustees of the Minnesota
159.21 State Colleges and Universities except at the university established in the Twin Cities
159.22 metropolitan area under section 136F.10 or for community services or community education
159.23 instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member
159.24 who is a public employee, where the replacement employee is employed more than 30
159.25 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching
159.26 position created due to increased enrollment, curriculum expansion, courses which are a
159.27 part of the curriculum whether offered annually or not, or other appropriate reasons;

159.28 (2) an employee hired for a position under paragraph (a), clause (6), ~~item (i)~~, if that same
159.29 position has already been filled under paragraph (a), clause (6), ~~item (i)~~, in the same calendar
159.30 year and the cumulative number of days worked in that same position by all employees
159.31 exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position"

160.1 includes a substantially equivalent position if it is not the same position solely due to a
160.2 change in the classification or title of the position;

160.3 (3) an early childhood family education teacher employed by a school district; ~~and~~

160.4 (4) an individual hired by the Board of Trustees of the Minnesota State Colleges and
160.5 Universities or the University of Minnesota as the instructor of record to teach (i) one class
160.6 for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a
160.7 fiscal year; and

160.8 (5) an individual who: (i) is paid by the Board of Regents of the University of Minnesota
160.9 for work performed at the direction of the university or any of its employees or contractors;
160.10 and (ii) is enrolled in three or more university credit-bearing classes or one semester as a
160.11 full-time student or postdoctoral fellow during the fiscal year in which the work is performed.
160.12 For purposes of this section, work paid by the university includes but is not limited to work
160.13 that is required as a condition of receiving a stipend or tuition benefit, whether or not the
160.14 individual also receives educational benefit from performing that work. Individuals who
160.15 perform supervisory functions in regard to any individuals who are employees under this
160.16 clause are not considered supervisory employees for the purpose of section 179A.06,
160.17 subdivision 2.

160.18 Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 18, is amended
160.19 to read:

160.20 Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent
160.21 or assistant superintendent, principal, assistant principal, or a supervisory or confidential
160.22 employee, employed by a school district:

160.23 (1) in a position for which the person must be licensed by the Professional Educator
160.24 Licensing and Standards Board or the commissioner of education;

160.25 (2) in a position as a physical therapist, occupational therapist, art therapist, music
160.26 therapist, or audiologist; or

160.27 (3) in a position creating and delivering instruction to children in a preschool, school
160.28 readiness, school readiness plus, or prekindergarten program or other school district or
160.29 charter school-based early education program, except that ~~an employee~~ employees in a
160.30 bargaining unit certified before January 1, 2023, may remain in a bargaining unit that does
160.31 not include teachers unless an exclusive representative files a petition for a unit clarification
160.32 on the status of a preschool, school readiness, school readiness plus, or prekindergarten

161.1 program or other school district or charter school-based early education program position
161.2 ~~or to transfer exclusive representative status.~~

161.3 Sec. 4. Minnesota Statutes 2022, section 179A.041, subdivision 2, is amended to read:

161.4 Subd. 2. **Alternate members.** (a) The appointing authorities shall appoint alternate
161.5 members to serve ~~only~~ in the ~~ease~~ event of a member having a conflict of interest or being
161.6 unavailable for a meeting under subdivision 9, as follows:

161.7 (1) one alternate, appointed by the governor, who is an officer or employee of an exclusive
161.8 representative of public employees, to serve as an alternate to the member appointed by the
161.9 governor who is an officer or employee of an exclusive representative of public employees.
161.10 This alternate must not be an officer or employee of the same exclusive representative of
161.11 public employees as the member for whom the alternate serves;

161.12 (2) one alternate, appointed by the governor, who is a representative of public employers,
161.13 to serve as an alternate to the member appointed by the governor who is a representative of
161.14 public employers. This alternate must not represent the same public employer as the member
161.15 for whom the alternate serves; and

161.16 (3) one alternate, appointed by the member who is an officer or employee of an exclusive
161.17 representative of public employees and the member who is a representative of public
161.18 employers, who is not an officer or employee of an exclusive representative of public
161.19 employees, or a representative of a public employer, to serve as an alternate for the member
161.20 that represents the public at large.

161.21 (b) Each alternate member shall serve a term that is coterminous with the term of the
161.22 member for whom the alternate member serves as an alternate.

161.23 Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is amended
161.24 to read:

161.25 Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of~~
161.26 ~~the~~ a board meeting when ~~it~~ the board is:

161.27 (1) deliberating on the merits of an unfair labor practice charges charge under sections
161.28 179.11, 179.12, and 179A.13;

161.29 (2) reviewing a hearing officer's recommended decision and order of a hearing officer
161.30 under section 179A.13; or

162.1 ~~(3) reviewing decisions of the~~ a commissioner of the Bureau of Mediation Services
 162.2 ~~relating to decision on an unfair labor practices practice~~ under section 179A.12, subdivision
 162.3 11.

162.4 Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended
 162.5 to read:

162.6 Subd. 6. **Payroll deduction, authorization, and remittance.** ~~(a) Public employees have~~
 162.7 ~~the right to~~ A public employee may request and be allowed payroll deduction for the
 162.8 exclusive representative that represents the employee's position and the its associated political
 162.9 fund associated with the exclusive representative and registered pursuant to ~~under~~ section
 162.10 10A.12. If no exclusive representative represents an employee's position, the public employee
 162.11 may request payroll deduction for the organization of the employee's choice. A public
 162.12 employer must provide payroll deduction according to any public employee's request under
 162.13 this paragraph.

162.14 (b) A public employer must rely on a certification from any an exclusive representative
 162.15 requesting remittance of a deduction that the organization has and will maintain an
 162.16 authorization, signed, either by hand or electronically according to section 325L.02, paragraph
 162.17 (h), by the public employee from whose salary or wages the deduction is to be made, which
 162.18 ~~may include an electronic signature by the public employee as defined in section 325L.02,~~
 162.19 ~~paragraph (h).~~ An exclusive representative making such a certification must not be is not
 162.20 required to provide the public employer a copy of the authorization unless a dispute arises
 162.21 about the authorization's existence or terms of the authorization. The exclusive representative
 162.22 ~~must indemnify the public employer for any successful claims made by the employee for~~
 162.23 ~~unauthorized deductions in reliance on the certification.~~

162.24 ~~(b) (c) A dues payroll deduction authorization remains in effect is effective~~ until the
 162.25 exclusive representative notifies the employer receives notice from the exclusive
 162.26 representative that a public employee has changed or canceled their the employee's
 162.27 authorization in writing in accordance with the terms of the original authorizing document,
 162.28 and authorization. When determining whether deductions have been properly changed or
 162.29 canceled, a public employer must rely on information from the exclusive representative
 162.30 receiving remittance of the deduction regarding whether the deductions have been properly
 162.31 changed or canceled. The exclusive representative must indemnify the public employer,
 162.32 including any reasonable attorney fees and litigation costs, for any successful claims made
 162.33 by the employee for unauthorized deductions made in reliance on such information.

162.34 ~~(e) (d)~~ Deduction authorization under this section is:

163.1 (1) independent from the public employee's membership status in the organization to
 163.2 which payment is remitted; and is

163.3 (2) effective regardless of whether a collective bargaining agreement authorizes the
 163.4 deduction.

163.5 ~~(d) Employers~~ (e) An employer must commence:

163.6 (1) begin deductions within 30 days of notice of authorization from the after an exclusive
 163.7 representative submits a certification under paragraph (b); and must

163.8 (2) remit the deductions to the exclusive representative within 30 days of the deduction.

163.9 ~~The failure of an employer to comply with the provisions of this paragraph shall be an unfair~~
 163.10 ~~labor practice under section 179A.13, the relief for which shall be reimbursement by the~~
 163.11 ~~employer of deductions that should have been made or remitted based on a valid authorization~~
 163.12 ~~given by the employee or employees.~~

163.13 ~~(e) In the absence of an exclusive representative, public employees have the right to~~
 163.14 ~~request and be allowed payroll deduction for the organization of their choice.~~

163.15 (f) An exclusive representative must indemnify a public employer:

163.16 (1) for any successful employee claim for unauthorized employer deductions made by
 163.17 relying on an exclusive representative's certification under paragraph (b); and

163.18 (2) for any successful employee claim for unauthorized employer deductions made by
 163.19 relying on information for changing or canceling deductions under paragraph (c), with
 163.20 indemnification including any reasonable attorney fees and litigation costs.

163.21 ~~(f)~~ (g) Any dispute under this subdivision must be resolved through an unfair labor
 163.22 practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails
 163.23 to comply with paragraph (e), and the employer must reimburse deductions that should have
 163.24 been made or remitted based on a valid authorization given by the employee or employees.

163.25 Sec. 7. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended
 163.26 to read:

163.27 Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of~~
 163.28 ~~hire of~~ after a bargaining unit employee is hired, a public employer must provide the
 163.29 following ~~contact~~ information on the employee to an the unit's exclusive representative or
 163.30 its affiliate in an Excel file format or other format agreed to by the exclusive representative:

163.31 (1) name;

- 164.1 (2) job title;
- 164.2 (3) worksite location, including location ~~within~~ in a facility when appropriate;
- 164.3 (4) home address;
- 164.4 (5) work telephone number;
- 164.5 (6) home and personal cell phone numbers on file with the public employer;
- 164.6 (7) date of hire; and
- 164.7 (8) work email address and personal email address on file with the public employer.

164.8 (b) Every 120 calendar days ~~beginning on January 1, 2024~~, a public employer must
 164.9 provide to ~~an~~ a bargaining unit's exclusive representative in an Excel file or similar format
 164.10 agreed to by the exclusive representative the ~~following~~ information under paragraph (a) for
 164.11 all bargaining unit employees: ~~name; job title; worksite location, including location within~~
 164.12 ~~a facility when appropriate; home address; work telephone number; home and personal cell~~
 164.13 ~~phone numbers on file with the public employer; date of hire; and work email address and~~
 164.14 ~~personal email address on file with the public employer.~~

164.15 (c) ~~A public employer must notify an exclusive representative within 20 calendar days~~
 164.16 ~~of the separation of~~ If a bargaining unit employee separates from employment or transfer
 164.17 transfers out of the bargaining unit of a bargaining unit employee, the employee's public
 164.18 employer must notify the employee's exclusive representative within 20 calendar days after
 164.19 the separation or transfer, including whether the unit departure was due to a transfer,
 164.20 promotion, demotion, discharge, resignation, or retirement.

164.21 Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended
 164.22 to read:

164.23 Subd. 9. **Access.** (a) A public employer must allow an exclusive representative or the
 164.24 representative's agent to meet in person with a newly hired employees, without charge to
 164.25 the pay or leave time of the employees, for 30 minutes, employee within 30 calendar days
 164.26 from the date of hire; during new employee orientations or, if the employer does not conduct
 164.27 new employee orientations, at individual or group meetings arranged by the employer in
 164.28 coordination with the exclusive representative or the representative's agent during the newly
 164.29 hired employees' regular working hours. For an orientation or meeting under this paragraph,
 164.30 an employer must allow the employee and exclusive representative up to 30 minutes to meet
 164.31 and must not charge the employee's pay or leave time during the orientation or meeting, or
 164.32 the pay or leave time of an employee of the public employer acting as an agent of the

165.1 exclusive representative using time off under subdivision 6. An orientation or meeting may
 165.2 be held virtually or for longer than 30 minutes only by mutual agreement of the employer
 165.3 and exclusive representative.

165.4 ~~(b)~~ (b) An exclusive representative ~~shall~~ must receive ~~no less than~~ at least ten days' notice
 165.5 ~~in advance~~ of an orientation, ~~except that~~ but a shorter notice may be provided ~~where~~ if there
 165.6 is an urgent need critical to the employer's operations ~~of the public employer~~ that was not
 165.7 reasonably foreseeable. Notice of and attendance at new employee orientations and other
 165.8 meetings under this paragraph ~~must be~~ and paragraph (a) are limited to ~~the public employer;~~

165.9 (1) the employees;

165.10 (2) the exclusive representative, and;

165.11 (3) any vendor contracted to provide a service for purposes of the meeting. ~~Meetings~~
 165.12 ~~may be held virtually or for longer than 30 minutes; and~~

165.13 (4) the public employer or its designee, who may attend only by mutual agreement of
 165.14 the public employer and exclusive representative.

165.15 ~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with
 165.16 bargaining unit members ~~using their employer-issued email addresses regarding~~ by email
 165.17 on:

165.18 (1) collective bargaining;

165.19 (2) the administration of collective bargaining agreements;

165.20 (3) the investigation of grievances; and other workplace-related complaints and issues;
 165.21 and

165.22 (4) internal matters involving the governance or business of the exclusive representative;
 165.23 consistent with the employer's generally applicable technology use policies.

165.24 (d) An exclusive representative may communicate with bargaining unit members under
 165.25 paragraph (c) via the members' employer-issued email addresses, but the communication
 165.26 must be consistent with the employer's generally applicable technology use policies.

165.27 ~~(e)~~ (e) A public employer must allow an exclusive representative to meet with bargaining
 165.28 unit members in facilities owned or leased by the public employer ~~regarding~~ to communicate
 165.29 on:

165.30 (1) collective bargaining;

165.31 (2) the administration of collective bargaining agreements;

166.1 (3) the investigation of grievances and other workplace-related complaints and issues;
166.2 and

166.3 (4) internal matters involving the governance or business of the exclusive representative;
166.4 ~~provided the use does not interfere with governmental operations and the exclusive~~
166.5 ~~representative complies with worksite security protocols established by the public employer.~~
166.6 ~~Meetings conducted.~~

166.7 (f) The following applies for a meeting under paragraph (e):

166.8 (1) a meeting cannot interfere with government operations;

166.9 (2) the exclusive representative must comply with employer-established worksite security
166.10 protocols;

166.11 (3) a meeting in a government building pursuant to this paragraph must not building
166.12 cannot be for the purpose of supporting or opposing any candidate for partisan political
166.13 office or for the purpose of distributing literature or information regarding on partisan
166.14 elections; and

166.15 (4) an exclusive representative conducting a meeting in a government building or other
166.16 government facility pursuant to this subdivision may be charged for maintenance, security,
166.17 and other costs related to the use of using the government building or facility that would
166.18 not otherwise be incurred by the government entity.

166.19 Sec. 9. Minnesota Statutes 2022, section 179A.09, is amended by adding a subdivision to
166.20 read:

166.21 Subd. 4. **Unit mergers.** At any time upon the request of an exclusive representative for
166.22 bargaining units other than those defined in section 179A.10, subdivision 2, the commissioner
166.23 must designate as a single unit two or more bargaining units represented by the exclusive
166.24 representative, subject to subdivision 2 as well as any other statutory bargaining unit
166.25 designation.

166.26 Sec. 10. Minnesota Statutes 2022, section 179A.09, is amended by adding a subdivision
166.27 to read:

166.28 Subd. 5. **Position classifications.** For the purpose of determining whether a new position
166.29 should be included in an existing bargaining unit, the position shall be analyzed with respect
166.30 to its assigned duties, without regard to title or telework status.

167.1 Sec. 11. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended
167.2 to read:

167.3 Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are
167.4 included within the units ~~which~~ that include the classifications to which they are assigned
167.5 for purposes of compensation. Supervisory employees ~~shall only~~ can be assigned only to
167.6 ~~units~~ unit 12 and or 16. The following units are the appropriate units of executive branch
167.7 state employees:

- 167.8 (1) law enforcement unit;
- 167.9 (2) craft, maintenance, and labor unit;
- 167.10 (3) service unit;
- 167.11 (4) health care nonprofessional unit;
- 167.12 (5) health care professional unit;
- 167.13 (6) clerical and office unit;
- 167.14 (7) technical unit;
- 167.15 (8) correctional guards unit;
- 167.16 (9) state university instructional unit;
- 167.17 (10) state college instructional unit;
- 167.18 (11) state university administrative unit;
- 167.19 (12) professional engineering unit;
- 167.20 (13) health treatment unit;
- 167.21 (14) general professional unit;
- 167.22 (15) professional state residential instructional unit;
- 167.23 (16) supervisory employees unit;
- 167.24 (17) public safety radio communications operator unit;
- 167.25 (18) licensed peace officer special unit; and
- 167.26 (19) licensed peace officer leader unit.

167.27 ~~Each unit consists of the classifications or positions assigned to it in the schedule of~~
167.28 ~~state employee job classification and positions maintained by the commissioner. The~~

168.1 ~~commissioner may only make changes in the schedule in existence on the day prior to~~
 168.2 ~~August 1, 1984, as required by law or as provided in subdivision 4.~~

168.3 (b) The following positions are included in the licensed peace officer special unit:

168.4 (1) State Patrol lieutenant;

168.5 (2) NR district supervisor - enforcement;

168.6 (3) assistant special agent in charge;

168.7 (4) corrections investigation assistant director 2;

168.8 (5) corrections investigation supervisor; and

168.9 (6) commerce supervisor special agent.

168.10 (c) The following positions are included in the licensed peace officer leader unit:

168.11 (1) State Patrol captain;

168.12 (2) NR program manager 2 enforcement; and

168.13 (3) special agent in charge.

168.14 (d) Each unit consists of the classifications or positions assigned to it in the schedule of
 168.15 state employee job classification and positions maintained by the commissioner. The
 168.16 commissioner may make changes in the schedule in existence on the day before August 1,
 168.17 1984, only:

168.18 (1) as required by law; or

168.19 (2) as provided in subdivision 4.

168.20 Sec. 12. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended
 168.21 to read:

168.22 Subd. 2a. **Majority verification procedure.** (a) ~~Notwithstanding any other provision~~
 168.23 ~~of this section,~~ An employee organization may file a petition with the commissioner
 168.24 requesting certification as the exclusive representative of ~~an~~ a proposed appropriate unit
 168.25 ~~based on a verification that~~ for which there is no currently certified exclusive representative.
 168.26 The petition must include over 50 percent of the employees in the proposed appropriate
 168.27 unit who wish to be represented by the petitioner organization. ~~The commissioner shall~~
 168.28 ~~require dated representation authorization signatures of affected employees as verification~~
 168.29 ~~of the employee organization's claim of majority status.~~

169.1 (b) ~~Upon receipt of an employee organization's petition, accompanied by employee~~
 169.2 ~~authorization signatures under this subdivision, the commissioner shall investigate the~~
 169.3 ~~petition.~~ If the commissioner determines that over 50 percent of the employees in an the
 169.4 appropriate unit have provided authorization signatures designating the petitioning employee
 169.5 organization ~~specified in the petition~~ as their exclusive representative, the commissioner
 169.6 ~~shall not order an election but shall~~ must certify the employee organization as the employees'
 169.7 exclusive representative without ordering an election under this section.

169.8 Sec. 13. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

169.9 Subd. 5. **Commissioner to investigate.** ~~The commissioner shall, Upon receipt of an~~
 169.10 ~~employee organization's receiving a petition to the commissioner~~ under subdivision ~~3~~ 1a
 169.11 or 2a, the commissioner must:

169.12 (1) investigate to determine if sufficient evidence of a question of representation exists;
 169.13 and

169.14 (2) hold hearings necessary to determine the appropriate unit and other matters necessary
 169.15 to determine the representation rights of the affected employees and employer.

169.16 Sec. 14. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended
 169.17 to read:

169.18 Subd. 6. **Authorization signatures.** ~~In (a) When~~ determining the numerical status of
 169.19 an employee organization for purposes of this section, the commissioner ~~shall~~ must require
 169.20 a dated representation authorization signatures of affected employees signature of each
 169.21 affected employee as verification of the statements contained in the joint request or petitions
 169.22 petition. These

169.23 (b) An authorization signatures shall be signature is privileged and confidential
 169.24 information available to the commissioner only. An electronic signatures signature, as
 169.25 defined in section 325L.02, paragraph (h), ~~shall be~~ is valid as an authorization signatures
 169.26 signature.

169.27 (c) An authorization signatures shall be signature is valid for a ~~period of one year~~
 169.28 following the signature date of signature.

170.1 Sec. 15. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended
170.2 to read:

170.3 Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election
170.4 or majority verification procedure and order a new election or procedure if the commissioner
170.5 finds ~~that~~ one of the following:

170.6 (1) there was an unfair labor practice that:

170.7 (i) was committed by an employer or, a representative candidate or, an employee, or a
170.8 group of employees; and ~~that the unfair labor practice~~

170.9 (ii) affected the result of an the election or the majority verification procedure pursuant
170.10 to subdivision 2a; or ~~that~~

170.11 (2) procedural or other irregularities in the conduct of the election or majority verification
170.12 procedure may have substantially affected its the results; ~~the commissioner may void the~~
170.13 ~~result and order a new election or majority verification procedure.~~

170.14 Sec. 16. Minnesota Statutes 2022, section 179A.13, subdivision 1, is amended to read:

170.15 Subdivision 1. **Actions.** (a) The practices specified in this section are unfair labor
170.16 practices. Any employee, employer, employee or employer organization, exclusive
170.17 representative, or any other person or organization aggrieved by an unfair labor practice as
170.18 defined in this section may file an unfair labor practice charge with the board.

170.19 (b) Whenever it is charged that any party has engaged in or is engaging in any unfair
170.20 labor practice, an investigator designated by the board shall promptly conduct an investigation
170.21 of the charge. Unless after the investigation the board finds that the charge has no reasonable
170.22 basis in law or fact, the board shall promptly issue a complaint and cause to be served upon
170.23 the party a complaint stating the charges, accompanied by a notice of hearing before a
170.24 qualified hearing officer designated by the board at the offices of the bureau or other location
170.25 as the board deems appropriate, ~~not less than five days nor more than 20 days~~ more than
170.26 30 days after serving the complaint absent mutual agreement of the parties, provided that
170.27 no complaint shall be issued based upon any unfair labor practice occurring more than six
170.28 months prior to the filing of a charge. A complaint issued under this subdivision may be
170.29 amended by the board at any time prior to the issuance of an order based thereon. The party
170.30 who is the subject of the complaint has the right to file an answer to the original or amended
170.31 complaint prior to hearing and to appear in person or by a representative and give testimony
170.32 at the place and time fixed in the complaint. In the discretion of the hearing officer conducting
170.33 the hearing or the board, any other party may be allowed to intervene in the proceeding and

171.1 to present testimony. The board or designated hearing officers shall not be bound by the
171.2 rules of evidence applicable to courts, except as to the rules of privilege recognized by law.

171.3 (c) Designated investigators must conduct the investigation of charges.

171.4 (d) Hearing officers must ~~be licensed to practice law in the state of Minnesota~~ have a
171.5 juris doctor and must conduct the hearings and issue recommended decisions and orders.

171.6 (e) The board or its designees shall have the power to issue subpoenas and administer
171.7 oaths. If any party willfully fails or neglects to appear or testify or to produce books, papers,
171.8 and records pursuant to the issuance of a subpoena, the board may apply to a court of
171.9 competent jurisdiction to request that the party be ordered to appear to testify or produce
171.10 the requested evidence.

171.11 (f) A full and complete record shall be kept of all proceedings before the board or
171.12 designated hearing officer and shall be transcribed by a reporter appointed by the board.

171.13 (g) The party on whom the burden of proof rests shall be required to sustain the burden
171.14 by a preponderance of the evidence.

171.15 (h) At any time prior to the close of a hearing, the parties may by mutual agreement
171.16 request referral to mediation, at which time the commissioner shall appoint a mediator, and
171.17 the hearing shall be suspended pending the results of the mediation.

171.18 (i) If, upon a preponderance of the evidence taken, the hearing officer determines that
171.19 any party named in the charge has engaged in or is engaging in an unfair labor practice,
171.20 then a recommended decision and order shall be issued stating findings of fact and
171.21 conclusions, and requiring the party to cease and desist from the unfair labor practice, to
171.22 post a cease-and-desist notice in the workplace, and ordering any appropriate relief to
171.23 effectuate the policies of this section, including but not limited to reinstatement, back pay,
171.24 and any other remedies that make a charging party whole. If back pay is awarded, the award
171.25 must include interest at the rate of seven percent per annum. The order further may require
171.26 the party to make reports from time to time, and demonstrate the extent to which the party
171.27 has complied with the order.

171.28 (j) If there is no preponderance of evidence that the party named in the charge has
171.29 engaged in or is engaging in the unfair labor practice, then the hearing officer shall issue a
171.30 recommended decision and order stating findings of fact and dismissing the complaint.

171.31 (k) Parties may file exceptions to the hearing officer's recommended decision and order
171.32 with the board no later than 30 days after service of the recommended decision and order.
171.33 The board shall review the recommended decision and order upon timely filing of exceptions

172.1 or upon its own motion. If no timely exceptions have been filed, the parties must be deemed
172.2 to have waived their exceptions. Unless the board reviews the recommended decision and
172.3 order upon its own motion, it must not be legal precedent and must be final and binding
172.4 only on the parties to the proceeding as issued in an order issued by the board. If the board
172.5 does review the recommended decision and order, the board may adopt all, part, or none of
172.6 the recommended decision and order, depending on the extent to which it is consistent with
172.7 the record and applicable laws. The board shall issue and serve on all parties its decision
172.8 and order. The board shall retain jurisdiction over the case to ensure the parties' compliance
172.9 with the board's order. Unless overturned by the board, the parties must comply with the
172.10 recommended decision and order.

172.11 (l) Until the record has been filed in the court of appeals or district court, the board at
172.12 any time, upon reasonable notice and in a manner it deems appropriate, may modify or set
172.13 aside, in whole or in part, any finding or order made or issued by it.

172.14 (m) Upon a final order that an unfair labor practice has been committed, the board or
172.15 the charging party may petition the district court for the enforcement of the order and for
172.16 appropriate temporary relief or a restraining order. When the board petitions the court, the
172.17 charging party may intervene as a matter of right.

172.18 (n) Whenever it appears that any party has violated a final order of the board issued
172.19 pursuant to this section, the board must petition the district court for an order directing the
172.20 party and its officers, agents, servants, successors, and assigns to comply with the order of
172.21 the board. The board shall be represented in this action by its general counsel, who has been
172.22 appointed by the board. The court may grant or refuse, in whole or in part, the relief sought,
172.23 provided that the court also may stay an order of the board pending disposition of the
172.24 proceedings. The court may punish a violation of its order as in civil contempt.

172.25 (o) The board shall have power, upon issuance of an unfair labor practice complaint
172.26 alleging that a party has engaged in or is engaging in an unfair labor practice, to petition
172.27 the district court for appropriate temporary relief or a restraining order. Upon the filing of
172.28 any such petition, the court shall cause notice thereof to be served upon such parties, and
172.29 thereupon shall have jurisdiction to grant to the board or commissioner temporary relief or
172.30 a restraining order as it deems appropriate. Nothing in this paragraph precludes a charging
172.31 party from seeking injunctive relief in district court after filing the unfair labor practice
172.32 charge.

172.33 (p) The proceedings in paragraphs (m), (n), and (o) shall be commenced in the district
172.34 court for the county in which the unfair labor practice which is the subject of the order or

173.1 administrative complaint was committed, or where a party alleged to have committed the
173.2 unfair labor practice resides or transacts business.

173.3 Sec. 17. Minnesota Statutes 2022, section 179A.13, subdivision 2, is amended to read:

173.4 Subd. 2. **Employers.** Public employers, their agents and representatives are prohibited
173.5 from:

173.6 (1) interfering, restraining, or coercing employees in the exercise of the rights guaranteed
173.7 in sections 179A.01 to 179A.25;

173.8 (2) dominating or interfering with the formation, existence, or administration of any
173.9 employee organization or contributing other support to it;

173.10 (3) discriminating in regard to hire or tenure to encourage or discourage membership in
173.11 an employee organization;

173.12 (4) discharging or otherwise discriminating against an employee because the employee
173.13 has signed or filed an affidavit, petition, or complaint or given information or testimony
173.14 under sections 179A.01 to 179A.25;

173.15 (5) refusing to meet and negotiate in good faith with the exclusive representative of its
173.16 employees in an appropriate unit;

173.17 (6) refusing to comply with grievance procedures contained in an agreement;

173.18 (7) distributing or circulating a blacklist of individuals exercising a legal right or of
173.19 members of a labor organization for the purpose of preventing blacklisted individuals from
173.20 obtaining or retaining employment;

173.21 (8) violating rules established by the commissioner regulating the conduct of
173.22 representation elections;

173.23 (9) refusing to comply with a valid decision of a binding arbitration panel or arbitrator;

173.24 (10) violating or refusing to comply with any lawful order or decision issued by the
173.25 commissioner or the board;

173.26 (11) refusing to provide, upon the request of the exclusive representative, all information
173.27 pertaining to the public employer's budget both present and proposed, revenues, and other
173.28 financing information provided that in the executive branch of state government this clause
173.29 may not be considered contrary to the budgetary requirements of sections 16A.10 and
173.30 16A.11; ~~or~~

174.1 (12) granting or offering to grant the status of permanent replacement employee to a
174.2 person for performing bargaining unit work for the employer during a lockout of employees
174.3 in an employee organization or during a strike authorized by an employee organization that
174.4 is an exclusive representative;

174.5 (13) failing or refusing to provide information that is relevant to enforcement or
174.6 negotiation of a contract as soon as reasonable after receiving a request by an exclusive
174.7 representative, not to exceed 30 days for information relevant to contract enforcement or
174.8 60 days for information relevant to contract negotiation absent mutual agreement by the
174.9 parties, provided that a state agency may request and the commissioner may extend these
174.10 timelines based upon estimated need and after consultation with the exclusive representative;
174.11 or

174.12 (14) refusing to reassign a position after the commissioner has determined the position
174.13 was not placed into the correct bargaining unit.

174.14 Sec. 18. Minnesota Statutes 2022, section 179A.40, subdivision 1, is amended to read:

174.15 Subdivision 1. **Units.** The following are the appropriate employee units of the Hennepin
174.16 Healthcare System, Inc. All units shall exclude supervisors, managerial employees, and
174.17 confidential employees. No additional units of Hennepin Healthcare System, Inc., shall be
174.18 eligible to be certified for the purpose of meeting and negotiating with an exclusive
174.19 representative. The units include all:

174.20 (1) registered nurses;

174.21 (2) physicians except those employed as interns, residents, or fellows;

174.22 (3) professionals except for registered nurses and physicians;

174.23 (4) technical and paraprofessional employees;

174.24 (5) carpenters, electricians, painters, and plumbers;

174.25 (6) health general service employees;

174.26 (7) interpreters;

174.27 (8) emergency medical technicians/emergency medical dispatchers (EMT/EMD), and
174.28 paramedics;

174.29 (9) bioelectronics specialists, bioelectronics technicians, and electronics technicians;

174.30 (10) skilled maintenance employees; ~~and~~

174.31 (11) clerical employees; and

175.1 (12) physicians employed as interns, residents, and fellows.

175.2 Sec. 19. Minnesota Statutes 2022, section 179A.54, subdivision 5, is amended to read:

175.3 Subd. 5. ~~Legislative action on~~ Collective bargaining agreements. ~~Any agreement~~
175.4 ~~reached between the state and the exclusive representative of individual providers under~~
175.5 ~~chapter 179A shall be submitted to the legislature to be accepted or rejected in accordance~~
175.6 ~~with sections 3.855 and 179A.22~~ The commissioner of management and budget is authorized
175.7 to enter into and implement agreements, including interest arbitration decisions, with the
175.8 exclusive representative of individual providers as provided in section 179A.22, subdivision
175.9 4, except for terms and conditions requiring appropriations, changes to state law, or approval
175.10 from the federal government which shall be contingent upon and executed following receipt
175.11 of appropriations and state and federal approval.

175.12 Sec. 20. RULEMAKING.

175.13 The commissioner of the Bureau of Mediation Services must adopt rules on petitions
175.14 for majority verification, including technical changes needed for consistency with Minnesota
175.15 Statutes, section 179A.12, and the commissioner may use the expedited rulemaking process
175.16 under Minnesota Statutes, section 14.389.

175.17 Sec. 21. REVISOR INSTRUCTION.

175.18 The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision
175.19 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

175.20 **ARTICLE 9**

175.21 **MISCELLANEOUS LABOR PROVISIONS**

175.22 Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, as
175.23 amended by Laws 2024, chapter 85, section 15, is amended to read:

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

175.26 (b) "Economic development" means financial assistance provided to a person directly
175.27 or to a local unit of government or nonprofit organization on behalf of a person who is
175.28 engaged in the manufacture or sale of goods and services. Economic development does not
175.29 include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance
175.30 for new housing construction in which total financial assistance at a single project site is
175.31 less than \$100,000; or (3) financial assistance for the new construction of fully detached

176.1 single-family affordable homeownership units for which the financial assistance covers no
176.2 more than ten fully detached single-family affordable homeownership units. For purposes
176.3 of this paragraph, "affordable homeownership" means housing targeted at households with
176.4 incomes, at initial occupancy, at or below 115 percent of the state or area median income,
176.5 whichever is greater, as determined by the United States Department of Housing and Urban
176.6 Development.

176.7 (c) "Financial assistance" means (1) a grant awarded by a state agency or allocating
176.8 agency for economic development related purposes if a single business receives \$200,000
176.9 or more of the grant proceeds; (2) a loan or the guaranty or purchase of a loan made by a
176.10 state agency or allocating agency for economic development related purposes if a single
176.11 business receives \$500,000 or more of the loan proceeds; or (3) a reduction, credit, or
176.12 abatement of a tax assessed under chapter 297A where the tax reduction, credit, or abatement
176.13 applies to a geographic area smaller than the entire state and was granted for economic
176.14 development related purposes; or (4) allocations or awards of low-income housing credits
176.15 by all allocating agencies as provided in section 462A.222, for which tax credits are used
176.16 for multifamily housing projects consisting of more than ten units.. Financial assistance
176.17 does not include payments by the state of aids and credits under chapter 273 or 477A to a
176.18 political subdivision.

176.19 (d) "Project site" means the location where improvements are made that are financed in
176.20 whole or in part by the financial assistance; or the location of employees that receive financial
176.21 assistance in the form of employment and training services as defined in section 116L.19,
176.22 subdivision 4, or customized training from a technical college.

176.23 (e) "State agency" means any agency defined under section 16B.01, subdivision 2,
176.24 Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation.

176.25 (f) "Allocating agency" has the meaning given in section 462A.221, subdivision 1a.

176.26 **EFFECTIVE DATE.** This section is effective for developments selected for tax credit
176.27 awards or allocations on or after January 1, 2025.

176.28 Sec. 2. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 2, is amended
176.29 to read:

176.30 Subd. 2. **Prevailing wage required.** (a) A state agency or allocating agency may provide
176.31 financial assistance to a person only if the person receiving or benefiting from the financial
176.32 assistance certifies to the commissioner of labor and industry that laborers and mechanics
176.33 at the project site during construction, installation, remodeling, and repairs for which the

177.1 financial assistance was provided will be paid the prevailing wage rate as defined in section
177.2 177.42, subdivision 6. The person receiving or benefiting from the financial assistance is
177.3 also subject to the requirements and enforcement provisions of sections 177.27, 177.30,
177.4 177.32, 177.41 to 177.435, and 177.45.

177.5 (b) For purposes of complying with section 177.30, paragraph (a), clauses (6) and (7),
177.6 the state agency or allocating agency awarding the financial assistance is considered the
177.7 contracting authority and the project is considered a public works project. The person
177.8 receiving or benefiting from the financial assistance shall notify all employers on the project
177.9 of the record keeping and reporting requirements in section 177.30, paragraph (a), clauses
177.10 (6) and (7). Each employer shall submit the required information to the contracting authority.

177.11 Sec. 3. Minnesota Statutes 2022, section 116J.871, subdivision 4, is amended to read:

177.12 Subd. 4. **Notification.** A state agency or allocating agency shall notify any person
177.13 applying for financial assistance from the state agency or allocating agency of the
177.14 requirements under subdivision 2 and of the penalties under subdivision 3.

177.15 Sec. 4. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

177.16 Subd. 3. **Employer.** "Employer" means a person who has ~~20~~ one or more employees.
177.17 Employer does not include a state agency, statewide system, political subdivision, or advisory
177.18 board or commission that is subject to chapter 13.

177.19 Sec. 5. **[462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE**
177.20 **CONTRACTORS.**

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

177.23 (b) "Project sponsor" means an individual, legal entity, or nonprofit board that exercises
177.24 control, financial responsibility, and decision-making authority over a housing development.

177.25 (c) "Developer" means an individual, legal entity, or nonprofit board that is responsible
177.26 for the coordination of financing and building of a housing development.

177.27 (c) "Funding" means all forms of financial assistance or the allocation or award of federal
177.28 low-income housing tax credits.

177.29 Subd. 2. **Application.** This section applies to all forms of financial assistance provided
177.30 by the Minnesota Housing Finance Agency, as well as the allocation and award of federal
177.31 low-income housing credits, for the development, construction, rehabilitation, renovation,

178.1 or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan
178.2 guarantees, loan insurance, and other financial assistance.

178.3 Subd. 3. **Disclosures.** An applicant for funding under this chapter shall disclose in the
178.4 application any conviction, court judgment, agency determination, legal settlement, ongoing
178.5 criminal or civil investigation, or lawsuit involving alleged violations of sections 177.24,
178.6 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14, 181.722, 181.723,
178.7 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19), or United States
178.8 Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising or occurring
178.9 within the preceding five years on a construction project owned or managed by the developer,
178.10 project sponsor, or owner of the proposed project, the intended general contractor for the
178.11 proposed project, or any of their respective parent companies, subsidiaries, or other affiliated
178.12 companies. An applicant for funding shall make the disclosures required by this subdivision
178.13 available within 14 calendar days to any member of the public who submits a request by
178.14 mail or electronic correspondence. The applicant shall designate a public information officer
178.15 who will serve as a point of contact for public inquiries.

178.16 Subd. 4. **Responsible contractors required.** As a condition of receiving funding from
178.17 the agency during the application process, the project sponsor shall verify that every
178.18 contractor or subcontractor of any tier performing work on the proposed project meets the
178.19 minimum criteria to be a responsible contractor under section 16C.285, subdivision 3. This
178.20 verification must meet the criteria defined in section 16C.285, subdivision 4.

178.21 Subd. 5. **Certified contractor lists.** As a condition of receiving funding, the project
178.22 applicant shall have available at the development site main office, a list of every contractor
178.23 and subcontractor of any tier that performs work or is expected to perform work on the
178.24 proposed project, as described in section 16C.285, subdivision 5, including the following
178.25 information for each contractor and subcontractor: business name, scope of work, Department
178.26 of Labor and Industry registration number, business name of the entity contracting its
178.27 services, business telephone number and email address, and actual or anticipated number
178.28 of workers on the project. The project sponsor shall establish the initial contractor list 30
178.29 days before the start of construction and shall update the list each month thereafter until
178.30 construction is complete. The project sponsor shall post the contractor list in a conspicuous
178.31 location at the project site and make the contractor list available to members of the public
178.32 upon request.

178.33 Subd. 6. **Wage theft remedy.** If any contractor or subcontractor of any tier is found to
178.34 have failed to pay statutorily required wages under section 609.52, subdivision 1, clause

179.1 (13), on a project receiving funding from or through the agency, the contractor or
179.2 subcontractor with the finding is responsible for correcting the violation.

179.3 Subd. 7. **Wage theft prevention plans; disqualification.** (a) If any contractor or
179.4 subcontractor of any tier fails to pay statutorily required wages on a project receiving funding
179.5 from or through the agency as determined by an enforcement entity, the project sponsor of
179.6 the project must have a wage theft prevention plan to be eligible for further funding from
179.7 the agency. The project sponsor's wage theft prevention plan must describe detailed measures
179.8 that the project sponsor and its general contractor have taken and are committed to take to
179.9 prevent wage theft on the project, including provisions in any construction contracts and
179.10 subcontracts on the project. The plan must be submitted to the Department of Labor and
179.11 Industry for review. The Department of Labor and Industry may require the project sponsor
179.12 to amend the plan or adopt policies or protocols in the plan. Once approved by the
179.13 Department of Labor and Industry, the wage theft prevention plan must be submitted by
179.14 the project sponsor to the agency with any subsequent application for funding from the
179.15 agency. Such wage theft prevention plans shall be made available to members of the public
179.16 by the agency upon request.

179.17 (b) A project sponsor is disqualified from receiving funding from or through the agency
179.18 for three years if any of the project sponsor's contractors or subcontractors of any tier are
179.19 found by an enforcement agency to have, within three years after entering into a wage theft
179.20 prevention plan under paragraph (a), failed to pay statutorily required wages on a project
179.21 receiving financial assistance from or through the agency for a total underpayment of \$50,000
179.22 or more.

179.23 Subd. 8. **Enforcement.** The agency must deny an application for funding that does not
179.24 comply with this section or if the project sponsor refuses to enter into the agreements required
179.25 by this section. The agency may withhold funding that has been previously approved if the
179.26 agency determines that the project sponsor has engaged in unacceptable practices by failing
179.27 to comply with this section until the violation is cured.

179.28 **EFFECTIVE DATE.** This section is effective for applications for funding submitted
179.29 after August 1, 2024.

179.30 Sec. 6. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

179.31 The commissioner of labor and industry, in consultation with the commissioner of health,
179.32 shall adopt rules to:

180.1 (1) lower the acceptable blood lead levels above which require mandatory removal of
180.2 workers from the lead exposure; and

180.3 (2) lower the blood lead levels required before a worker is allowed to return to work.
180.4 The thresholds established must be based on the most recent public health information on
180.5 the safety of lead exposure.

180.6 **ARTICLE 10**

180.7 **EMPLOYEE MISCLASSIFICATION PROHIBITED**

180.8 Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 1, is amended
180.9 to read:

180.10 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable
180.11 office hours or upon request and inspect the place of business or employment of any employer
180.12 of employees working in the state, to examine and inspect books, registers, payrolls, and
180.13 other records of any employer that in any way relate to wages, hours, and other conditions
180.14 of employment of any employees. The commissioner may transcribe any or all of the books,
180.15 registers, payrolls, and other records as the commissioner deems necessary or appropriate
180.16 and may question the employer, employees, and other persons to ascertain compliance with
180.17 any of the sections ~~177.21 to 177.435 and 181.165~~ listed in subdivision 4. The commissioner
180.18 may investigate wage claims or complaints by an employee against an employer if the failure
180.19 to pay a wage may violate Minnesota law or an order or rule of the department.

180.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

180.21 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended
180.22 to read:

180.23 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
180.24 of employees working in the state to submit to the commissioner photocopies, certified
180.25 copies, or, if necessary, the originals of ~~employment~~ records that relate to employment or
180.26 employment status which the commissioner deems necessary or appropriate. The records
180.27 which may be required include full and correct statements in writing, including sworn
180.28 statements by the employer, containing information relating to wages, hours, names,
180.29 addresses, and any other information pertaining to the employer's employees and the
180.30 conditions of their employment as the commissioner deems necessary or appropriate.

181.1 The commissioner may require the records to be submitted by certified mail delivery
181.2 or, if necessary, by personal delivery by the employer or a representative of the employer,
181.3 as authorized by the employer in writing.

181.4 The commissioner may fine the employer up to \$10,000 for each failure to submit or
181.5 deliver records as required by this section. This penalty is in addition to any penalties
181.6 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
181.7 under this subdivision, the appropriateness of such penalty to the size of the employer's
181.8 business and the gravity of the violation shall be considered.

181.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

181.10 Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 3, is amended to read:

181.11 Subd. 3. **Adequacy of records.** If the records maintained by the employer do not provide
181.12 sufficient information to determine the exact amount of back wages due an employee, the
181.13 commissioner may make a determination of wages due based on available evidence ~~and~~
181.14 ~~mediate a settlement with the employer.~~

181.15 **EFFECTIVE DATE.** This section is effective July 1, 2024.

181.16 Sec. 4. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended
181.17 to read:

181.18 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
181.19 employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031,
181.20 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph
181.21 (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.723, 181.79,
181.22 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09,
181.23 subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section
181.24 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer
181.25 to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated.
181.26 For purposes of this subdivision only, a violation is repeated if at any time during the two
181.27 years that preceded the date of violation, the commissioner issued an order to the employer
181.28 for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or
181.29 the commissioner and the employer have entered into a settlement agreement that required
181.30 the employer to pay back wages that were required by sections 177.41 to 177.435. The
181.31 department shall serve the order upon the employer or the employer's authorized
181.32 representative in person or by certified mail at the employer's place of business. An employer
181.33 who wishes to contest the order must file written notice of objection to the order with the

182.1 commissioner within 15 calendar days after being served with the order. A contested case
182.2 proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If,
182.3 within 15 calendar days after being served with the order, the employer fails to file a written
182.4 notice of objection with the commissioner, the order becomes a final order of the
182.5 commissioner. For the purposes of this subdivision, an employer includes a contractor that
182.6 has assumed a subcontractor's liability within the meaning of section 181.165.

182.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

182.8 Sec. 5. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 7, is amended
182.9 to read:

182.10 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
182.11 violated a section identified in subdivision 4, or any rule adopted under section 177.28,
182.12 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner
182.13 shall order the employer to cease and desist from engaging in the violative practice and to
182.14 take such affirmative steps that in the judgment of the commissioner will effectuate the
182.15 purposes of the section or rule violated. In addition to remedies, damages, and penalties
182.16 provided for in the violated section, the commissioner shall order the employer to pay to
182.17 the aggrieved parties back pay, gratuities, and compensatory damages, less any amount
182.18 actually paid to the ~~employee~~ aggrieved parties by the employer, and for an additional equal
182.19 amount as liquidated damages. Any employer who is found by the commissioner to have
182.20 repeatedly or willfully violated a section or sections identified in subdivision 4 shall be
182.21 subject to ~~a~~ an additional civil penalty of up to \$10,000 for each violation for each employee.
182.22 In determining the amount of a civil penalty under this subdivision, the appropriateness of
182.23 such penalty to the size of the employer's business and the gravity of the violation shall be
182.24 considered. In addition, the commissioner may order the employer to reimburse the
182.25 department and the attorney general for all appropriate litigation and hearing costs expended
182.26 in preparation for and in conducting the contested case proceeding, unless payment of costs
182.27 would impose extreme financial hardship on the employer. If the employer is able to establish
182.28 extreme financial hardship, then the commissioner may order the employer to pay a
182.29 percentage of the total costs that will not cause extreme financial hardship. Costs include
182.30 but are not limited to the costs of services rendered by the attorney general, private attorneys
182.31 if engaged by the department, administrative law judges, court reporters, and expert witnesses
182.32 as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance
182.33 of a commissioner's order from the date the order is signed by the commissioner until it is
182.34 paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The

183.1 commissioner may establish escrow accounts for purposes of distributing remedies and
 183.2 damages.

183.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

183.4 Sec. 6. Minnesota Statutes 2022, section 181.171, subdivision 1, is amended to read:

183.5 Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking redress
 183.6 for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10, 181.101,
 183.7 181.11, 181.13, 181.14, 181.145, ~~and~~ 181.15, 181.722, and 181.723 directly to district court.
 183.8 An employer who is found to have violated the above sections is liable to the aggrieved
 183.9 party for the civil penalties or damages provided for in the section violated. An employer
 183.10 who is found to have violated the above sections shall also be liable for compensatory
 183.11 damages and other appropriate relief including but not limited to injunctive relief.

183.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

183.13 Sec. 7. Minnesota Statutes 2022, section 181.722, is amended to read:

183.14 **181.722 MISREPRESENTATION MISCLASSIFICATION OF EMPLOYMENT**
 183.15 **RELATIONSHIP PROHIBITED EMPLOYEES.**

183.16 Subdivision 1. ~~Prohibition~~ **Prohibited activities related to employment status.** ~~No~~
 183.17 ~~employer shall misrepresent the nature of its employment relationship with its employees~~
 183.18 ~~to any federal, state, or local government unit; to other employers; or to its employees. An~~
 183.19 ~~employer misrepresents the nature of its employment relationship with its employees if it~~
 183.20 ~~makes any statement regarding the nature of the relationship that the employer knows or~~
 183.21 ~~has reason to know is untrue and if it fails to report individuals as employees when legally~~
 183.22 ~~required to do so.~~

183.23 (a) A person shall not:

183.24 (1) fail to classify, represent, or treat an individual who is the person's employee pursuant
 183.25 to subdivision 3 as an employee in accordance with the requirements of any applicable local,
 183.26 state, or federal law. A violation under this clause is in addition to any violation of local,
 183.27 state, or federal law;

183.28 (2) fail to report or disclose to any person or to any local, state, or federal government
 183.29 agency an individual who is the person's employee pursuant to subdivision 3 as an employee
 183.30 when required to do so under any applicable local, state, or federal law. Each failure to
 183.31 report or disclose an individual as an employee shall constitute a separate violation of this
 183.32 clause; or

184.1 (3) require or request an individual who is the person's employee pursuant to subdivision
184.2 3 to enter into any agreement or complete any document that misclassifies, misrepresents,
184.3 or treats the individual as an independent contractor or otherwise does not reflect that the
184.4 individual is the person's employee pursuant to subdivision 3. Each agreement or completed
184.5 document constitutes a separate violation of this provision.

184.6 (b) An owner, partner, principal, member, officer, or agent, on behalf of the person, who
184.7 knowingly or repeatedly engaged in any of the prohibited activities in this subdivision may
184.8 be held individually liable.

184.9 (c) An order issued by the commissioner to a person for engaging in any of the prohibited
184.10 activities in this subdivision is in effect against any successor person. A person is a successor
184.11 person if the person shares three or more of the following with the person to whom the order
184.12 was issued:

184.13 (1) has one or more of the same owners, members, principals, officers, or managers;

184.14 (2) performs similar work within the state of Minnesota;

184.15 (3) has one or more of the same telephone or fax numbers;

184.16 (4) has one or more of the same email addresses or websites;

184.17 (5) employs or engages substantially the same individuals to provide or perform services;

184.18 (6) utilizes substantially the same vehicles, facilities, or equipment; or

184.19 (7) lists or advertises substantially the same project experience and portfolio of work.

184.20 Subd. 1a. **Definitions.** (a) "Person" means any individual, sole proprietor, limited liability
184.21 company, limited liability partnership, corporation, partnership, incorporated or
184.22 unincorporated association, joint stock company, or any other legal or commercial entity.

184.23 (b) "Department" means the Department of Labor and Industry.

184.24 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
184.25 representative of the commissioner who is either an employee of the Department of Labor
184.26 and Industry or a person working under contract with the Department of Labor and Industry.

184.27 (d) "Individual" means a human being.

184.28 (e) "Knowingly" means knew or could have known with the exercise of reasonable
184.29 diligence.

184.30 Subd. 2. **Agreements to misclassify prohibited.** No employer shall require or request
184.31 any employee to enter into any agreement, or sign any document, that results in

185.1 ~~misclassification of the employee as an independent contractor or otherwise does not~~
185.2 ~~accurately reflect the employment relationship with the employer.~~

185.3 Subd. 3. **Determination of employment relationship.** For purposes of this section, the
185.4 nature of an employment relationship is determined using the same tests and in the same
185.5 manner as employee status is determined under the applicable workers' compensation and
185.6 unemployment insurance program laws and rules.

185.7 Subd. 4. ~~Civil remedy~~ **Damages and penalties.** ~~A construction worker, as defined in~~
185.8 ~~section 179.254, who is not an independent contractor and has been injured by a violation~~
185.9 ~~of this section, may bring a civil action for damages against the violator. If the construction~~
185.10 ~~worker injured is an employee of the violator of this section, the employee's representative,~~
185.11 ~~as defined in section 179.01, subdivision 5, may bring a civil action for damages against~~
185.12 ~~the violator on behalf of the employee. The court may award attorney fees, costs, and~~
185.13 ~~disbursements to a construction worker recovering under this section.~~

185.14 (a) The following damages and penalties may be imposed for a violation of this section:

185.15 (1) compensatory damages to the individual the person has failed to classify, represent,
185.16 or treat as an employee pursuant to subdivision 3. Compensatory damages includes but is
185.17 not limited to the value of supplemental pay including minimum wage; overtime; shift
185.18 differentials; vacation pay, sick pay, and other forms of paid time off; health insurance; life
185.19 and disability insurance; retirement plans; savings plans and any other form of benefit;
185.20 employer contributions to unemployment insurance; Social Security and Medicare; and any
185.21 costs and expenses incurred by the individual resulting from the person's failure to classify,
185.22 represent, or treat the individual as an employee;

185.23 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
185.24 or treat as an employee pursuant to subdivision 3;

185.25 (3) a penalty of up to \$10,000 for each violation of subdivision 1; and

185.26 (4) a penalty of \$1,000 for each person who delays, obstructs, or otherwise fails to
185.27 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
185.28 to cooperate constitutes a separate violation.

185.29 (b) This section may be investigated and enforced under the commissioner's authority
185.30 under state law.

185.31 Subd. 5. **Reporting of violations.** Any court finding that a violation of this section has
185.32 occurred shall transmit a copy of its findings of fact and conclusions of law to the
185.33 commissioner of labor and industry. The commissioner of labor and industry shall report

186.1 the finding to relevant local, state, and federal agencies, including the commissioner of
186.2 commerce, the commissioner of employment and economic development, the commissioner
186.3 of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

186.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

186.5 Sec. 8. Minnesota Statutes 2022, section 181.723, is amended to read:

186.6 **181.723 MISCLASSIFICATION OF CONSTRUCTION CONTRACTORS**
186.7 **EMPLOYEES.**

186.8 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

186.9 (a) "Person" means any individual, sole proprietor, limited liability company, limited
186.10 liability partnership, corporation, partnership, incorporated or unincorporated association,
186.11 ~~sole proprietorship~~, joint stock company, or any other legal or commercial entity.

186.12 (b) "Department" means the Department of Labor and Industry.

186.13 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
186.14 representative of the commissioner who is either an employee of the Department of Labor
186.15 and Industry or person working under contract with the Department of Labor and Industry.

186.16 (d) "Individual" means a human being.

186.17 (e) "Day" means calendar day unless otherwise provided.

186.18 (f) "Knowingly" means knew or could have known with the exercise of reasonable
186.19 diligence.

186.20 (g) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that
186.21 term is defined in paragraph (a), except the term does not include an individual.

186.22 (h) "Independent contractor" means a business entity that meets all the requirements
186.23 under subdivision 4, paragraph (a).

186.24 Subd. 2. **Limited application.** This section only applies to ~~individuals~~ persons providing
186.25 or performing public or private sector commercial or residential building construction or
186.26 improvement services. Building construction and or improvement services do not include
186.27 all public or private sector commercial or residential building construction or improvement
186.28 services except for: (1) the manufacture, supply, or sale of products, materials, or
186.29 merchandise; (2) landscaping services for the maintenance or removal of existing plants,
186.30 shrubs, trees, and other vegetation, whether or not the services are provided as part of a
186.31 contract for the building construction or improvement services; and (3) all other landscaping

187.1 services, unless the other landscaping services are provided as part of a contract for the
187.2 building construction or improvement services.

187.3 Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for
187.4 purposes of chapters 176, 177, 181, 181A, 182, and 268, as of January 1, 2009 and 326B,
187.5 an individual who provides or performs building construction or improvement services for
187.6 a person that are in the course of the person's trade, business, profession, or occupation is
187.7 an employee of that person and that person is an employer of the individual.

187.8 Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and
187.9 not an employee of the person for whom the individual is providing or performing services
187.10 in the course of the person's trade, business, profession, or occupation only if the individual
187.11 is operating as a business entity that meets all of the following requirements at the time the
187.12 services were provided or performed:

187.13 ~~(1) maintains a separate business with the individual's own office, equipment, materials,~~
187.14 ~~and other facilities;~~

187.15 ~~(2)(i) holds or has applied for a federal employer identification number or (ii) has filed~~
187.16 ~~business or self-employment income tax returns with the federal Internal Revenue Service~~
187.17 ~~if the individual has performed services in the previous year;~~

187.18 ~~(3) is operating under contract to perform the specific services for the person for specific~~
187.19 ~~amounts of money and under which the individual controls the means of performing the~~
187.20 ~~services;~~

187.21 ~~(4) is incurring the main expenses related to the services that the individual is performing~~
187.22 ~~for the person under the contract;~~

187.23 ~~(5) is responsible for the satisfactory completion of the services that the individual has~~
187.24 ~~contracted to perform for the person and is liable for a failure to complete the services;~~

187.25 ~~(6) receives compensation from the person for the services performed under the contract~~
187.26 ~~on a commission or per-job or competitive bid basis and not on any other basis;~~

187.27 ~~(7) may realize a profit or suffer a loss under the contract to perform services for the~~
187.28 ~~person;~~

187.29 ~~(8) has continuing or recurring business liabilities or obligations; and~~

187.30 ~~(9) the success or failure of the individual's business depends on the relationship of~~
187.31 ~~business receipts to expenditures.~~

188.1 ~~An individual who is not registered, if required by section 326B.701, is presumed to be~~
188.2 ~~an employee of a person for whom the individual performs services in the course of the~~
188.3 ~~person's trade, business, profession, or occupation. The person for whom the services were~~
188.4 ~~performed may rebut this presumption by showing that the unregistered individual met all~~
188.5 ~~nine factors in this paragraph at the time the services were performed.~~

188.6 ~~(b) If an individual is an owner or partial owner of a business entity, the individual is~~
188.7 ~~an employee of the person for whom the individual is performing services in the course of~~
188.8 ~~the person's trade, business, profession, or occupation, and is not an employee of the business~~
188.9 ~~entity in which the individual has an ownership interest, unless:~~

188.10 ~~(1) the business entity meets the nine factors in paragraph (a);~~

188.11 ~~(2) invoices and payments are in the name of the business entity; and~~

188.12 ~~(3) the business entity is registered with the secretary of state, if required.~~

188.13 ~~If the business entity in which the individual has an ownership interest is not registered,~~
188.14 ~~if required by section 326B.701, the individual is presumed to be an employee of a person~~
188.15 ~~for whom the individual performs services and not an employee of the business entity in~~
188.16 ~~which the individual has an ownership interest. The person for whom the services were~~
188.17 ~~performed may rebut the presumption by showing that the business entity met the~~
188.18 ~~requirements of clauses (1) to (3) at the time the services were performed.~~

188.19 (1) was established and maintained separately from and independently of the person for
188.20 whom the services were provided or performed;

188.21 (2) owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space,
188.22 or other facilities that are used by the business entity to provide or perform building
188.23 construction or improvement services;

188.24 (3) provides or performs, or offers to provide or perform, the same or similar building
188.25 construction or improvement services for multiple persons or the general public;

188.26 (4) is in compliance with all of the following:

188.27 (i) holds a federal employer identification number if required by federal law;

188.28 (ii) holds a Minnesota tax identification number if required by Minnesota law;

188.29 (iii) has received and retained 1099 forms for income received for building construction
188.30 or improvement services provided or performed, if required by Minnesota or federal law;

188.31 (iv) has filed business or self-employment income tax returns, including estimated tax
188.32 filings, with the federal Internal Revenue Service and the Department of Revenue, as the

189.1 business entity or as a self-employed individual reporting income earned, for providing or
189.2 performing building construction or improvement services, if any, in the previous 12 months;
189.3 and

189.4 (v) has completed and provided a W-9 federal income tax form to the person for whom
189.5 the services were provided or performed if required by federal law;

189.6 (5) is in good standing as defined by section 5.26, if applicable;

189.7 (6) has a Minnesota unemployment insurance account if required by chapter 268;

189.8 (7) has obtained required workers' compensation insurance coverage if required by
189.9 chapter 176;

189.10 (8) holds current business licenses, registrations, and certifications if required by chapter
189.11 326B and sections 327.31 to 327.36;

189.12 (9) is operating under a written contract to provide or perform the specific services for
189.13 the person that:

189.14 (i) is signed and dated by both an authorized representative of the business entity and
189.15 of the person for whom the services are being provided or performed;

189.16 (ii) is fully executed no later than 30 days after the date work commences;

189.17 (iii) identifies the specific services to be provided or performed under the contract;

189.18 (iv) provides for compensation from the person for the services provided or performed
189.19 under the contract on a commission or per-job or competitive bid basis and not on any other
189.20 basis; and

189.21 (v) the requirements of item (ii) shall not apply to change orders;

189.22 (10) submits invoices and receives payments for completion of the specific services
189.23 provided or performed under the written proposal, contract, or change order in the name of
189.24 the business entity. Payments made in cash do not meet this requirement;

189.25 (11) the terms of the written proposal, contract, or change order provide the business
189.26 entity control over the means of providing or performing the specific services, and the
189.27 business entity in fact controls the provision or performance of the specific services;

189.28 (12) incurs the main expenses and costs related to providing or performing the specific
189.29 services under the written proposal, contract, or change order;

189.30 (13) is responsible for the completion of the specific services to be provided or performed
189.31 under the written proposal, contract, or change order and is responsible, as provided under

190.1 the written proposal, contract, or change order, for failure to complete the specific services;
190.2 and

190.3 (14) may realize additional profit or suffer a loss, if costs and expenses to provide or
190.4 perform the specific services under the written proposal, contract, or change order are less
190.5 than or greater than the compensation provided under the written proposal, contract, or
190.6 change order.

190.7 (b)(1) Any individual providing or performing the services as or for a business entity is
190.8 an employee of the person who engaged the business entity, unless the business entity meets
190.9 all of the requirements under subdivision 4, paragraph (a).

190.10 (2) Any individual who is determined to be the person's employee is acting as an agent
190.11 of and in the interest of the person when engaging any other individual or business entity
190.12 to provide or perform any portion of the services that the business entity was engaged by
190.13 the person to provide or perform.

190.14 (3) Any individual engaged by an employee of the person, at any tier under the person,
190.15 is also the person's employee, unless the individual is providing or performing the services
190.16 as or for a business entity that meets the requirements of subdivision 4, paragraph (a).

190.17 (4) Clauses (1) to (3) do not create an employee-employer relationship between a person
190.18 and an individual if: (i) there is an intervening business entity in the contractual chain
190.19 between the person and the individual that meets the requirements of subdivision 4, paragraph
190.20 (a); or (ii) the person establishes that an intervening business entity treats and classifies the
190.21 individual as an employee for purposes of, and in compliance with, chapters 176, 177, 181,
190.22 181A, 268, 268B, 270C, and 290.

190.23 **Subd. 7. Prohibited activities related to independent contractor status.** (a) The
190.24 prohibited activities in ~~this subdivision~~ paragraphs (b) and (c) are in addition to ~~those the~~
190.25 activities prohibited in sections 326B.081 to 326B.085.

190.26 (b) An individual providing or performing building construction or improvement services
190.27 ~~shall not hold himself or herself out~~ represent themselves as an independent contractor
190.28 unless the individual is operating as a business entity that meets all the requirements of
190.29 subdivision 4, paragraph (a).

190.30 (c) A person who provides or performs building construction or improvement services
190.31 in the course of the person's trade, business, occupation, or profession shall not:

190.32 (1) as a condition of payment for services provided or performed, require an individual
190.33 ~~through coercion, misrepresentation, or fraudulent means,~~ who is an employee pursuant to

191.1 this section, to register as a construction contractor under section 326B.701, or to adopt or
191.2 agree to being classified, represented, or treated as an independent contractor status or form
191.3 a business entity. Each instance of conditioning payment to an individual who is an employee
191.4 on one of these conditions shall constitute a separate violation of this provision;

191.5 (2) knowingly misrepresent or misclassify an individual as an independent contractor;
191.6 fail to classify, represent, or treat an individual who is an employee pursuant to this section
191.7 as an employee in accordance with the requirements of any of the chapters listed in
191.8 subdivision 3. Failure to classify, represent, or treat an individual who is an employee
191.9 pursuant to this section as an employee in accordance with each requirement of a chapter
191.10 listed in subdivision 3 shall constitute a separate violation of this provision;

191.11 (3) fail to report or disclose to any person or to any local, state, or federal government
191.12 agency an individual who is an employee pursuant to subdivision 3, as an employee when
191.13 required to do so under any applicable local, state, or federal law. Each failure to report or
191.14 disclose an individual as an employee shall constitute a separate violation of this provision;

191.15 (4) require or request an individual who is an employee pursuant to this section to enter
191.16 into any agreement or complete any document that misclassifies, misrepresents, or treats
191.17 the individual as an independent contractor or otherwise does not reflect that the individual
191.18 is an employee pursuant to this section. Each agreement or completed document shall
191.19 constitute a separate violation of this provision; or

191.20 (5) require an individual who is an employee under this section to register under section
191.21 326B.701.

191.22 (d) In addition to the person providing or performing building construction or
191.23 improvement services in the course of the person's trade, business, occupation, or profession,
191.24 any owner, partner, principal, member, officer, or agent who engaged in any of the prohibited
191.25 activities in this subdivision knowingly or repeatedly may be held individually liable.

191.26 (e) An order issued by the commissioner to a person for engaging in any of the prohibited
191.27 activities in this subdivision is in effect against any successor person. A person is a successor
191.28 person if the person shares three or more of the following with the person to whom the order
191.29 was issued:

191.30 (1) has one or more of the same owners, members, principals, officers, or managers;

191.31 (2) performs similar work within the state of Minnesota;

191.32 (3) has one or more of the same telephone or fax numbers;

191.33 (4) has one or more of the same email addresses or websites;

192.1 (5) employs or engages substantially the same individuals to provide or perform building
192.2 construction or improvement services;

192.3 (6) utilizes substantially the same vehicles, facilities, or equipment; or

192.4 (7) lists or advertises substantially the same project experience and portfolio of work.

192.5 (f) If a person who has engaged an individual to provide or perform building construction
192.6 or improvement services that are in the course of the person's trade, business, profession,
192.7 or occupation, classifies, represents, treats, reports, or discloses the individual as an
192.8 independent contractor, the person shall maintain, for at least three years, and in a manner
192.9 that may be readily produced to the commissioner upon demand, all the information and
192.10 documentation upon which the person based the determination that the individual met all
192.11 the requirements under subdivision 4, paragraph (a), at the time the individual was engaged
192.12 and at the time the services were provided or performed.

192.13 (g) The following damages and penalties may be imposed for a violation of this section:

192.14 (1) compensatory damages to the individual the person failed to classify, represent, or
192.15 treat as an employee pursuant to this section. Compensatory damages include but are not
192.16 limited to the value of supplemental pay including minimum wage; overtime; shift
192.17 differentials; vacation pay; sick pay; and other forms of paid time off; health insurance; life
192.18 and disability insurance; retirement plans; saving plans and any other form of benefit;
192.19 employer contributions to unemployment insurance; Social Security and Medicare and any
192.20 costs and expenses incurred by the individual resulting from the person's failure to classify,
192.21 represent, or treat the individual as an employee;

192.22 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
192.23 or treat as an employee pursuant to this section;

192.24 (3) a penalty of up to \$10,000 for each violation of this subdivision; and

192.25 (4) a penalty of \$1,000 for any person who delays, obstructs, or otherwise fails to
192.26 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
192.27 to cooperate constitutes a separate violation.

192.28 (h) This section may be investigated and enforced under the commissioner's authority
192.29 under state law.

192.30 Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner
192.31 of revenue and the commissioner of employment and economic development, adopt, amend,
192.32 suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the

193.1 commissioner's responsibilities under this section. ~~This subdivision is effective May 26,~~
193.2 ~~2007.~~

193.3 Subd. 15. **Notice and review by commissioners of revenue and employment and**
193.4 **economic development.** When the commissioner has reason to believe that a person has
193.5 violated subdivision 7, ~~paragraph (b); or (c), clause (1) or (2),~~ the commissioner must notify
193.6 the commissioner of revenue and the commissioner of employment and economic
193.7 development. Upon receipt of notification from the commissioner, the commissioner of
193.8 revenue must review the information returns required under section 6041A of the Internal
193.9 Revenue Code. The commissioner of revenue shall also review the submitted certification
193.10 that is applicable to returns audited or investigated under section 289A.35.

193.11 **EFFECTIVE DATE.** This section is effective July 1, 2024, except that the amendments
193.12 to subdivision 4 are effective for building construction or improvement services provided
193.13 or performed on or after March 1, 2025.

193.14 Sec. 9. **[181.724] INTERGOVERNMENTAL MISCLASSIFICATION**
193.15 **ENFORCEMENT AND EDUCATION PARTNERSHIP ACT.**

193.16 **Subdivision 1. Citation.** This section and section 181.725 may be cited as the
193.17 "Intergovernmental Misclassification Enforcement and Education Partnership Act."

193.18 **Subd. 2. Policy and statement of purpose.** It is the policy of the state of Minnesota to
193.19 prevent employers from misclassifying workers, because employee misclassification allows
193.20 an employer to illegally evade obligations under state labor, employment, and tax laws,
193.21 including but not limited to the laws governing minimum wage, overtime, unemployment
193.22 insurance, paid family medical leave, earned sick and safe time, workers' compensation
193.23 insurance, temporary disability insurance, the payment of wages, and payroll taxes.

193.24 **Subd. 3. Definitions.** (a) For the purposes of this section and section 181.725, the
193.25 following terms have the meanings given, unless the language or context clearly indicates
193.26 that a different meaning is intended.

193.27 **(b) "Partnership entity" means one of the following governmental entities with jurisdiction**
193.28 **over employee misclassification in Minnesota:**

193.29 **(1) the Department of Labor and Industry;**

193.30 **(2) the Department of Revenue;**

193.31 **(3) the Department of Employment and Economic Development;**

193.32 **(4) the Department of Commerce; and**

194.1 (5) the attorney general in the attorney general's enforcement capacity under sections
194.2 177.45 and 181.1721.

194.3 (c) "Employee misclassification" means the practice by an employer of not properly
194.4 classifying workers as employees.

194.5 Subd. 4. **Coordination, collaboration, and information sharing.** For purposes of this
194.6 section, a partnership entity:

194.7 (1) shall communicate with other entities to help detect and investigate instances of
194.8 employee misclassification;

194.9 (2) may request from, provide to, or receive from the other partnership entities data
194.10 necessary for the purpose of detecting and investigating employee misclassification, unless
194.11 prohibited by federal law; and

194.12 (3) may collaborate with one another when investigating employee misclassification,
194.13 unless prohibited by federal law. Collaboration includes but is not limited to referrals,
194.14 strategic enforcement, and joint investigations by two or more partnership entities.

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

194.16 Sec. 10. **[181.725] INTERGOVERNMENTAL MISCLASSIFICATION**
194.17 **ENFORCEMENT AND EDUCATION PARTNERSHIP.**

194.18 Subdivision 1. **Composition.** The Intergovernmental Misclassification Enforcement and
194.19 Education Partnership is composed of the following members or their designees, who shall
194.20 serve on behalf of their respective partnership entities:

194.21 (1) the commissioner of labor and industry;

194.22 (2) the commissioner of revenue;

194.23 (3) the commissioner of employment and economic development;

194.24 (4) the commissioner of commerce; and

194.25 (5) the attorney general.

194.26 Subd. 2. **Meetings.** The commissioner of labor and industry, in consultation with other
194.27 members of the partnership, shall convene and lead meetings of the partnership to discuss
194.28 issues related to the investigation of employee misclassification and public outreach.

194.29 Members of the partnership may select a designee to attend any such meeting. Meetings
194.30 must occur at least quarterly.

195.1 Subd. 2a. **Additional meetings.** (a) In addition to regular quarterly meetings under
195.2 subdivision 2, the commissioner of labor and industry, in consultation with members of the
195.3 partnership, may convene and lead additional meetings for the purpose of discussing and
195.4 making recommendations under subdivision 4a.

195.5 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
195.6 in law.

195.7 Subd. 3. **Roles.** Each partnership entity may use the information received through its
195.8 participation in the partnership to investigate employee misclassification within their relevant
195.9 jurisdictions as follows:

195.10 (1) the Department of Labor and Industry in its enforcement authority under chapters
195.11 176, 177, and 181;

195.12 (2) the Department of Revenue in its enforcement authority under chapters 289A and
195.13 290;

195.14 (3) the Department of Employment and Economic Development in its enforcement
195.15 authority under chapters 268 and 268B;

195.16 (4) the Department of Commerce in its enforcement authority under chapters 45, 60A,
195.17 60K, 79, and 79A; and

195.18 (5) the attorney general in the attorney general's enforcement authority under sections
195.19 177.45 and 181.1721.

195.20 Subd. 4. **Annual presentation to the legislature.** At the request of the chairs, the
195.21 Intergovernmental Misclassification Enforcement and Education Partnership shall present
195.22 annually to members of the house of representatives and senate committees with jurisdiction
195.23 over labor. The presentation shall include information about how the partnership carried
195.24 out its duties during the preceding calendar year.

195.25 Subd. 4a. **First presentation.** (a) By March 1, 2025, the Intergovernmental
195.26 Misclassification Enforcement and Education Partnership shall make its first presentation
195.27 to members of the house of representatives and senate committees with jurisdiction over
195.28 labor. The first presentation may be made in a form and manner determined by the
195.29 partnership. In addition to providing information about how the partnership carried out its
195.30 duties in its first year, the presentation shall include the following information and
195.31 recommendations, including any budget requests to carry out the recommendations:

195.32 (1) consider any staffing recommendations for the partnership and each partnership
195.33 entity to carry out the duties and responsibilities under this section;

196.1 (2) provide a summary of the industries, areas, and employers with high numbers of
196.2 misclassification violations and recommendations for proactive review and enforcement
196.3 efforts;

196.4 (3) propose a system for making cross referrals between partnership entities;

196.5 (4) identify cross-training needs and a proposed cross-training plan; and

196.6 (5) propose a metric or plan for monitoring and assessing:

196.7 (i) the number and severity of employee misclassification violations; and

196.8 (ii) the adequacy and effectiveness of the partnership's duties related to employee
196.9 misclassification, including but not limited to the partnership's efforts on education, outreach,
196.10 detection, investigation, deterrence, and enforcement of employee misclassification.

196.11 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
196.12 in law.

196.13 Subd. 5. **Separation.** The Intergovernmental Misclassification Enforcement and
196.14 Education Partnership is not a separate agency or board and is not subject to chapter 13D.
196.15 Data shared or created by the partnership entities under this section or section 181.724 are
196.16 subject to chapter 13 and hold the data classification prescribed by law.

196.17 Subd. 6. **Duties.** The Intergovernmental Misclassification Enforcement and Education
196.18 Partnership shall:

196.19 (1) set goals to maximize Minnesota's efforts to detect, investigate, and deter employee
196.20 misclassification;

196.21 (2) share information to facilitate the detection and investigation of employee
196.22 misclassification;

196.23 (3) develop a process or procedure that provides a person with relevant information and
196.24 connects them with relevant partnership entities, regardless of which partnership entity that
196.25 person contacts for assistance;

196.26 (4) identify best practices in investigating employee misclassification;

196.27 (5) identify resources needed for better enforcement of employee misclassification;

196.28 (6) inform and educate stakeholders on rights and responsibilities related to employee
196.29 misclassification;

196.30 (7) serve as a unified point of contact for workers, businesses, and the public impacted
196.31 by misclassification;

197.1 (8) inform the public on enforcement actions taken by the partnership entities; and

197.2 (9) perform other duties as necessary to:

197.3 (i) increase the effectiveness of detection, investigation, enforcement, and deterrence of
197.4 employee misclassification; and

197.5 (ii) carry out the purposes of the partnership.

197.6 Subd. 7. **Public outreach.** (a) The commissioner of labor and industry shall maintain
197.7 on the department's website information about the Intergovernmental Misclassification
197.8 Enforcement and Education Partnership, including information about how to file a complaint
197.9 related to employee misclassification.

197.10 (b) Each partnership entity shall maintain on its website information about worker
197.11 classification laws, including requirements for employers and employees, consequences for
197.12 misclassifying workers, and contact information for other partnership entities.

197.13 Subd. 8. **No limitation of other duties.** This section does not limit the duties or
197.14 authorities of a partnership entity, or any other government entity, under state law.

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

197.16 Sec. 11. Minnesota Statutes 2022, section 270B.14, subdivision 17, is amended to read:

197.17 Subd. 17. **Disclosure to Department of Commerce.** (a) The commissioner may disclose
197.18 to the commissioner of commerce information required to administer the Uniform Disposition
197.19 of Unclaimed Property Act in sections 345.31 to 345.60, including the Social Security
197.20 numbers of the taxpayers whose refunds are on the report of abandoned property submitted
197.21 by the commissioner to the commissioner of commerce under section 345.41. Except for
197.22 data published under section 345.42, the information received that is private or nonpublic
197.23 data retains its classification, and can be used by the commissioner of commerce only for
197.24 the purpose of verifying that the persons claiming the refunds are the owners.

197.25 (b) The commissioner may disclose a return or return information to the commissioner
197.26 of commerce under section 45.0135 to the extent necessary to investigate employer
197.27 compliance with section 176.181.

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

198.1 Sec. 12. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision
198.2 to read:

198.3 Subd. 23. **Disclosure to the attorney general.** The commissioner may disclose a return
198.4 or return information to the attorney general for the purpose of determining whether a
198.5 business is an employer and to the extent necessary to enforce section 177.45 or 181.1721.

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

198.7 Sec. 13. Minnesota Statutes 2022, section 326B.081, subdivision 3, is amended to read:

198.8 Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.165,
198.9 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, and chapter 341, and all rules,
198.10 orders, stipulation agreements, settlements, compliance agreements, licenses, registrations,
198.11 certificates, and permits adopted, issued, or enforced by the department under sections
198.12 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, or chapter 341.

198.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

198.14 Sec. 14. Minnesota Statutes 2022, section 326B.081, subdivision 6, is amended to read:

198.15 Subd. 6. **Licensing order.** "Licensing order" means an order issued under section
198.16 326B.082, subdivision 12, ~~paragraph (a).~~

198.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

198.18 Sec. 15. Minnesota Statutes 2022, section 326B.081, subdivision 8, is amended to read:

198.19 Subd. 8. **Stop work order.** "Stop work order" means an order issued under section
198.20 326B.082, subdivision 10.

198.21 **EFFECTIVE DATE.** This section is effective March 1, 2025.

198.22 Sec. 16. Minnesota Statutes 2022, section 326B.082, subdivision 1, is amended to read:

198.23 Subdivision 1. **Remedies available.** The commissioner may enforce all applicable law
198.24 under this section. The commissioner may use any enforcement provision in this section,
198.25 including the assessment of monetary penalties, against a person required to have a license,
198.26 registration, certificate, or permit under the applicable law based on conduct that would
198.27 provide grounds for action against a licensee, registrant, certificate holder, or permit holder
198.28 under the applicable law. The use of an enforcement provision in this section shall not
198.29 preclude the use of any other enforcement provision in this section or otherwise provided
198.30 by law. The commissioner's investigation and enforcement authority under this section may

199.1 be used by the commissioner in addition to or as an alternative to any other investigation
199.2 and enforcement authority provided by law.

199.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

199.4 Sec. 17. Minnesota Statutes 2022, section 326B.082, subdivision 2, is amended to read:

199.5 Subd. 2. **Access to information and property; subpoenas.** (a) In order to carry out the
199.6 purposes of the applicable law, the commissioner may:

199.7 (1) administer oaths and affirmations, certify official acts, interview, question, take oral
199.8 or written statements, demand data and information, and take depositions;

199.9 (2) request, examine, take possession of, test, sample, measure, photograph, record, and
199.10 copy any documents, apparatus, devices, equipment, or materials;

199.11 (3) at a time and place indicated by the commissioner, request persons to appear before
199.12 the commissioner to give testimony, provide data and information, and produce documents,
199.13 apparatus, devices, equipment, or materials;

199.14 (4) issue subpoenas to compel persons to ~~appear before the commissioner to give~~
199.15 testimony, provide data and information, and to produce documents, apparatus, devices,
199.16 equipment, or materials; and

199.17 (5) with or without notice, enter without delay ~~upon~~ and access all areas of any property,
199.18 public or private, for the purpose of taking any action authorized under this subdivision or
199.19 the applicable law, including ~~obtaining~~ to request, examine, take possession of, test, sample,
199.20 measure, photograph, record, and copy any data, information, ~~remedying~~ documents,
199.21 apparatus, devices, equipment, or materials; to interview, question, or take oral or written
199.22 statements; to remedy violations; or ~~conducting~~ to conduct surveys, inspections, or
199.23 investigations.

199.24 (b) Persons requested by the commissioner to give testimony, provide data and
199.25 information, or produce documents, apparatus, devices, equipment, or materials shall respond
199.26 within the time and in the manner specified by the commissioner. If no time to respond is
199.27 specified in the request, then a response shall be submitted within 30 days of the
199.28 commissioner's service of the request.

199.29 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's
199.30 representative, or lessee's representative to permit the commissioner's entry ~~onto~~ and access
199.31 to all areas of any property as provided in paragraph (a), the commissioner may apply for
199.32 an administrative inspection order in the Ramsey County District Court or, at the

200.1 commissioner's discretion, in the district court in the county in which the property is located.
200.2 The commissioner may anticipate that a property owner or lessee will refuse entry and
200.3 access to all areas of a property if the property owner, lessee, property owner's representative,
200.4 or lessee's representative has refused to permit entry or access to all areas of a property on
200.5 a prior occasion or has informed the commissioner that entry or access to areas of a property
200.6 will be refused. Upon showing of administrative probable cause by the commissioner, the
200.7 district court shall issue an administrative inspection order that compels the property owner
200.8 or lessee to permit the commissioner to enter and be allowed access to all areas of the
200.9 property for the purposes specified in paragraph (a).

200.10 (d) Upon the application of the commissioner, a district court shall treat the failure of
200.11 any person to obey a subpoena lawfully issued by the commissioner under this subdivision
200.12 as a contempt of court.

200.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

200.14 Sec. 18. Minnesota Statutes 2022, section 326B.082, subdivision 4, is amended to read:

200.15 Subd. 4. **Fax or email transmission.** When this section or section 326B.083 permits a
200.16 request for reconsideration or request for hearing to be served by fax on the commissioner,
200.17 or when the commissioner instructs that a request for reconsideration or request for hearing
200.18 be served by email on the commissioner, the fax or email shall not exceed 15 printed pages
200.19 in length. The request shall be considered timely served if the fax or email is received by
200.20 the commissioner, at the fax number or email address identified by the commissioner in the
200.21 order or notice of violation, no later than 4:30 p.m. central time on the last day permitted
200.22 for faxing or emailing the request. Where the quality or authenticity of the faxed or emailed
200.23 request is at issue, the commissioner may require the original request to be filed. Where the
200.24 commissioner has not identified quality or authenticity of the faxed or emailed request as
200.25 an issue and the request has been faxed or emailed in accordance with this subdivision, the
200.26 person faxing or emailing the request does not need to file the original request with the
200.27 commissioner.

200.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

200.29 Sec. 19. Minnesota Statutes 2022, section 326B.082, subdivision 6, is amended to read:

200.30 Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to
200.31 any person who the commissioner determines has committed a violation of the applicable
200.32 law. The notice of violation must state a summary of the facts that constitute the violation
200.33 and the applicable law violated. The notice of violation may require the person to correct

201.1 the violation. If correction is required, the notice of violation must state the deadline by
201.2 which the violation must be corrected.

201.3 (b) In addition to any person, a notice of violation may be issued to any individual
201.4 identified in section 181.723, subdivision 7, paragraph (d). A notice of violation is effective
201.5 against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

201.6 ~~(b)~~ (c) The commissioner shall issue the notice of violation by:

201.7 (1) serving the notice of violation on the property owner or on the person who committed
201.8 the violation; or

201.9 (2) posting the notice of violation at the location where the violation occurred.

201.10 ~~(e)~~ (d) If the person to whom the commissioner has issued the notice of violation believes
201.11 the notice was issued in error, then the person may request reconsideration of the parts of
201.12 the notice that the person believes are in error. The request for reconsideration must be in
201.13 writing and must be served on, faxed, or emailed to the commissioner at the address, fax
201.14 number, or email address specified in the notice of violation by the tenth day after the
201.15 commissioner issued the notice of violation. The date on which a request for reconsideration
201.16 is served by mail shall be the postmark date on the envelope in which the request for
201.17 reconsideration is mailed. If the person does not serve, fax, or email a written request for
201.18 reconsideration or if the person's written request for reconsideration is not served on or
201.19 faxed to the commissioner by the tenth day after the commissioner issued the notice of
201.20 violation, the notice of violation shall become a final order of the commissioner and will
201.21 not be subject to review by any court or agency. The request for reconsideration must:

201.22 (1) specify which parts of the notice of violation the person believes are in error;

201.23 (2) explain why the person believes the parts are in error; and

201.24 (3) provide documentation to support the request for reconsideration.

201.25 The commissioner shall respond in writing to requests for reconsideration made under
201.26 this paragraph within 15 days after receiving the request. A request for reconsideration does
201.27 not stay a requirement to correct a violation as set forth in the notice of violation. After
201.28 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
201.29 the notice of violation. The commissioner's response to a request for reconsideration is final
201.30 and shall not be reviewed by any court or agency.

201.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

202.1 Sec. 20. Minnesota Statutes 2022, section 326B.082, subdivision 7, is amended to read:

202.2 Subd. 7. **Administrative orders; correction; assessment of monetary penalties.** (a)
202.3 The commissioner may issue an administrative order to any person who the commissioner
202.4 determines has committed a violation of the applicable law. The commissioner shall issue
202.5 the administrative order by serving the administrative order on the person. The administrative
202.6 order may require the person to correct the violation, may require the person to cease and
202.7 desist from committing the violation, and may assess monetary damages and penalties. The
202.8 commissioner shall follow the procedures in section 326B.083 when issuing administrative
202.9 orders. Except as provided in paragraph (b), the commissioner may issue to each person a
202.10 monetary penalty of up to \$10,000 for each violation of applicable law committed by the
202.11 person. The commissioner may order that part or all of the monetary penalty will be forgiven
202.12 if the person to whom the order is issued demonstrates to the commissioner by the 31st day
202.13 after the order is issued that the person has corrected the violation or has developed a
202.14 correction plan acceptable to the commissioner.

202.15 (b) The commissioner may issue an administrative order for failure to correct a violation
202.16 by the deadline stated in a final notice of violation issued under subdivision 6 or a final
202.17 administrative order issued under paragraph (a). Each day after the deadline during which
202.18 the violation remains uncorrected is a separate violation for purposes of calculating the
202.19 maximum monetary penalty amount.

202.20 (c) Upon the application of the commissioner, a district court shall find the failure of
202.21 any person to correct a violation as required by a final notice of violation issued under
202.22 subdivision 6 or a final administrative order issued by the commissioner under this
202.23 subdivision as a contempt of court.

202.24 (d) In addition to any person, an administrative order may be issued to any individual
202.25 identified in section 181.723, subdivision 7, paragraph (d). An administrative order shall
202.26 be effective against any successor person as defined in section 181.723, subdivision 7,
202.27 paragraph (e).

202.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

202.29 Sec. 21. Minnesota Statutes 2022, section 326B.082, subdivision 10, is amended to read:

202.30 Subd. 10. **Stop work orders.** (a) ~~If the commissioner determines based on an inspection~~
202.31 ~~or investigation that a person has violated or is about to violate the applicable law,~~ The
202.32 commissioner may issue to the person a stop work order requiring ~~the person to cease and~~
202.33 ~~desist from committing the violation~~ cessation of all business operations of a person at one

203.1 or more of the person's workplaces and places of business or across all of the person's
 203.2 workplaces and places of business. A stop work order may only be issued to any person
 203.3 who the commissioner has determined, based on an inspection or investigation, has violated
 203.4 the applicable law, has engaged in any of the activities under subdivision 11, paragraph (b),
 203.5 or section 326B.701, subdivision 5, or has failed to comply with a final notice, final
 203.6 administrative order, or final licensing order issued by the commissioner under this section
 203.7 or a final order to comply issued by the commissioner under section 177.27, or to any person
 203.8 identified in paragraph (c).

203.9 (b) The stop work order is effective upon its issuance under paragraph (e). The order
 203.10 remains in effect until the commissioner issues an order lifting the stop work order. The
 203.11 commissioner shall issue an order lifting the stop work order upon finding that the person
 203.12 has come into compliance with the applicable law, has come into compliance with a final
 203.13 order or notice of violation issued by the commissioner, has ceased and desisted from
 203.14 engaging in any of the activities under subdivision 11, paragraph (b), or section 326B.701,
 203.15 subdivision 5, and has paid any remedies, damages, penalties, and other monetary sanctions,
 203.16 including wages owed to employees under paragraph (j), to the satisfaction of the
 203.17 commissioner, or if the commissioner or appellate court modifies or vacates the order.

203.18 (c) In addition to any person, a stop work order may be issued to any individual identified
 203.19 in section 181.723, subdivision 7, paragraph (d). The stop work order is effective against
 203.20 any successor person as defined in section 181.723, subdivision 7, paragraph (e).

203.21 ~~(b)~~ (d) If the commissioner determines that a condition exists on real property that
 203.22 ~~violates the applicable law~~ is the basis for issuing a stop work order, the commissioner may
 203.23 also issue a stop work order to the owner or lessee of the real property to cease and desist
 203.24 ~~from committing the violation and to correct the condition that is in violation~~ to cease and
 203.25 desist from committing the violation and to correct the condition that is in violation.

203.26 ~~(e)~~ (e) The commissioner shall issue the stop work order by:

203.27 (1) serving the order on the person who has committed or is about to commit the violation;

203.28 (2) posting the order at the location where the violation was committed or is about to be
 203.29 ~~committed~~ or at the location where the violating condition exists that is the basis for issuing
 203.30 the stop work order; or

203.31 (3) serving the order on any owner or lessee of the real property where the violating
 203.32 ~~condition exists~~ violations or conditions exist.

203.33 ~~(d)~~ (f) A stop work order shall:

204.1 (1) describe the act, conduct, or practice committed ~~or about to be committed~~, or the
204.2 condition, and include a reference to the applicable law ~~that the act, conduct, practice, or~~
204.3 ~~condition violates or would violate~~, the final order or final notice of violation, the provisions
204.4 in subdivision 11, paragraph (b); the provisions in section 326B.701, subdivision 5; or
204.5 liability under section 181.165, as applicable; and

204.6 (2) provide notice that any person aggrieved by the stop work order may request a hearing
204.7 as provided in paragraph ~~(e)~~ (g).

204.8 ~~(e)~~ (g) Within 30 days after the commissioner issues a stop work order, any person
204.9 aggrieved by the order may request an expedited hearing to review the commissioner's
204.10 action. The request for hearing must be made in writing and must be served on, emailed,
204.11 or faxed to the commissioner at the address, email address, or fax number specified in the
204.12 order. If the person does not request a hearing or if the person's written request for hearing
204.13 is not served on, emailed, or faxed to the commissioner on or before the 30th day after the
204.14 commissioner issued the stop work order, the order will become a final order of the
204.15 commissioner and will not be subject to review by any court or agency. The date on which
204.16 a request for hearing is served by mail is the postmark date on the envelope in which the
204.17 request for hearing is mailed. The hearing request must specifically state the reasons for
204.18 seeking review of the order. The person who requested the hearing and the commissioner
204.19 are the parties to the expedited hearing. The hearing shall be commenced within ten days
204.20 after the commissioner receives the request for hearing. The hearing shall be conducted
204.21 under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision.
204.22 The administrative law judge shall issue a report containing findings of fact, conclusions
204.23 of law, and a recommended order within ten days after the completion of the hearing, the
204.24 receipt of late-filed exhibits, or the submission of written arguments, whichever is later.
204.25 Any party aggrieved by the administrative law judge's report shall have five days after the
204.26 date of the administrative law judge's report to submit written exceptions and argument to
204.27 the commissioner that the commissioner shall consider and enter in the record. Within 15
204.28 days after receiving the administrative law judge's report, the commissioner shall issue an
204.29 order vacating, modifying, or making permanent the stop work order. The commissioner
204.30 and the person requesting the hearing may by agreement lengthen any time periods described
204.31 in this paragraph. The Office of Administrative Hearings may, in consultation with the
204.32 agency, adopt rules specifically applicable to cases under this subdivision.

204.33 ~~(f)~~ (h) A stop work order issued under this subdivision ~~shall be~~ is in effect until it is
204.34 lifted by the commissioner under paragraph (b) or is modified or vacated by the commissioner
204.35 or an appellate court under paragraph (b). The administrative hearing provided by this

205.1 subdivision and any appellate judicial review as provided in chapter 14 shall constitute the
205.2 exclusive remedy for any person aggrieved by a stop order.

205.3 (i) The commissioner may assess a civil penalty of \$5,000 per day against a person for
205.4 each day the person conducts business operations that are in violation of a stop work order
205.5 issued under this section.

205.6 (j) Once a stop work order becomes final, any of the person's employees affected by a
205.7 stop work order issued pursuant to this subdivision shall be entitled to average daily earnings
205.8 from the person for up to the first ten days of work lost by the employee because of the
205.9 issuance of a stop work order. Lifting of a stop work order may be conditioned on payment
205.10 of wages to employees. The commissioner may issue an order to comply under section
205.11 177.27 to obtain payment from persons liable for the payment of wages owed to the
205.12 employees under this section.

205.13 ~~(g)~~ (k) Upon the application of the commissioner, a district court shall find the failure
205.14 of any person to comply with a final stop work order lawfully issued by the commissioner
205.15 under this subdivision as a contempt of court.

205.16 (l) Notwithstanding section 13.39, the data in a stop work order issued under this
205.17 subdivision are classified as public data after the commissioner has issued the order.

205.18 (m) When determining the appropriateness and extent of a stop work order the
205.19 commissioner shall consider the factors set forth in section 14.045, subdivision 3.

205.20 **EFFECTIVE DATE.** This section is effective March 1, 2025.

205.21 Sec. 22. Minnesota Statutes 2022, section 326B.082, subdivision 11, is amended to read:

205.22 Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny
205.23 an application for a permit, license, registration, or certificate if the applicant does not meet
205.24 or fails to maintain the minimum qualifications for holding the permit, license, registration,
205.25 or certificate, or has any unresolved violations ~~or~~, unpaid fees, or monetary damages or
205.26 penalties related to the activity for which the permit, license, registration, or certificate has
205.27 been applied for or was issued.

205.28 (b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's
205.29 permit, license, registration, or certificate, or censure the person holding or acting as
205.30 qualifying person for the permit, license, registration, or certificate, if the commissioner
205.31 finds that the person:

205.32 (1) committed one or more violations of the applicable law;

206.1 (2) committed one or more violations of chapter 176, 177, 181, 181A, 182, 268, 270C,
206.2 or 363A;

206.3 ~~(2)~~ (3) submitted false or misleading information to ~~the~~ any state agency in connection
206.4 with activities for which the permit, license, registration, or certificate was issued, or in
206.5 connection with the application for the permit, license, registration, or certificate;

206.6 ~~(3)~~ (4) allowed the alteration or use of the person's own permit, license, registration, or
206.7 certificate by another person;

206.8 ~~(4)~~ (5) within the previous five years, was convicted of a crime in connection with
206.9 activities for which the permit, license, registration, or certificate was issued;

206.10 ~~(5)~~ (6) violated: (i) a final administrative order issued under subdivision 7, (ii) a final
206.11 stop work order issued under subdivision 10, (iii) injunctive relief issued under subdivision
206.12 9, or (iv) a consent order, order to comply, or other final order ~~of~~ issued by the commissioner
206.13 or the commissioner of human rights, employment and economic development, or revenue;

206.14 ~~(6)~~ (7) delayed, obstructed, or otherwise failed to cooperate with a commissioner's
206.15 investigation, including a request to give testimony, to provide data and information, to
206.16 produce documents, things, apparatus, devices, equipment, or materials, or to enter and
206.17 access all areas of any property ~~under subdivision 2;~~

206.18 ~~(7)~~ (8) retaliated in any manner against any employee or person who makes a complaint,
206.19 is questioned by, cooperates with, or provides information to the commissioner ~~or an~~
206.20 ~~employee or agent authorized by the commissioner who seeks access to property or things~~
206.21 ~~under subdivision 2;~~

206.22 ~~(8)~~ (9) engaged in any fraudulent, deceptive, or dishonest act or practice; or

206.23 ~~(9)~~ (10) performed work in connection with the permit, license, registration, or certificate
206.24 or conducted the person's affairs in a manner that demonstrates incompetence,
206.25 untrustworthiness, or financial irresponsibility.

206.26 (c) In addition to any person, a licensing order may be issued to any individual identified
206.27 in section 181.723, subdivision 7, paragraph (d). A licensing order is effective against any
206.28 successor person as defined in section 181.723, subdivision 7, paragraph (e).

206.29 ~~(e)~~ (d) If the commissioner revokes or denies a person's permit, license, registration, or
206.30 certificate under paragraph (b), the person is prohibited from reapplying for the same type
206.31 of permit, license, registration, or certificate for at least two years after the effective date
206.32 of the revocation or denial. The commissioner may, as a condition of reapplication, require
206.33 the person to obtain a bond or comply with additional reasonable conditions the commissioner

207.1 considers necessary to protect the public, including but not limited to demonstration of
207.2 current and ongoing compliance with the laws the violation of which were the basis for
207.3 revoking or denying the person's permit, license, registration, or certificate under paragraph
207.4 (b) or that the person has ceased and desisted in engaging in activities under paragraph (b)
207.5 that were the basis for revoking or denying the person's permit, license, registration, or
207.6 certificate under paragraph (b).

207.7 ~~(d)~~(e) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn,
207.8 or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding
207.9 under this subdivision within two years after the permit, license, registration, or certificate
207.10 was last effective and enter a revocation or suspension order as of the last date on which
207.11 the permit, license, registration, or certificate was in effect.

207.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

207.13 Sec. 23. Minnesota Statutes 2022, section 326B.082, subdivision 13, is amended to read:

207.14 Subd. 13. **Summary suspension.** In any case where the commissioner has issued an
207.15 order to revoke, suspend, or deny a license, registration, certificate, or permit under
207.16 subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the
207.17 person's permit, license, registration, or certificate before the order becomes final. The
207.18 commissioner shall issue a summary suspension order when the safety of life or property
207.19 is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or
207.20 dishonest acts against the public, including but not limited to violations of section 181.723,
207.21 subdivision 7. The summary suspension shall not affect the deadline for submitting a request
207.22 for hearing under subdivision 12. If the commissioner summarily suspends a person's permit,
207.23 license, registration, or certificate, a timely request for hearing submitted under subdivision
207.24 12 shall also be considered a timely request for hearing on continuation of the summary
207.25 suspension. If the commissioner summarily suspends a person's permit, license, registration,
207.26 or certificate under this subdivision and the person submits a timely request for a hearing,
207.27 then a hearing on continuation of the summary suspension must be held within ten days
207.28 after the commissioner receives the request for hearing unless the parties agree to a later
207.29 date.

207.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

208.1 Sec. 24. Minnesota Statutes 2022, section 326B.082, is amended by adding a subdivision
208.2 to read:

208.3 Subd. 16a. **Additional penalties and damages.** Any person who delays, obstructs, or
208.4 otherwise fails to cooperate with the commissioner's investigation may be issued a penalty
208.5 of \$1,000. Each day of delay, obstruction, or failure to cooperate shall constitute a separate
208.6 violation.

208.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

208.8 Sec. 25. Minnesota Statutes 2022, section 326B.701, is amended to read:

208.9 **326B.701 CONSTRUCTION CONTRACTOR REGISTRATION.**

208.10 Subdivision 1. **Definitions.** The following definitions apply to this section:

208.11 (a) "Building construction or improvement services" means public or private sector
208.12 commercial or residential building construction or improvement services.

208.13 ~~(a)~~ (b) "Business entity" means a person other than an individual or a sole proprietor as
208.14 that term is defined in paragraph (h), except the term does not include an individual.

208.15 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
208.16 representative of the commissioner who is either an employee of the Department of Labor
208.17 and Industry or person working under contract with the Department of Labor and Industry.

208.18 (d) "Day" means calendar day unless otherwise provided.

208.19 (e) "Department" means the Department of Labor and Industry.

208.20 ~~(b)~~ (f) "Document" or "documents" includes papers; books; records; memoranda; data;
208.21 contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings;
208.22 records; accounts; files; statements; letters; emails; invoices; bills; notes; and calendars
208.23 maintained in any form or manner.

208.24 (g) "Individual" means a human being.

208.25 (h) "Person" means any individual, sole proprietor, limited liability company, limited
208.26 liability partnership, corporation, partnership, incorporated or unincorporated association,
208.27 joint stock company, or any other legal or commercial entity.

208.28 Subd. 2. **Applicability; registration requirement.** ~~(a) Persons who perform public or~~
208.29 ~~private sector commercial or residential building construction or improvement services as~~
208.30 ~~described in subdivision 2 must register with the commissioner as provided in this section.~~
208.31 The purpose of registration is to assist the Department of Labor and Industry, the Department

209.1 ~~of Employment and Economic Development, and the Department of Revenue to enforce~~
209.2 ~~laws related to misclassification of employees.~~

209.3 ~~(b)~~ (a) Except as provided in paragraph ~~(e)~~ (b), any person who provides or performs
209.4 building construction or improvement services in the state ~~on or after September 15, 2012,~~
209.5 of Minnesota must register with the commissioner as provided in this section before providing
209.6 or performing building construction or improvement services ~~for another person~~. The
209.7 requirements for registration under this section are not a substitute for, and do not relieve
209.8 a person from complying with, any other law requiring that the person be licensed, registered,
209.9 or certified.

209.10 ~~(e)~~ (b) The registration requirements in this section do not apply to:

209.11 (1) a person who, at the time the person is providing or performing the building
209.12 construction or improvement services, holds a current license, certificate, or registration
209.13 under chapter 299M or 326B;

209.14 ~~(2) a person who holds a current independent contractor exemption certificate issued~~
209.15 ~~under this section that is in effect on September 15, 2012, except that the person must register~~
209.16 ~~under this section no later than the date the exemption certificate expires, is revoked, or is~~
209.17 ~~canceled;~~

209.18 ~~(3)~~ (2) a person who has given a bond to the state under section 326B.197 or 326B.46;

209.19 ~~(4)~~ (3) an employee of the person providing or performing the building construction or
209.20 improvement services, ~~if the person was in compliance with laws related to employment of~~
209.21 ~~the individual at the time the construction services were performed;~~

209.22 ~~(5)~~ (4) an architect or professional engineer engaging in professional practice as defined
209.23 in section 326.02, subdivisions 2 and 3;

209.24 ~~(6)~~ (5) a school district or technical college governed under chapter 136F;

209.25 ~~(7)~~ (6) a person providing or performing building construction or improvement services
209.26 on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach
209.27 Foundation, and their individual volunteers when engaged in activities on their behalf; or

209.28 ~~(8)~~ (7) a person exempt from licensing under section 326B.805, subdivision 6, clause
209.29 ~~(5)~~ (4).

209.30 Subd. 3. **Registration application.** (a) Persons required to register under this section
209.31 must submit electronically, in the manner prescribed by the commissioner, a complete
209.32 application according to ~~paragraphs (b) to (d)~~ this subdivision.

210.1 (b) A complete application must include all of the following information and
210.2 documentation about any individual who is registering as an individual or a sole proprietor,
210.3 ~~or who owns 25 percent or more of a business entity being registered~~ the person who is
210.4 applying for a registration:

210.5 (1) ~~the individual's full~~ person's legal name and title at the applicant's business;

210.6 (2) the person's assumed names filed with the secretary of state, if applicable;

210.7 ~~(2)~~ (3) ~~the individual's business address and~~ person's telephone number;

210.8 ~~(3) the percentage of the applicant's business owned by the individual; and~~

210.9 ~~(4) the individual's Social Security number.~~

210.10 (c) ~~A complete application must also include the following information:~~

210.11 ~~(1) the applicant's legal name; assumed name filed with the secretary of state, if any;~~

210.12 ~~designated business address; physical address; telephone number; and email address;~~

210.13 ~~(2) the applicant's Minnesota tax identification number, if one is required or has been~~
210.14 ~~issued;~~

210.15 ~~(3) the applicant's federal employer identification number, if one is required or has been~~
210.16 ~~issued;~~

210.17 ~~(4) evidence of the active status of the applicant's business filings with the secretary of~~
210.18 ~~state, if one is required or has been issued;~~

210.19 ~~(5) whether the applicant has any employees at the time the application is filed;~~

210.20 ~~(6) the names of all other persons with an ownership interest in the business entity who~~

210.21 ~~are not identified in paragraph (b), and the percentage of the interest owned by each person,~~

210.22 ~~except that the names of shareholders with less than ten percent ownership in a publicly~~

210.23 ~~traded corporation need not be provided;~~

210.24 ~~(7) information documenting compliance with workers' compensation and unemployment~~
210.25 ~~insurance laws;~~

210.26 (4) the person's email address;

210.27 (5) the person's business address;

210.28 (6) the person's physical address, if different from the business address;

211.1 (7) the legal name, telephone number, and email address of the person's registered agent,
211.2 if applicable, and the registered agent's business address and physical address, if different
211.3 from the business address;

211.4 (8) the jurisdiction in which the person is organized, if that jurisdiction is not in
211.5 Minnesota, as applicable;

211.6 (9) the legal name of the person in the jurisdiction in which it is organized, if the legal
211.7 name is different than the legal name provided in clause (1), as applicable;

211.8 (10) all of the following identification numbers, if all of these identification numbers
211.9 have been issued to the person. A complete application must include at least one of the
211.10 following identification numbers:

211.11 (i) the person's Social Security number;

211.12 (ii) the person's Minnesota tax identification number; or

211.13 (iii) the person's federal employer identification number;

211.14 (11) evidence of the active status of the person's business filings with the secretary of
211.15 state, if applicable;

211.16 (12) whether the person has any employees at the time the application is filed, and if so,
211.17 how many employees the person employs;

211.18 (13) the legal names of all persons with an ownership interest in the business entity, if
211.19 applicable, and the percentage of the interest owned by each person, except that the names
211.20 of shareholders with less than ten percent ownership in a publicly traded corporation need
211.21 not be provided;

211.22 (14) information documenting the person's compliance with workers' compensation and
211.23 unemployment insurance laws for the person's employees, if applicable;

211.24 (15) whether the person or any persons with an ownership interest in the business entity
211.25 as disclosed under clause (13) have been issued a notice of violation, administrative order,
211.26 licensing order, or order to comply by the Department of Labor and Industry in the last ten
211.27 years;

211.28 ~~(8)~~ (16) a certification that the ~~person~~ individual signing the application has: reviewed
211.29 it; ~~determined~~ asserts that the information and documentation provided is true and accurate;
211.30 and ~~determined~~ that the ~~person signing~~ individual is authorized to sign and file the application
211.31 as an agent or authorized representative of the ~~applicant~~ person. The name of the ~~person~~

212.1 individual signing, entered on an electronic application, shall constitute a valid signature
212.2 of the agent or authorized representative on behalf of the ~~applicant~~ person; and

212.3 ~~(9)~~ (17) a signed authorization for the Department of Labor and Industry to verify the
212.4 information and documentation provided on or with the application.

212.5 ~~(d)~~ (c) A registered person must notify the commissioner within 15 days after there is a
212.6 change in any of the information on the application as approved. This notification must be
212.7 provided electronically in the manner prescribed by the commissioner. However, if the
212.8 ~~business entity~~ structure or legal form of the business entity has changed, the person must
212.9 submit a new registration application ~~and registration fee, if any, for the new business entity.~~

212.10 ~~(e) The registered~~ (d) A person must ~~remain registered~~ maintain a current and up-to-date
212.11 registration while providing or performing building construction or improvement services
212.12 ~~for another person~~. The provisions of sections 326B.091, 326B.094, 326B.095, and 326B.097
212.13 apply to this section. ~~A person with an expired registration shall not provide construction~~
212.14 ~~services for another person if registration is required under this section.~~ Registration
212.15 application and expiration time frames are as follows:

212.16 ~~(1) all registrations issued on or before December 31, 2015, expire on December 31,~~
212.17 ~~2015;~~

212.18 ~~(2)~~ (1) all registrations issued after December 31, 2015, expire on the following December
212.19 31 of each odd-numbered year; and

212.20 ~~(3)~~ (2) a person may submit a ~~registration or~~ renewal application starting October 1 of
212.21 the year the registration expires. If a renewal application is submitted later than December
212.22 1 of the expiration year, the registration may expire before the department has issued or
212.23 denied the ~~registration~~ renewal.

212.24 Subd. 4. **Website.** (a) The commissioner shall develop and maintain a website on which
212.25 ~~applicants for registration~~ persons can submit a registration or renewal application. The
212.26 website shall be designed to receive and process ~~registration~~ applications and promptly
212.27 issue registration certificates electronically to successful applicants.

212.28 (b) The commissioner shall maintain ~~the certificates of registration on the department's~~
212.29 ~~official public website, which shall include~~ the following information on the department's
212.30 official public website:

212.31 (1) the registered person's legal ~~business~~ name, including any assumed name, ~~as filed~~
212.32 with the secretary of state;

212.33 (2) the legal names of the persons with an ownership interest in the business entity;

213.1 ~~(2)~~ (3) the registered person's business address designated and physical address, if
 213.2 different from the business address, provided on the application; and

213.3 ~~(3)~~ (4) the effective date of the registration and the expiration date.

213.4 Subd. 5. **Prohibited activities related to registration.** (a) The prohibited activities in
 213.5 this subdivision are in addition to those prohibited in ~~sections 326B.081 to 326B.085~~ section
 213.6 326B.082, subdivision 11.

213.7 (b) A person who provides or performs building construction or improvement services
 213.8 ~~in the course of the person's trade, business, occupation, or profession~~ shall not:

213.9 (1) ~~contract with~~ provide or perform building construction or improvement services for
 213.10 ~~another person~~ without first being registered, if required by to be registered under this
 213.11 section;

213.12 (2) require an individual who is the person's employee to register; or

213.13 ~~(2) contract with or pay~~ (3) engage another person to provide or perform building
 213.14 construction or improvement services if the other person is required to be registered under
 213.15 this section and is not registered if required by subdivision 2. All payments to an unregistered
 213.16 person for construction services on a single project site shall be considered a single violation.
 213.17 It is not a violation of this clause:

213.18 (i) for a person to ~~contract with or pay~~ have engaged an unregistered person if the
 213.19 unregistered person ~~was registered at the time the contract for construction services was~~
 213.20 ~~entered into~~ held a current registration on the date they began providing or performing the
 213.21 building construction or improvement services; or

213.22 (ii) for a homeowner or business to ~~contract with or pay~~ engage an unregistered person
 213.23 if the homeowner or business is not in the trade, business, profession, or occupation of
 213.24 performing building construction or improvement services; ~~or.~~

213.25 ~~(3) be penalized for violations of this subdivision that are committed by another person.~~
 213.26 ~~This clause applies only to violations of this paragraph.~~

213.27 (c) Each day a person who is required to be registered provides or performs building
 213.28 construction or improvement services while unregistered shall be considered a separate
 213.29 violation.

213.30 Subd. 6. **Investigation and enforcement; remedies; and penalties.** (a) ~~Notwithstanding~~
 213.31 ~~the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum~~

214.1 ~~penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if~~
214.2 ~~the person registers within 30 days of the date of the penalty order.~~

214.3 ~~(b) The penalty for contracting with or paying an unregistered person to perform~~
214.4 ~~construction services in violation of subdivision 5, paragraph (b), clause (2), shall be as~~
214.5 ~~provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive~~
214.6 ~~the penalty for the first violation.~~

214.7 The commissioner may investigate and enforce this section under the authority in chapters
214.8 177 and 326B.

214.9 ~~Subd. 7. **Notice requirement.** Notice of a penalty order for failure to register must~~
214.10 ~~include a statement that the penalty shall be forgiven if the person registers within 30 days~~
214.11 ~~of the date of the penalty order.~~

214.12 ~~Subd. 8. **Data classified.** Data in applications and any required documentation submitted~~
214.13 ~~to the commissioner under this section are private data on individuals or nonpublic data as~~
214.14 ~~defined in section 13.02. Data in registration certificates issued by the commissioner are~~
214.15 ~~public data; except that for the registration information published on the department's website~~
214.16 ~~may be accessed for registration verification purposes only. Data that document a suspension,~~
214.17 ~~revocation, or cancellation of a certificate registration are public data. Upon request of~~
214.18 ~~Notwithstanding its classification as private data on individuals or nonpublic data, data in~~
214.19 ~~applications and any required documentation submitted to the commissioner under this~~
214.20 ~~section may be used by the commissioner to investigate and take enforcement action related~~
214.21 ~~to laws for which the commissioner has enforcement responsibility and the commissioner~~
214.22 ~~may share data and documentation with the Department of Revenue, the Department of~~
214.23 ~~Commerce, the Department of Human Rights, or the Department of Employment and~~
214.24 ~~Economic Development. The commissioner may release to the requesting department~~
214.25 ~~departments data classified as private or nonpublic under this subdivision or investigative~~
214.26 ~~data that are not public under section 13.39 that relate to the issuance or denial of applications~~
214.27 ~~or revocations of certificates prohibited activities under this section and section 181.723.~~

214.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

ARTICLE 11

EARNED SICK AND SAFE TIME MODIFICATIONS

215.1
215.2
215.3 Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended
215.4 to read:

215.5 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
215.6 employer to comply with sections 177.21 to 177.435, 177.50, 179.86, 181.02, 181.03,
215.7 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172,
215.8 paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.79,
215.9 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09,
215.10 subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section
215.11 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer
215.12 to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated.
215.13 For purposes of this subdivision only, a violation is repeated if at any time during the two
215.14 years that preceded the date of violation, the commissioner issued an order to the employer
215.15 for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or
215.16 the commissioner and the employer have entered into a settlement agreement that required
215.17 the employer to pay back wages that were required by sections 177.41 to 177.435. The
215.18 department shall serve the order upon the employer or the employer's authorized
215.19 representative in person or by certified mail at the employer's place of business. An employer
215.20 who wishes to contest the order must file written notice of objection to the order with the
215.21 commissioner within 15 calendar days after being served with the order. A contested case
215.22 proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If,
215.23 within 15 calendar days after being served with the order, the employer fails to file a written
215.24 notice of objection with the commissioner, the order becomes a final order of the
215.25 commissioner. For the purposes of this subdivision, an employer includes a contractor that
215.26 has assumed a subcontractor's liability within the meaning of section 181.165.

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

215.28 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.50, is amended by adding a
215.29 subdivision to read:

215.30 **Subd. 6. Rulemaking authority.** The commissioner may adopt rules to carry out the
215.31 purposes of this section and sections 181.9445 to 181.9448.

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

216.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 177.50, is amended by adding a
216.2 subdivision to read:

216.3 Subd. 7. Remedies. (a) If an employer does not provide earned sick and safe time
216.4 pursuant to section 181.9446, or does not allow the use of earned sick and safe time pursuant
216.5 to section 181.9447, the employer is liable to all employees who were not provided or not
216.6 allowed to use earned sick and safe time for an amount equal to all earned sick and safe
216.7 time that should have been provided or could have been used, plus an additional equal
216.8 amount as liquidated damages.

216.9 (b) If the employer does not possess records sufficient to determine the earned sick and
216.10 safe time an employee should have been provided pursuant to paragraph (a), the employer
216.11 is liable to the employee for an amount equal to 48 hours of earned sick and safe time for
216.12 each year earned sick and safe time was not provided, plus an additional equal amount as
216.13 liquidated damages.

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

216.15 Sec. 4. Minnesota Statutes 2023 Supplement, section 181.032, is amended to read:

216.16 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
216.17 **TO EMPLOYEE.**

216.18 (a) At the end of each pay period, the employer shall provide each employee an earnings
216.19 statement, either in writing or by electronic means, covering that pay period. An employer
216.20 who chooses to provide an earnings statement by electronic means must provide employee
216.21 access to an employer-owned computer during an employee's regular working hours to
216.22 review and print earnings statements, and must make statements available for review or
216.23 printing for a period of three years.

216.24 (b) The earnings statement may be in any form determined by the employer but must
216.25 include:

216.26 (1) the name of the employee;

216.27 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by
216.28 hour, shift, day, week, salary, piece, commission, or other method;

216.29 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

216.30 (4) the total number of hours worked by the employee unless exempt from chapter 177;

216.31 ~~(5) the total number of earned sick and safe time hours accrued and available for use~~
216.32 ~~under section 181.9446;~~

217.1 ~~(6) the total number of earned sick and safe time hours used during the pay period under~~
217.2 ~~section 181.9447;~~

217.3 ~~(7)~~ (5) the total amount of gross pay earned by the employee during that period;

217.4 ~~(8)~~ (6) a list of deductions made from the employee's pay;

217.5 ~~(9)~~ (7) any amount deducted by the employer under section 268B.14, subdivision 3, and
217.6 the amount paid by the employer based on the employee's wages under section 268B.14,
217.7 subdivision 1;

217.8 ~~(10)~~ (8) the net amount of pay after all deductions are made;

217.9 ~~(11)~~ (9) the date on which the pay period ends;

217.10 ~~(12)~~ (10) the legal name of the employer and the operating name of the employer if
217.11 different from the legal name;

217.12 ~~(13)~~ (11) the physical address of the employer's main office or principal place of business,
217.13 and a mailing address if different; and

217.14 ~~(14)~~ (12) the telephone number of the employer.

217.15 (c) An employer must provide earnings statements to an employee in writing, rather
217.16 than by electronic means, if the employer has received at least 24 hours notice from an
217.17 employee that the employee would like to receive earnings statements in written form. Once
217.18 an employer has received notice from an employee that the employee would like to receive
217.19 earnings statements in written form, the employer must comply with that request on an
217.20 ongoing basis.

217.21 (d) At the start of employment, an employer shall provide each employee a written notice
217.22 containing the following information:

217.23 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
217.24 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
217.25 application of any additional rates;

217.26 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

217.27 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;

217.28 (4) the employee's employment status and whether the employee is exempt from minimum
217.29 wage, overtime, and other provisions of chapter 177, and on what basis;

217.30 (5) a list of deductions that may be made from the employee's pay;

218.1 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay
218.2 day on which the employee will receive the first payment of wages earned;

218.3 (7) the legal name of the employer and the operating name of the employer if different
218.4 from the legal name;

218.5 (8) the physical address of the employer's main office or principal place of business, and
218.6 a mailing address if different; and

218.7 (9) the telephone number of the employer.

218.8 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
218.9 employee acknowledging receipt of the notice. The notice must be provided to each employee
218.10 in English. The English version of the notice must include text provided by the commissioner
218.11 that informs employees that they may request, by indicating on the form, the notice be
218.12 provided in a particular language. If requested, the employer shall provide the notice in the
218.13 language requested by the employee. The commissioner shall make available to employers
218.14 the text to be included in the English version of the notice required by this section and assist
218.15 employers with translation of the notice in the languages requested by their employees.

218.16 (f) An employer must provide the employee any written changes to the information
218.17 contained in the notice under paragraph (d) prior to the date the changes take effect.

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

218.19 Sec. 5. Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 4, is amended
218.20 to read:

218.21 Subd. 4. **Earned sick and safe time.** "Earned sick and safe time" means leave, including
218.22 paid time off and other paid leave systems, that is paid at the same ~~hourly~~ base rate as an
218.23 employee earns from employment that may be used for the same purposes and under the
218.24 same conditions as provided under section 181.9447, but in no case shall this ~~hourly~~ base
218.25 rate be less than that provided under section 177.24 or an applicable local minimum wage.

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

218.27 Sec. 6. Minnesota Statutes 2023 Supplement, section 181.9445, is amended by adding a
218.28 subdivision to read:

218.29 Subd. 4a. **Base rate.** "Base rate" means:

218.30 (1) for employees paid on an hourly basis, the same rate received per hour of work;

219.1 (2) for employees paid on an hourly basis who receive multiple hourly rates, the rate
 219.2 the employee would have been paid for the period of time in which leave was taken;

219.3 (3) for employees paid on a salary basis, the same rate guaranteed to the employee as if
 219.4 the employee had not taken the leave; and

219.5 (4) for employees paid solely on a commission, piecework, or any basis other than hourly
 219.6 or salary, a rate no less than the applicable local, state, or federal minimum wage, whichever
 219.7 is greater.

219.8 For purposes of this section and section 181.9446, base rate does not include commissions;
 219.9 shift differentials that are in addition to an hourly rate; premium payments for overtime
 219.10 work; premium payments for work on Saturdays, Sundays, holidays, or scheduled days off;
 219.11 bonuses; or gratuities as defined by section 177.23.

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

219.13 Sec. 7. Minnesota Statutes 2023 Supplement, section 181.9445, subdivision 5, is amended
 219.14 to read:

219.15 Subd. 5. **Employee.** "Employee" means any person who is employed by an employer,
 219.16 including temporary and part-time employees, who ~~performs~~ is anticipated by the employer
 219.17 to perform work for at least 80 hours in a year for that employer in Minnesota. Employee
 219.18 does not include:

219.19 (1) an independent contractor; ~~or~~

219.20 (2) an individual who is a volunteer firefighter or paid on-call firefighter, with a
 219.21 department charged with the prevention or suppression of fires within the boundaries of the
 219.22 state; is a volunteer ambulance attendant as defined in section 144E.001, subdivision 15;
 219.23 or is an ambulance service personnel as defined in section 144E.001, subdivision 3a, who
 219.24 serves in a paid on-call position;

219.25 (3) an individual who is an elected official or a person who is appointed to fill a vacancy
 219.26 in an elected office as part of a legislative or governing body of Minnesota or a political
 219.27 subdivision; or

219.28 (4) an individual employed by a farmer, family farm, or a family farm corporation to
 219.29 provide physical labor on or management of a farm if the farmer, family farm, or family
 219.30 farm corporation employs the individual to perform work for 28 days or less each year.

219.31 ~~(2) an individual employed by an air carrier as a flight deck or cabin crew member who:~~
 219.32 ~~(i) is subject to United States Code, title 45, sections 181 to 188;~~

- 220.1 ~~(ii) works less than a majority of their hours in Minnesota in a calendar year; and~~
220.2 ~~(iii) is provided with paid leave equal to or exceeding the amounts in section 181.9446.~~

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

220.4 Sec. 8. Minnesota Statutes 2023 Supplement, section 181.9446, is amended to read:

220.5 **181.9446 ACCRUAL OF EARNED SICK AND SAFE TIME.**

220.6 (a) An employee accrues a minimum of one hour of earned sick and safe time for every
220.7 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year.
220.8 Employees may not accrue more than 48 hours of earned sick and safe time in a year unless
220.9 the employer agrees to a higher amount.

220.10 (b)(1) Except as provided in clause (2), employers must permit an employee to carry
220.11 over accrued but unused sick and safe time into the following year. The total amount of
220.12 accrued but unused earned sick and safe time for an employee must not exceed 80 hours at
220.13 any time, unless an employer agrees to a higher amount.

220.14 (2) In lieu of permitting the carryover of accrued but unused sick and safe time into the
220.15 following year as provided under clause (1), an employer may provide an employee with
220.16 earned sick and safe time for the year that meets or exceeds the requirements of this section
220.17 that is available for the employee's immediate use at the beginning of the subsequent year
220.18 as follows: (i) 48 hours, if an employer pays an employee for accrued but unused sick and
220.19 safe time at the end of a year at the same hourly base rate as an employee earns from
220.20 employment and in no case at a rate less than that provided under section 177.24 or an
220.21 applicable local minimum wage; or (ii) 80 hours, if an employer does not pay an employee
220.22 for accrued but unused sick and safe time at the end of a year ~~at the same or greater hourly~~
220.23 ~~rate as an employee earns from employment. In no case shall this hourly rate be less than~~
220.24 ~~that provided under section 177.24, or an applicable local minimum wage.~~

220.25 (c) Employees who are exempt from overtime requirements under United States Code,
220.26 title 29, section 213(a)(1), as amended through January 1, 2024, are deemed to work 40
220.27 hours in each workweek for purposes of accruing earned sick and safe time, except that an
220.28 employee whose normal workweek is less than 40 hours will accrue earned sick and safe
220.29 time based on the normal workweek.

220.30 (d) Earned sick and safe time under this section begins to accrue at the commencement
220.31 of employment of the employee.

220.32 (e) Employees may use earned sick and safe time as it is accrued.

221.1 Sec. 9. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 1, is amended
221.2 to read:

221.3 Subdivision 1. **Eligible use.** An employee may use accrued earned sick and safe time
221.4 for:

221.5 (1) an employee's:

221.6 (i) mental or physical illness, injury, or other health condition;

221.7 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,
221.8 or health condition; ~~or~~

221.9 (iii) need for preventive medical or health care; or

221.10 (iv) need to make arrangements for or attend funeral services or a memorial, or address
221.11 financial or legal matters that arise after the death of a family member;

221.12 (2) care of a family member:

221.13 (i) with a mental or physical illness, injury, or other health condition;

221.14 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,
221.15 injury, or other health condition; or

221.16 (iii) who needs preventive medical or health care;

221.17 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or
221.18 employee's family member, provided the absence is to:

221.19 (i) seek medical attention related to physical or psychological injury or disability caused
221.20 by domestic abuse, sexual assault, or stalking;

221.21 (ii) obtain services from a victim services organization;

221.22 (iii) obtain psychological or other counseling;

221.23 (iv) seek relocation or take steps to secure an existing home due to domestic abuse,
221.24 sexual assault, or stalking; or

221.25 (v) seek legal advice or take legal action, including preparing for or participating in any
221.26 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,
221.27 or stalking;

221.28 (4) closure of the employee's place of business due to weather or other public emergency
221.29 or an employee's need to care for a family member whose school or place of care has been
221.30 closed due to weather or other public emergency;

222.1 (5) the employee's inability to work or telework because the employee is: (i) prohibited
222.2 from working by the employer due to health concerns related to the potential transmission
222.3 of a communicable illness related to a public emergency; or (ii) seeking or awaiting the
222.4 results of a diagnostic test for, or a medical diagnosis of, a communicable disease related
222.5 to a public emergency and such employee has been exposed to a communicable disease or
222.6 the employee's employer has requested a test or diagnosis; and

222.7 (6) when it has been determined by the health authorities having jurisdiction or by a
222.8 health care professional that the presence of the employee or family member of the employee
222.9 in the community would jeopardize the health of others because of the exposure of the
222.10 employee or family member of the employee to a communicable disease, whether or not
222.11 the employee or family member has actually contracted the communicable disease.

222.12 For the purposes of this subdivision, a public emergency shall include a declared
222.13 emergency as defined in section 12.03 or a declared local emergency under section 12.29.

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

222.15 Sec. 10. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 3, is amended
222.16 to read:

222.17 Subd. 3. **Documentation.** (a) When an employee uses earned sick and safe time for
222.18 more than three consecutive scheduled work days, an employer may require reasonable
222.19 documentation that the earned sick and safe time is covered by subdivision 1.

222.20 (b) For earned sick and safe time under subdivision 1, clauses (1), (2), (5), and (6),
222.21 reasonable documentation may include a signed statement by a health care professional
222.22 indicating the need for use of earned sick and safe time. However, if the employee or
222.23 employee's family member did not receive services from a health care professional, or if
222.24 documentation cannot be obtained from a health care professional in a reasonable time or
222.25 without added expense, then reasonable documentation for the purposes of this paragraph
222.26 may include a written statement from the employee indicating that the employee is using
222.27 or used earned sick and safe time for a qualifying purpose covered by subdivision 1, clause
222.28 (1), (2), (5), or (6).

222.29 (c) For earned sick and safe time under subdivision 1, clause (3), an employer must
222.30 accept a court record or documentation signed by a volunteer or employee of a victims
222.31 services organization, an attorney, a police officer, or an antiviolence counselor as reasonable
222.32 documentation. If documentation cannot be obtained in a reasonable time or without added
222.33 expense, then reasonable documentation for the purposes of this paragraph may include a

223.1 written statement from the employee indicating that the employee is using or used earned
223.2 sick and safe time for a qualifying purpose covered under subdivision 1, clause (3).

223.3 (d) For earned sick and safe time to care for a family member under subdivision 1, clause
223.4 (4), an employer must accept as reasonable documentation a written statement from the
223.5 employee indicating that the employee is using or used earned sick and safe time for a
223.6 qualifying purpose as reasonable documentation.

223.7 (e) An employer must not require disclosure of details relating to domestic abuse, sexual
223.8 assault, or stalking or the details of an employee's or an employee's family member's medical
223.9 condition as related to an employee's request to use earned sick and safe time under this
223.10 section.

223.11 (f) Written statements by an employee may be written in the employee's first language
223.12 and need not be notarized or in any particular format.

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

223.14 Sec. 11. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 5, is amended
223.15 to read:

223.16 Subd. 5. **Increment of time used.** Earned sick and safe time may be used in the ~~smallest~~
223.17 ~~increment of time tracked by the employer's payroll system, provided such increment is not~~
223.18 ~~more than four hours~~ same increment of time for which employees are paid, provided an
223.19 employer is not required to provide leave in less than 15-minute increments nor can the
223.20 employer require use of earned sick and safe time in more than four-hour increments.

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

223.22 Sec. 12. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 10, is amended
223.23 to read:

223.24 Subd. 10. **Employer records and required statement to employees.** (a) Employers
223.25 shall retain accurate records documenting hours worked by employees and earned sick and
223.26 safe time taken and comply with all requirements under section 177.30.

223.27 (b) At the end of each pay period, the employer shall provide, in writing or electronically,
223.28 information stating the employee's current amount of:

223.29 (1) the total number of earned sick and safe time hours available to the employee for
223.30 use under section 181.9446; and

224.1 (2) the total number of earned sick and safe time hours used during the pay period under
224.2 section 181.9447.

224.3 Employers may choose a reasonable system for providing this information, including
224.4 but not limited to listing information on or attached to each earnings statement or an
224.5 electronic system where employees can access this information. An employer who chooses
224.6 to provide this information by electronic means must provide employee access to an
224.7 employer-owned computer during an employee's regular working hours to review and print.

224.8 ~~(b)~~ (c) An employer must allow an employee to inspect records required by this section
224.9 and relating to that employee at a reasonable time and place.

224.10 (d) The records required by this section must be kept for three years.

224.11 (e) All records required to be kept under this section must be readily available for
224.12 inspection by the commissioner upon demand. The records must be either kept at the place
224.13 where employees are working or kept in a manner that allows the employer to comply with
224.14 this paragraph within 72 hours.

224.15 Sec. 13. Minnesota Statutes 2023 Supplement, section 181.9447, subdivision 11, is amended
224.16 to read:

224.17 Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section,
224.18 an employer possesses:

224.19 (1) health or medical information regarding an employee or an employee's family
224.20 member;

224.21 (2) information pertaining to domestic abuse, sexual assault, or stalking;

224.22 (3) information that the employee has requested or obtained leave under this section; or

224.23 (4) any written or oral statement, documentation, record, or corroborating evidence
224.24 provided by the employee or an employee's family member, the employer must treat such
224.25 information as confidential.

224.26 Information given by an employee may only be disclosed by an employer if the disclosure
224.27 is requested or consented to by the employee, when ordered by a court or administrative
224.28 agency, or when otherwise required by federal or state law.

224.29 (b) Records and documents relating to medical certifications, recertifications, or medical
224.30 histories of employees or family members of employees created for purposes of section
224.31 177.50 or sections 181.9445 to 181.9448 must be maintained as confidential medical records
224.32 separate from the usual personnel files. At the request of the employee, the employer must

225.1 destroy or return the records required by sections 181.9445 to 181.9448 that are older than
225.2 three years prior to the current calendar year, unless state or federal law, rule, or regulation
225.3 requires the employer to retain such records.

225.4 (c) Employers may not discriminate against any employee based on records created for
225.5 the purposes of section 177.50 or sections 181.9445 to 181.9448.

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

225.7 Sec. 14. Minnesota Statutes 2023 Supplement, section 181.9447, is amended by adding
225.8 a subdivision to read:

225.9 **Subd. 12. Weather event exception.** Notwithstanding subdivision 1, an employee may
225.10 not use sick and safe time under the conditions in subdivision 1, clause (4), if:

225.11 (1) the employee's preassigned or foreseeable work duties during a public emergency
225.12 or weather event would require the employee to respond to the public emergency or weather
225.13 event;

225.14 (2) the employee is a firefighter; a peace officer subject to licensure under sections
225.15 626.84 to 626.863; a 911 telecommunicator as defined in section 403.02, subdivision 17c;
225.16 a guard at a correctional facility; or a public employee holding a commercial driver's license;
225.17 and

225.18 (3) one of the following two conditions are met:

225.19 (i) the employee is represented by an exclusive representative under section 179A.03,
225.20 subdivision 8, and the collective bargaining agreement or memorandum of understanding
225.21 governing the employee's position explicitly references section 181.9447, subdivision 1,
225.22 clause (4), and clearly and unambiguously waives application of that section for the
225.23 employee's position; or

225.24 (ii) the employee is not represented by an exclusive representative, the employee is
225.25 needed for the employer to maintain minimum staffing requirements, and the employer has
225.26 a written policy explicitly referencing section 181.9447, subdivision 1, clause (4), that is
225.27 provided to such employees in a manner that meets the requirements of other earned sick
225.28 and safe time notices under section 181.9447, subdivision 9.

226.1 Sec. 15. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 1, is amended
226.2 to read:

226.3 Subdivision 1. ~~No Effect on more generous sick and safe time policies.~~ (a) Nothing
226.4 in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting
226.5 or retaining earned sick and safe time policies that meet or exceed, and do not otherwise
226.6 conflict with, the minimum standards and requirements provided in sections 181.9445 to
226.7 181.9448. All paid time off and other paid leave made available to an employee by an
226.8 employer in excess of the minimum amount required in section 181.9446 for absences from
226.9 work due to personal illness or injury, but not including short-term or long-term disability
226.10 or other salary continuation benefits, must meet or exceed the minimum standards and
226.11 requirements provided in sections 181.9445 to 181.9448, except for section 181.9446. For
226.12 paid leave accrued prior to January 1, 2024, for absences from work due to personal illness
226.13 or injury, an employer may require an employee who uses such leave to follow the written
226.14 notice and documentation requirements in the employer's applicable policy or applicable
226.15 collective bargaining agreement as of December 31, 2023, in lieu of the requirements of
226.16 section 181.9447, subdivisions 2 and 3, provided that an employer does not require an
226.17 employee to use leave accrued on or after January 1, 2024, before using leave accrued prior
226.18 to that date.

226.19 (b) Nothing in sections 181.9445 to 181.9448 shall be construed to limit the right of
226.20 parties to a collective bargaining agreement to bargain and agree with respect to earned sick
226.21 and safe time policies or to diminish the obligation of an employer to comply with any
226.22 contract, collective bargaining agreement, or any employment benefit program or plan that
226.23 meets or exceeds, and does not otherwise conflict with, the minimum standards and
226.24 requirements provided in this section.

226.25 (c) Nothing in sections 181.9445 to 181.9448 shall be construed to preempt, limit, or
226.26 otherwise affect the applicability of any other law, regulation, requirement, policy, or
226.27 standard that provides for a greater amount, accrual, or use by employees of paid sick and
226.28 safe time or that extends other protections to employees.

226.29 (d) Nothing in sections 181.9445 to 181.9448 shall be construed or applied so as to
226.30 create any power or duty in conflict with federal law.

226.31 (e) Employers who provide earned sick and safe time to their employees under a paid
226.32 time off policy or other paid leave policy that may be used for the same purposes and under
226.33 the same conditions as earned sick and safe time, and that meets or exceeds, and does not

227.1 otherwise conflict with, the minimum standards and requirements provided in sections
227.2 181.9445 to 181.9448 are not required to provide additional earned sick and safe time.

227.3 (f) The provisions of sections 181.9445 to 181.9448 may be waived by a collective
227.4 bargaining agreement with a bona fide building and construction trades labor organization
227.5 that has established itself as the collective bargaining representative for the affected building
227.6 and construction industry employees, provided that for such waiver to be valid, it shall
227.7 explicitly reference sections 181.9445 to 181.9448 and clearly and unambiguously waive
227.8 application of those sections to such employees.

227.9 (g) The requirements of section 181.9447, subdivision 3, may be waived for paid leave
227.10 made available to an employee by an employer for absences from work in excess of the
227.11 minimum amount required in section 181.9446 through a collective bargaining agreement
227.12 with a labor organization that has established itself as the collective bargaining representative
227.13 for the employees, provided that for such waiver to be valid, it shall explicitly reference
227.14 section 181.9447, subdivision 3, and clearly and unambiguously waive application of that
227.15 subdivision to such employees.

227.16 (h) An individual provider, as defined in section 256B.0711, subdivision 1, paragraph
227.17 (d), who provides services through a consumer support grant under section 256.476,
227.18 consumer-directed community supports under section 256B.4911, or community first services
227.19 and supports under section 256B.85, to a family member who is a participant, as defined
227.20 in section 256B.0711, subdivision 1, paragraph (e), may individually waive the provisions
227.21 of sections 181.9445 to 181.9448 for the remainder of the participant's service plan year,
227.22 provided that the funds are returned to the participant's budget. Once an individual provider
227.23 has waived the provisions of sections 181.9445 to 181.9448, they may not accrue earned
227.24 sick and safe time until the start of the participant's next service plan year.

227.25 ~~(g)~~ (i) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a
227.26 policy whereby employees may donate unused accrued sick and safe time to another
227.27 employee.

227.28 ~~(h)~~ (j) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick
227.29 and safe time to an employee before accrual by the employee.

227.30 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
227.31 paragraph (a) is effective January 1, 2025.

228.1 Sec. 16. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 2, is amended
228.2 to read:

228.3 Subd. 2. **Termination; separation; transfer.** Sections 181.9445 to 181.9448 do not
228.4 require financial or other reimbursement to an employee from an employer upon the
228.5 employee's termination, resignation, retirement, or other separation from employment for
228.6 accrued earned sick and safe time that has not been used. If an employee is transferred to
228.7 a separate division, entity, or location, but remains employed by the same employer, the
228.8 employee is entitled to all earned sick and safe time accrued at the prior division, entity, or
228.9 location and is entitled to use all earned sick and safe time as provided in sections 181.9445
228.10 to 181.9448. When there is a separation from employment and the employee is rehired
228.11 within 180 days of separation by the same employer, previously accrued earned sick and
228.12 safe time that had not been used or otherwise disbursed to the benefit of the employee upon
228.13 separation must be reinstated. An employee is entitled to use accrued earned sick and safe
228.14 time and accrue additional earned sick and safe time at the commencement of reemployment.

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

228.16 Sec. 17. Minnesota Statutes 2023 Supplement, section 181.9448, subdivision 3, is amended
228.17 to read:

228.18 Subd. 3. **Employer succession.** (a) When a different employer succeeds or takes the
228.19 place of an existing employer, all employees of the original employer who remain employed
228.20 by the successor employer are entitled to all earned sick and safe time accrued but not used
228.21 when employed by the original employer, and are entitled to use all earned sick and safe
228.22 time previously accrued but not used.

228.23 (b) ~~If, at the time of transfer of the business,~~ employees are terminated by the original
228.24 employer and hired within 30 days by the successor employer following the transfer employer
228.25 succession, those employees are entitled to all earned sick and safe time accrued but not
228.26 used when employed by the original employer, and are entitled to use all earned sick and
228.27 safe time previously accrued but not used.

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

ARTICLE 12

UNIVERSITY OF MINNESOTA COLLECTIVE BARGAINING

229.1 Section 1. Minnesota Statutes 2022, section 179A.11, subdivision 1, is amended to read:

229.2 Subdivision 1. **Units.** (a) The following are ~~the~~ appropriate units of University of
229.3 Minnesota employees. The listed units include but are not limited to the positions described.
229.4 A position may be added to a unit if the commissioner makes a determination under section
229.5 179A.09 that the unit is appropriate for the position. All units shall exclude managerial and
229.6 confidential employees. ~~Supervisory employees shall only be assigned to unit 13. No~~
229.7 ~~additional units of University of Minnesota employees shall be recognized for the purpose~~
229.8 ~~of meeting and negotiating.~~

229.9 (1) The Law Enforcement Unit ~~consists of~~ includes the positions of all employees with
229.10 the power of arrest.

229.11 (2) The Craft and Trades Unit ~~consists of~~ includes the positions of all employees whose
229.12 work requires specialized manual skills and knowledge acquired through formal training
229.13 or apprenticeship or equivalent on-the-job training or experience.

229.14 (3) The Service, Maintenance, and Labor Unit ~~consists of~~ includes the positions of all
229.15 employees whose work is typically that of maintenance, service, or labor and which does
229.16 not require extensive previous training or experience, except as provided in unit 4.

229.17 (4) The Health Care Nonprofessional and Service Unit ~~consists of~~ includes the positions
229.18 of all nonprofessional employees of the University of Minnesota hospitals, dental school,
229.19 and health service whose work is unique to those settings, excluding labor and maintenance
229.20 employees as defined in unit 3.

229.21 (5) The Nursing Professional Unit ~~consists of~~ includes all positions which are required
229.22 to be filled by registered nurses.

229.23 (6) The Clerical and Office Unit ~~consists of~~ includes the positions of all employees
229.24 whose work is typically clerical or secretarial, including nontechnical data recording and
229.25 retrieval and general office work, except as provided in unit 4.

229.26 (7) The Technical Unit ~~consists of~~ includes the positions of all employees whose work
229.27 is not typically manual and which requires specialized knowledge or skills acquired through
229.28 two-year academic programs or equivalent experience or on-the-job training, except as
229.29 provided in unit 4.

229.30 (8) ~~The Twin Cities Instructional Unit consists of the positions of all instructional~~
229.31 ~~employees with the rank of professor, associate professor, assistant professor, including~~

230.1 ~~research associate or instructor, including research fellow, located on the Twin Cities~~
230.2 ~~campuses.~~

230.3 ~~(9)~~ (8) The Outstate Instructional Unit ~~consists of~~ includes the positions of all instructional
230.4 employees with the rank of professor, associate professor, assistant professor, including
230.5 research associate or instructor, including research fellow, located at the Duluth campus,
230.6 provided that the positions of instructional employees of the same ranks at the Morris,
230.7 Crookston, or ~~Waseca~~ Rochester campuses shall be included within this unit if a majority
230.8 of the eligible employees voting at a campus so vote during an election conducted by the
230.9 commissioner, provided that the election or majority verification procedure shall not be
230.10 held until the Duluth campus has voted in favor of representation. The election shall be held
230.11 or majority verification procedure shall take place when an employee organization or group
230.12 of employees petitions the commissioner stating that a majority of the eligible employees
230.13 at one of these campuses wishes to join the unit and this petition is supported by a showing
230.14 of at least 30 percent support from eligible employees at that campus and is filed between
230.15 September 1 and November 1.

230.16 ~~Should both units 8 and 9 elect exclusive bargaining representatives, those representatives~~
230.17 ~~may by mutual agreement jointly negotiate a contract with the regents, or may negotiate~~
230.18 ~~separate contracts with the regents. If the exclusive bargaining representatives jointly~~
230.19 ~~negotiate a contract with the regents, the contract shall be ratified by each unit. For the~~
230.20 purposes of this section, an "instructional employee" is an individual who spends 35 percent
230.21 or more of their work time creating, delivering, and assessing the mastery of credit-bearing
230.22 coursework.

230.23 (10) The Graduate Assistant Unit ~~consists of~~ includes the positions of all graduate
230.24 assistants who are enrolled in the graduate school and who hold the rank of research assistant,
230.25 teaching assistant, teaching associate I or II, project assistant, graduate school fellow,
230.26 graduate school trainee, professional school fellow, professional school trainee, or
230.27 administrative fellow I or II. The listed ranks do not coincide with the ranks that are
230.28 categorized by the University of Minnesota as professionals in training, even though in
230.29 some cases the job titles may be the same.

230.30 (11) ~~The Academic Professional and Administrative Staff Unit consists of all academic~~
230.31 ~~professional and administrative staff positions that are not defined as included in an~~
230.32 ~~instructional unit, the supervisory unit, the clerical unit, or the technical unit.~~

230.33 (12) ~~The Noninstructional Professional Unit consists of the positions of all employees~~
230.34 ~~meeting the requirements of section 179A.03, subdivision 13, clause (1) or (2), which are~~

231.1 ~~not defined as included within an instructional unit, the Academic Professional and~~
 231.2 ~~Administrative Staff Unit, or the supervisory unit.~~

231.3 ~~(13) The Supervisory Employees Unit consists of the positions of all supervisory~~
 231.4 ~~employees.~~

231.5 (b) An employee of the University of Minnesota whose position is not enumerated in
 231.6 paragraph (a) may petition the commissioner to determine an appropriate unit for the position.
 231.7 The commissioner must make a determination for an appropriate unit as provided in section
 231.8 179A.09 and the commissioner must give special weight to the desires of the petitioning
 231.9 employee or representatives of the petitioning employee.

231.10 Sec. 2. Minnesota Statutes 2022, section 179A.11, subdivision 2, is amended to read:

231.11 Subd. 2. **University of Minnesota employee severance.** (a) Each of the following
 231.12 groups of University of Minnesota employees has the right, as specified in this subdivision,
 231.13 to separate from the instructional and supervisory units: (1) health sciences instructional
 231.14 employees at all campuses with the rank of professor, associate professor, assistant professor,
 231.15 including research associate, or instructor, including research fellow, (2) instructional
 231.16 employees of the law school with the rank of professor, associate professor, assistant
 231.17 professor, including research associate, or instructor, including research fellow, (3)
 231.18 instructional supervisors, (4) noninstructional professional supervisors, and (5) academic
 231.19 professional and administrative staff supervisors.

231.20 ~~This~~ (b) The right to separate may be exercised:

231.21 (1) by petition between September 1 and November 1. If a group separates from its unit,
 231.22 it has no right to meet and negotiate, but retains the right to meet and confer with the
 231.23 appropriate officials on any matter of concern to the group. The right to separate must be
 231.24 exercised as follows: An employee organization or group of employees claiming that a
 231.25 majority of any one of these groups of employees on a statewide basis wish to separate from
 231.26 their unit may petition the commissioner for an election during the petitioning period. If the
 231.27 petition is supported by a showing of at least 30 percent support from the employees, the
 231.28 commissioner shall may hold an election on the separation issue or the petitioning group
 231.29 may proceed under the process set forth in section 179A.12. This election must be conducted
 231.30 within 30 days of the close of the petition period. If a majority of votes cast endorse severance
 231.31 from their unit, the commissioner shall certify that result; or

231.32 (2) by the group's exclusion from a proposed unit in a representation petition.

232.1 (c) Where not inconsistent with other provisions of this section, the election is governed
232.2 by section 179A.12. If a group of employees severs, it may rejoin that unit by following the
232.3 procedures for severance during the periods for severance.

232.4 Sec. 3. Minnesota Statutes 2022, section 179A.11, is amended by adding a subdivision to
232.5 read:

232.6 Subd. 3. **Joint bargaining.** Units organized under this section that have elected exclusive
232.7 bargaining representatives may by mutual agreement of the exclusive representatives jointly
232.8 negotiate a contract with the regents or may negotiate separate contracts with the regents.
232.9 If the exclusive bargaining representatives jointly negotiate a contract with the regents, the
232.10 contract must be ratified by each unit.

232.11 **ARTICLE 13**

232.12 **BROADBAND AND PIPELINE SAFETY**

232.13 Section 1. Minnesota Statutes 2022, section 116J.395, subdivision 6, is amended to read:

232.14 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
232.15 commissioner shall give priority to applications that are constructed in areas identified by
232.16 the director of the Office of Broadband Development as unserved.

232.17 (b) In evaluating applications and awarding grants, the commissioner may give priority
232.18 to applications that:

232.19 (1) are constructed in areas identified by the director of the Office of Broadband
232.20 Development as underserved;

232.21 (2) offer new or substantially upgraded broadband service to important community
232.22 institutions including, but not limited to, libraries, educational institutions, public safety
232.23 facilities, and healthcare facilities;

232.24 (3) facilitate the use of telehealth and electronic health records;

232.25 (4) serve economically distressed areas of the state, as measured by indices of
232.26 unemployment, poverty, or population loss that are significantly greater than the statewide
232.27 average;

232.28 (5) provide technical support and train residents, businesses, and institutions in the
232.29 community served by the project to utilize broadband service;

232.30 (6) include a component to actively promote the adoption of the newly available
232.31 broadband services in the community;

233.1 (7) provide evidence of strong support for the project from citizens, government,
233.2 businesses, and institutions in the community;

233.3 (8) provide access to broadband service to a greater number of unserved or underserved
233.4 households and businesses; ~~or~~

233.5 (9) leverage greater amounts of funding for the project from other private and public
233.6 sources; or

233.7 (10) commit to implementation of workforce best practices, meaning all laborers and
233.8 mechanics performing construction, installation, remodeling, or repairs on the project sites
233.9 for which the grant is provided:

233.10 (i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the
233.11 applicant and all of its construction contractors and subcontractors agree that the payment
233.12 of prevailing wage to such laborers and mechanics is subject to the requirements and
233.13 enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
233.14 177.45, which the commissioner of labor and industry shall have the authority to enforce;
233.15 or

233.16 (ii) receive from the employer:

233.17 (A) at least 40 hours of hands-on skills training annually;

233.18 (B) employer-paid family health insurance coverage; and

233.19 (C) employer-paid retirement benefit payments equal to no less than 15 percent of the
233.20 employee's total taxable wages.

233.21 (c) The commissioner shall endeavor to award grants under this section to qualified
233.22 applicants in all regions of the state.

233.23 (d) The commissioner shall endeavor to award no less than 50 percent of grant awards
233.24 from general fund appropriations for the border-to-border broadband grant program under
233.25 section 116J.396 for applicants that agree to implement the workforce best practices in this
233.26 section. The applicant's agreement to implement the workforce best practices described in
233.27 paragraph (b) must be an express condition of providing the grant in the grant agreement.

233.28 **EFFECTIVE DATE.** This section is effective January 1, 2026.

234.1 Sec. 2. Minnesota Statutes 2022, section 116J.395, is amended by adding a subdivision
234.2 to read:

234.3 Subd. 9. **Workforce plan data.** (a) Grantees that serve more than 10,000 broadband
234.4 customers and are receiving funding for projects under this section are required to provide
234.5 in annual reports information on the workforce performing installation work funded through
234.6 the grant, including:

234.7 (1) the number of installation labor hours performed by workforce directly employed
234.8 by the grantee or the Internet service provider;

234.9 (2) the number of installation labor hours performed by contractors and subcontractors
234.10 on grant-funded projects with subtotals for hours worked by Minnesota residents, people
234.11 of color, Indigenous people, women, and people with disabilities;

234.12 (3) the name, business address, and number of labor hours performed by each contractor
234.13 and subcontractor that participated in construction of a grant-funded project;

234.14 (4) the percentages of workforce performing installation labor whose straight-time hourly
234.15 pay rate was at least \$25 and who received employer-paid medical coverage and retirement
234.16 benefits; and

234.17 (5) any other workforce plan information as determined by the commissioner.

234.18 (b) Following an award, the workforce plan and the requirement to submit ongoing
234.19 workforce reports shall be incorporated as material conditions of the contract with the
234.20 department and become enforceable, certified commitments.

234.21 **EFFECTIVE DATE.** This section is effective January 1, 2026.

234.22 Sec. 3. Minnesota Statutes 2022, section 116J.395, is amended by adding a subdivision
234.23 to read:

234.24 Subd. 10. **Failure to meet requirements or falsification of data.** If successful applicants
234.25 fail to meet the program requirements under this section, or otherwise falsify information
234.26 regarding such requirements, the commissioner shall investigate the failure and issue an
234.27 appropriate action, up to and including a determination that the applicant is ineligible for
234.28 future participation in broadband grant programs funded by the department.

234.29 **EFFECTIVE DATE.** This section is effective January 1, 2026.

235.1 Sec. 4. Minnesota Statutes 2022, section 216B.17, is amended by adding a subdivision to
235.2 read:

235.3 Subd. 9. **Telecommunications and cable communications systems.** (a) The commission
235.4 has authority under this section to investigate, upon complaint or on its own motion, conduct
235.5 by or on behalf of a telecommunications carrier, telephone company, or cable
235.6 communications system provider that impacts public utility or cooperative electric association
235.7 infrastructure. If the commission finds that the conduct damaged or unreasonably interfered
235.8 with the function of the infrastructure, the commission may take any action authorized under
235.9 sections 216B.52 to 216B.61 with respect to the provider.

235.10 (b) For purposes of this subdivision:

235.11 (1) "telecommunications carrier" has the meaning given in section 237.01, subdivision
235.12 6;

235.13 (2) "telephone company" has the meaning given in section 237.01, subdivision 7; and

235.14 (3) "cable communications system provider" means an owner or operator of a cable
235.15 communications system as defined in section 238.02, subdivision 3.

235.16 Sec. 5. **[326B.198] UNDERGROUND TELECOMMUNICATIONS**
235.17 **INFRASTRUCTURE.**

235.18 Subdivision 1. **Definitions.** For the purposes of this section:

235.19 (1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut
235.20 a bore hole for installing underground utilities;

235.21 (2) "safety-qualified underground telecommunications installer" means a person who
235.22 has completed underground utilities installation certification under subdivision 3;

235.23 (3) "underground telecommunications utilities" means buried broadband, telephone and
235.24 other telecommunications transmission, distribution and service lines, and associated
235.25 facilities; and

235.26 (4) "underground utilities" means buried electric transmission and distribution lines, gas
235.27 and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone
235.28 or telecommunications lines, and associated facilities.

235.29 Subd. 2. **Installation requirements.** (a) The installation of underground
235.30 telecommunications infrastructure that is located within ten feet of existing underground
235.31 utilities or that crosses the existing underground utilities must be performed by
235.32 safety-qualified underground telecommunications installers as follows:

236.1 (1) the location of existing utilities by hand- or hydro-excavation or other accepted
236.2 methods must be performed by a safety-qualified underground telecommunications installer;

236.3 (2) where telecommunications infrastructure is installed by means of directional drilling,
236.4 the monitoring of the location and depth of the drill head must be performed by a
236.5 safety-qualified underground telecommunications installer; and

236.6 (3) no fewer than two safety-qualified underground telecommunications installers must
236.7 be present at all times at any location where telecommunications infrastructure is being
236.8 installed by means of directional drilling.

236.9 (b) Beginning July 1, 2025, all installations of underground telecommunications
236.10 infrastructure subject to this subdivision within the seven-county metropolitan area must
236.11 be performed by safety-qualified underground telecommunications installers that meet the
236.12 requirements of this subdivision.

236.13 (c) Beginning January 1, 2026, all installations of underground telecommunications
236.14 infrastructure subject to this subdivision within this state must be performed by
236.15 safety-qualified underground telecommunications installers that meet the requirements of
236.16 this subdivision.

236.17 Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry, in
236.18 consultation with the Office of Broadband, shall approve standards for a safety-qualified
236.19 underground telecommunications installer certification program that requires a person to:

236.20 (1) complete a 40-hour initial course that includes classroom and hands-on instruction
236.21 covering proper work procedures for safe installation of underground utilities, including:

236.22 (i) regulations applicable to excavation near existing utilities;

236.23 (ii) identification, location, and verification of utility lines using hand- or
236.24 hydro-excavation or other accepted methods;

236.25 (iii) response to line strike incidents;

236.26 (iv) traffic control procedures;

236.27 (v) use of a tracking device to safely guide directional drill equipment along a drill path;
236.28 and

236.29 (vi) avoidance and mitigation of safety hazards posed by underground utility installation
236.30 projects;

236.31 (2) demonstrate knowledge of the course material by successfully completing an
236.32 examination approved by the commissioner; and

237.1 (3) complete a four-hour refresher course within three years of completing the original
 237.2 course and every three years thereafter in order to maintain certification.

237.3 (b) The commissioner must develop an approval process for training providers under
 237.4 this subdivision and may suspend or revoke the approval of any training provider that fails
 237.5 to demonstrate consistent delivery of approved curriculum or success in preparing participants
 237.6 to complete the examination.

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

237.8 **ARTICLE 14**

237.9 **HOUSING APPROPRIATIONS**

237.10 Section 1. **APPROPRIATIONS.**

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

237.18		<u>APPROPRIATIONS</u>	
237.19		<u>Available for the Year</u>	
237.20		<u>Ending June 30</u>	
237.21		<u>2024</u>	<u>2025</u>

237.22 Sec. 2. **HOUSING FINANCE AGENCY**

237.23	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>8,680,000</u>
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237.24 (a) The amounts that may be spent for each
 237.25 purpose are specified in the following
 237.26 subdivisions.

237.27 (b) Unless otherwise specified, this
 237.28 appropriation is for transfer to the housing
 237.29 development fund for the programs specified
 237.30 in this section.

237.31	<u>Subd. 2. Family Homeless Prevention</u>		<u>-0-</u>		<u>8,109,000</u>
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237.32 This appropriation is for the family homeless
 237.33 prevention and assistance program under

238.1	<u>Minnesota Statutes, section 462A.204.</u>			
238.2	<u>Notwithstanding procurement provisions</u>			
238.3	<u>outlined in Minnesota Statutes, section</u>			
238.4	<u>16C.06, subdivisions 1, 2, and 6, the agency</u>			
238.5	<u>may award grants to existing program</u>			
238.6	<u>grantees. This is a onetime appropriation.</u>			
238.7	<u>Subd. 3. Minnesota Homeless Study</u>		<u>-0-</u>	<u>100,000</u>
238.8	<u>This appropriation is for a grant to the</u>			
238.9	<u>Amherst H. Wilder Foundation for the</u>			
238.10	<u>Minnesota homeless study. Notwithstanding</u>			
238.11	<u>Minnesota Statutes, section 16B.98,</u>			
238.12	<u>subdivision 14, the commissioner may use up</u>			
238.13	<u>to one percent of this appropriation for</u>			
238.14	<u>administrative costs. This is a onetime</u>			
238.15	<u>appropriation.</u>			
238.16	<u>Subd. 6. Expediting Rental Assistance</u>		<u>-0-</u>	<u>471,000</u>
238.17	<u>This appropriation is for the agency's work</u>			
238.18	<u>under article 16 of this act. This is a onetime</u>			
238.19	<u>appropriation. Any unspent portion of the</u>			
238.20	<u>appropriation shall be transferred to the family</u>			
238.21	<u>homeless prevention and assistance program.</u>			
238.22	<u>Sec. 3. DEPARTMENT OF LABOR AND</u>			
238.23	<u>INDUSTRY</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 225,000</u>
238.24	<u>This appropriation is for the single-egress</u>			
238.25	<u>stairway apartment building report under</u>			
238.26	<u>article 15, section 46. This is a onetime</u>			
238.27	<u>appropriation.</u>			
238.28	<u>Sec. 4. SUPREME COURT</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 545,000</u>
238.29	<u>This appropriation is for the implementation</u>			
238.30	<u>of Laws 2023, chapter 52, article 19, sections</u>			
238.31	<u>117 to 119. This is a onetime appropriation</u>			
238.32	<u>and is available until June 30, 2026.</u>			
238.33	<u>Sec. 5. LEGISLATIVE COORDINATING</u>			
238.34	<u>COMMISSION</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 400,000</u>

239.1 (a) \$200,000 is for a contract to facilitate, and
 239.2 the administrative costs of, the Task Force on
 239.3 Long-Term Sustainability of Affordable
 239.4 Housing established in article 15, section 49.
 239.5 This is a onetime appropriation.

239.6 (b) \$200,000 is for a contract to facilitate, and
 239.7 the administrative costs of, the working group
 239.8 on common interest communities and
 239.9 homeowners associations established in article
 239.10 15, section 48. This is a onetime appropriation.

239.11	Sec. 6. <u>HUMAN SERVICES</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>150,000</u>
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239.12 This appropriation is for a contract with Propel
 239.13 Nonprofits to conduct a needs analysis and a
 239.14 site analysis for emergency shelter serving
 239.15 transgender adults experiencing homelessness.
 239.16 This is a onetime appropriation and is
 239.17 available until June 30, 2026. This
 239.18 appropriation is in addition to any other
 239.19 appropriation enacted in the 2024 session of
 239.20 the legislature for this purpose.

239.21 Sec. 7. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

239.22					60,425,000
239.23	Subd. 2. Challenge Program				60,425,000
					<u>53,425,000</u>

239.24 (a) This appropriation is for the economic
 239.25 development and housing challenge program
 239.26 under Minnesota Statutes, sections 462A.33
 239.27 and 462A.07, subdivision 14.

239.28 (b) Of this amount, \$6,425,000 each year shall
 239.29 be made available during the first 11 months
 239.30 of the fiscal year exclusively for housing
 239.31 projects for American Indians. Any funds not
 239.32 committed to housing projects for American
 239.33 Indians within the annual consolidated request
 239.34 for funding processes may be available for

240.1 any eligible activity under Minnesota Statutes,
240.2 sections 462A.33 and 462A.07, subdivision
240.3 14.

240.4 (c) Of the amount in the first year, \$5,000,000
240.5 is for a grant to Urban Homeworks to expand
240.6 initiatives pertaining to deeply affordable
240.7 homeownership in Minneapolis neighborhoods
240.8 with over 40 percent of residents identifying
240.9 as Black, Indigenous, or People of Color and
240.10 at least 40 percent of residents making less
240.11 than 50 percent of the area median income.

240.12 The grant is to be used for acquisition,
240.13 rehabilitation, gap financing as defined in
240.14 Minnesota Statutes, section 462A.33,
240.15 subdivision 1, and construction of homes to
240.16 be sold to households with incomes ~~of 50 to~~
240.17 at or below 60 percent of the area median
240.18 income. This is a onetime appropriation, ~~and~~
240.19 ~~is available until June 30, 2027.~~ By December
240.20 15 each year ~~until 2027,~~ Urban Homeworks
240.21 must submit a report to the chairs and ranking
240.22 minority members of the legislative
240.23 committees having jurisdiction over housing
240.24 finance and policy. The report must include
240.25 the amount used for (1) acquisition, (2)
240.26 rehabilitation, and (3) construction of housing
240.27 units, along with the number of housing units
240.28 acquired, rehabilitated, or constructed, and the
240.29 amount of the appropriation that has been
240.30 spent. If any home was sold or transferred
240.31 within the year covered by the report, Urban
240.32 Homeworks must include the price at which
240.33 the home was sold, as well as how much was
240.34 spent to complete the project before sale.

241.1 (d) Of the amount in the first year, \$2,000,000
 241.2 is for a grant to Rondo Community Land
 241.3 Trust. This is a onetime appropriation.

241.4 (e) The base for this program in fiscal year
 241.5 2026 and beyond is \$12,925,000.

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

241.7 Sec. 8. Laws 2023, chapter 37, article 1, section 2, subdivision 5, is amended to read:

241.8		<u>20,250,000</u>	
241.9	Subd. 5. Workforce Homeownership Program	<u>17,250,000</u>	250,000

241.10 (a) This appropriation is for the workforce
 241.11 homeownership program under Minnesota
 241.12 Statutes, section 462A.38.

241.13 (b) The base for this program in fiscal year
 241.14 2026 and beyond is \$250,000.

241.15 Sec. 9. Laws 2023, chapter 37, article 1, section 2, subdivision 18, is amended to read:

241.16		<u>25,000,000</u>	
241.17	Subd. 18. Supportive Housing	<u>10,000,000</u>	-0-

241.18 This appropriation is for the supportive
 241.19 housing program under Minnesota Statutes,
 241.20 section 462A.42. This is a onetime
 241.21 appropriation.

241.22 Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 25, is amended to read:

241.23	Subd. 25. <u>Manufactured Home Lending Grants</u>		
241.24	<u>Program</u>	10,000,000	-0-

241.25 (a) This appropriation is for ~~the~~ a grant to
 241.26 NeighborWorks Home Partners for a
 241.27 manufactured home lending ~~grant~~ program.
 241.28 This is a onetime appropriation.

241.29 (b) The funds must be used for new
 241.30 manufactured home financing programs;
 241.31 manufactured home down payment assistance;

242.1 or manufactured home repair, renovation,
 242.2 removal, and site preparation financing
 242.3 programs.

242.4 (c) Interest earned and repayments of principal
 242.5 from loans issued under this subdivision must
 242.6 be used for the purposes of this subdivision.

242.7 (d) For the purposes of this subdivision, the
 242.8 term "manufactured home" has the meaning
 242.9 given in Minnesota Statutes, section 327B.01,
 242.10 subdivision 13.

242.11 Sec. 11. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

242.12			<u>45,000,000</u>
242.13	Subd. 29. Community Stabilization	45,000,000	<u>70,000,000</u>

242.14 (a) This appropriation is for the community
 242.15 stabilization program. This a onetime
 242.16 appropriation. ~~Of this amount, \$10,000,000 is~~
 242.17 ~~for a grant to AEON for Huntington Place.~~

242.18 (b) The first year and second year
 242.19 appropriations are available as follows:

242.20 (1) \$10,000,000 is for a grant to AEON for
 242.21 Huntington Place;

242.22 (2) notwithstanding Minnesota Statutes,
 242.23 sections 16B.98, subdivisions 5 and 12, and
 242.24 16B.981, subdivision 2, \$3,250,000 is for a
 242.25 grant to the Wilder Park Association to assist
 242.26 with the cost of a major capital repair project
 242.27 for the rehabilitation of portions of the
 242.28 owner-occupied senior high-rise facility. The
 242.29 grantee must verify that 50 percent of units
 242.30 are occupied by households with incomes at
 242.31 or below 60 percent of area median income;

242.32 (3) \$41,750,000 is for multiunit rental housing;

243.1 (4) \$10,000,000 is for single-family housing;

243.2 and

243.3 (5) \$50,000,000 is for recapitalization of

243.4 distressed buildings. Of this amount, up to

243.5 \$15,000,000 is for preservation or

243.6 recapitalization of housing that includes

243.7 supportive housing.

243.8 (c) Notwithstanding Minnesota Statutes,

243.9 section 16B.98, subdivision 14, the

243.10 commissioner may use up to one percent of

243.11 this appropriation for administrative costs for

243.12 the grants in paragraph (b), clauses (1) and

243.13 (2). This is a onetime appropriation.

243.14 Sec. 12. AVAILABILITY OF APPROPRIATIONS FOR ADMINISTRATIVE

243.15 EXPENSES.

243.16 (a) Money appropriated in section 2 and section 11, paragraph (b), clauses (1) and (2),

243.17 for grants must not be spent on institutional overhead charges that are not directly related

243.18 to and necessary for the grant.

243.19 (b) By February 15, 2025, the commissioner shall report to the chairs and ranking

243.20 minority members of the legislative committees having jurisdiction over housing finance

243.21 and policy on the anticipated costs for administering each grant in section 2 and section 11,

243.22 paragraph (b), clauses (1) and (2). Within 90 days after a grantee has fulfilled the obligations

243.23 of their grant agreement, the commissioner shall report to the chairs and ranking minority

243.24 members of the legislative committees having jurisdiction over housing finance and policy

243.25 on the final cost for administering each grant in section 2 and section 11, paragraph (b),

243.26 clauses (1) and (2).

243.27 Sec. 13. REPEALER.

243.28 Laws 2023, chapter 37, article 2, section 13, is repealed.

244.1

ARTICLE 15

244.2

HOUSING POLICY

244.3 Section 1. Minnesota Statutes 2023 Supplement, section 82.75, subdivision 8, is amended
244.4 to read:

244.5 Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust
244.6 account for deposit of client funds. The interest accruing on the trust account, less reasonable
244.7 transaction costs, must be paid to the Minnesota Housing Finance Agency for deposit in
244.8 the housing trust fund account created under section 462A.201 unless otherwise specified
244.9 pursuant to an expressed written agreement between the parties to a transaction.

244.10 (b) For an account created under paragraph (a), each broker shall direct the financial
244.11 institution to:

244.12 (1) pay the interest, less reasonable transaction costs, computed in accordance with the
244.13 financial institution's standard accounting practice, at least quarterly, to the Minnesota
244.14 Housing Finance Agency; and

244.15 (2) send a statement to the Minnesota Housing Finance Agency showing the name of
244.16 the broker for whom the payment is made, the rate of interest applied, the amount of service
244.17 charges deducted, and the account balance for the period in which the report is made.

244.18 The Minnesota Housing Finance Agency shall credit the amount collected under this
244.19 subdivision to the housing trust fund account established in section 462A.201.

244.20 (c) The financial institution must promptly notify the agency if a draft drawn on the
244.21 account is dishonored. A draft is not dishonored if a stop payment order is requested by an
244.22 issuer who has a good faith defense to payment on the draft.

244.23 ~~(d) By January 15 of each year, the Minnesota Housing Finance Agency must report to~~
244.24 ~~the chairs and ranking minority members of the legislative committees with jurisdiction~~
244.25 ~~over housing finance and policy. The report must specify the amount of funds deposited~~
244.26 ~~under this subdivision in the housing trust fund account established under section 462A.201~~
244.27 ~~during the most recently concluded fiscal year. The report must also include a history of~~
244.28 ~~deposits made under this section, in nominal dollar amounts and in the present value of~~
244.29 ~~those amounts, calculated using the Consumer Price Index-All Items (United States city~~
244.30 ~~average).~~

245.1 Sec. 2. Minnesota Statutes 2022, section 383B.145, subdivision 5, is amended to read:

245.2 Subd. 5. **Set-aside contracts.** (a) Notwithstanding any other law to the contrary, the
245.3 board may set aside an amount, for each fiscal year, for awarding contracts to businesses
245.4 and social services organizations ~~which have a majority of employees~~ that employ persons
245.5 who would be eligible for public assistance or who would require rehabilitative services in
245.6 the absence of their employment. The set-aside amount may not exceed two percent of the
245.7 amount appropriated by the board in the budget for the preceding fiscal year. Failure by the
245.8 board to designate particular procurements for the set-aside program shall not prevent
245.9 vendors from seeking the procurement award through the normal solicitation and bidding
245.10 processes pursuant to the provisions of the Uniform Municipal Contracting Act, section
245.11 471.345.

245.12 (b) The board may elect to use a negotiated price or bid contract procedure in the awarding
245.13 of a procurement contract under the set-aside program. The amount of the award shall not
245.14 exceed by more than five percent the estimated price for the goods or services, if they were
245.15 to be purchased on the open market and not under the set-aside program.

245.16 (c) Before contracting with a business or social service organization under the set-aside
245.17 program, the board or authorized person shall conduct an investigation of the business or
245.18 social service organization with whom it seeks to contract and shall make findings, to be
245.19 contained in the provisions of the contract, that:

245.20 (1) the vendor either:

245.21 (i) has in its employ at least 50 percent of its employees who would be eligible to receive
245.22 some form of public assistance or other rehabilitative services in the absence of the award
245.23 of a contract to the vendor; or

245.24 (ii) if the vendor is a business providing construction services, has in its employ to deliver
245.25 the set-aside contract as many employees who would be eligible to receive some form of
245.26 public assistance or other rehabilitative services in the absence of the award of a contract
245.27 to the vendor as is practicable in consideration of industry safety standards, established
245.28 supervisory ratios for apprentices, and requirements for licensed persons to perform certain
245.29 work;

245.30 (2) the vendor has elected to apply to the board for a contract under the set-aside
245.31 provisions; and

245.32 (3) the vendor is able to perform the set-aside contract.

246.1 (d) The board shall publicize the provisions of the set-aside program, attempt to locate
246.2 vendors able to perform set-aside procurement contracts and otherwise encourage
246.3 participation therein.

246.4 Sec. 3. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

246.5 Subd. 10. **Energy conservation, decarbonization, and climate resilience.** It is further
246.6 declared that supplies of conventional energy resources are rapidly depleting in quantity
246.7 and rising in price and that the burden of these occurrences falls heavily upon the citizens
246.8 of Minnesota generally and persons of low and moderate income in particular. These
246.9 conditions are adverse to the health, welfare, and safety of all of the citizens of this state.
246.10 It is further declared that it is a public purpose to ensure the availability of financing to be
246.11 used by all citizens of the state, while giving preference to low and moderate income people,
246.12 to assist in the installation in their dwellings of reasonably priced energy conserving systems
246.13 including the use of alternative energy resources and equipment so that by the improvement
246.14 of the energy efficiency of, clean energy, greenhouse gas emissions reduction, climate
246.15 resiliency, and other qualified projects for all housing, the adequacy of the total energy
246.16 supply may be preserved for the benefit of all citizens.

246.17 Sec. 4. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended
246.18 to read:

246.19 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
246.20 in the making, and may enter into commitments for the purchase, making, or participation
246.21 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
246.22 deems advisable, to persons and families of low and moderate income, and to owners of
246.23 existing residential housing for occupancy by such persons and families, for the rehabilitation
246.24 of existing residential housing owned by them. Rehabilitation may include the addition or
246.25 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
246.26 and may be made with security, or may be unsecured, as the agency deems advisable. The
246.27 loans may be in addition to or in combination with long-term eligible mortgage loans under
246.28 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
246.29 secured by the property, if refinancing is determined by the agency to be necessary to permit
246.30 the owner to meet the owner's housing cost without expending an unreasonable portion of
246.31 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
246.32 determines that the loan will be used primarily to make the housing more desirable to live
246.33 in, to increase the market value of the housing, for compliance with state, county or municipal
246.34 building, housing maintenance, fire, health or similar codes and standards applicable to

247.1 housing, or to accomplish energy conservation ~~related improvements,~~ decarbonization,
247.2 climate resiliency, and other qualified projects. In unincorporated areas and municipalities
247.3 not having codes and standards, the agency may, solely for the purpose of administering
247.4 the provisions of this chapter, establish codes and standards. No loan under this subdivision
247.5 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
247.6 will not be used for placing the owner-occupied residential housing in full compliance with
247.7 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
247.8 and standards applicable to housing. Rehabilitation loans shall be made only when the
247.9 agency determines that financing is not otherwise available, in whole or in part, from private
247.10 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized
247.11 under this subdivision may be made to eligible persons and families without limitations
247.12 relating to the maximum incomes of the borrowers if:

247.13 (1) the borrower or a member of the borrower's family requires a level of care provided
247.14 in a hospital, skilled nursing facility, or intermediate care facility for persons with
247.15 developmental disabilities;

247.16 (2) home care is appropriate; and

247.17 (3) the improvement will enable the borrower or a member of the borrower's family to
247.18 reside in the housing.

247.19 The agency may waive any requirement that the housing units in a residential housing
247.20 development be rented to persons of low and moderate income if the development consists
247.21 of four or fewer dwelling units, one of which is occupied by the owner.

247.22 Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

247.23 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
247.24 make loans to persons and families of low and moderate income to rehabilitate or to assist
247.25 in rehabilitating existing residential housing owned and occupied by those persons or
247.26 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
247.27 made unless the agency determines that the loan will be used primarily for rehabilitation
247.28 work necessary for health or safety, essential accessibility improvements, or to improve the
247.29 energy efficiency of, clean energy, greenhouse gas emissions reductions, climate resiliency,
247.30 and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
247.31 residential housing shall be denied solely because the loan will not be used for placing the
247.32 residential housing in full compliance with all state, county or municipal building, housing
247.33 maintenance, fire, health or similar codes and standards applicable to housing. The amount
247.34 of any loan shall not exceed the lesser of (a) a maximum loan amount determined under

248.1 rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work
248.2 performed, or (c) that portion of the cost of rehabilitation which the agency determines
248.3 cannot otherwise be paid by the person or family without the expenditure of an unreasonable
248.4 portion of the income of the person or family. Loans made in whole or in part with federal
248.5 funds may exceed the maximum loan amount to the extent necessary to comply with federal
248.6 lead abatement requirements prescribed by the funding source. In making loans, the agency
248.7 shall determine the circumstances under which and the terms and conditions under which
248.8 all or any portion of the loan will be repaid and shall determine the appropriate security for
248.9 the repayment of the loan. Loans pursuant to this subdivision may be made with or without
248.10 interest or periodic payments.

248.11 Sec. 6. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

248.12 Subd. 14b. **Energy conservation, decarbonization, and climate resiliency loans.** It
248.13 may agree to purchase, make, or otherwise participate in the making, and may enter into
248.14 commitments for the purchase, making, or participating in the making, of loans to persons
248.15 and families, without limitations relating to the maximum incomes of the borrowers, to
248.16 assist in energy conservation ~~rehabilitation measures~~, decarbonization, climate resiliency,
248.17 and other qualified projects for existing housing owned by those persons or families
248.18 including, but not limited to: weatherstripping and caulking; chimney construction or
248.19 improvement; furnace or space heater repair, cleaning or replacement; central air conditioner
248.20 installation, repair, maintenance, or replacement; air source or geothermal heat pump
248.21 installation, repair, maintenance, or replacement; insulation; windows and doors; and
248.22 structural or other directly related repairs or installations essential for energy conservation,
248.23 decarbonization, climate resiliency, and other qualified projects. Loans shall be made only
248.24 when the agency determines that financing is not otherwise available, in whole or in part,
248.25 from private lenders upon equivalent terms and conditions. Loans under this subdivision
248.26 or subdivision 14 may:

248.27 (1) be integrated with a utility's on-bill repayment program approved under section
248.28 216B.241, subdivision 5d; and

248.29 (2) also be made for the installation of on-site solar energy or energy storage systems.

248.30 Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

248.31 Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low
248.32 and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14,
248.33 or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied

249.1 by such persons or families. For the purposes of this section, persons of low and moderate
249.2 income include administrators appointed pursuant to section 504B.425, paragraph (d). No
249.3 grant shall be made unless the agency determines that the grant will be used primarily to
249.4 make the housing more desirable to live in, to increase the market value of the housing or
249.5 for compliance with state, county or municipal building, housing maintenance, fire, health
249.6 or similar codes and standards applicable to housing, or to accomplish energy conservation
249.7 ~~related improvements,~~ decarbonization, climate resiliency, or other qualified projects. In
249.8 unincorporated areas and municipalities not having codes and standards, the agency may,
249.9 solely for the purpose of administering this provision, establish codes and standards. No
249.10 grant for rehabilitation of owner occupied residential housing shall be denied solely because
249.11 the grant will not be used for placing the residential housing in full compliance with all
249.12 state, county or municipal building, housing maintenance, fire, health or similar codes and
249.13 standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)
249.14 \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of
249.15 rehabilitation which the agency determines cannot otherwise be paid by the person or family
249.16 without spending an unreasonable portion of the income of the person or family thereon.
249.17 In making grants, the agency shall determine the circumstances under which and the terms
249.18 and conditions under which all or any portion thereof will be repaid and shall determine the
249.19 appropriate security should repayment be required.

249.20 (b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing
249.21 under this subdivision to persons of low and moderate income for the purpose of qualifying
249.22 as foster parents.

249.23 Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

249.24 Subd. 15b. **Energy conservation, decarbonization, and climate resiliency grants.** (a)
249.25 It may make grants to assist in energy conservation ~~rehabilitation measures,~~ decarbonization,
249.26 climate resiliency, and other qualified projects for existing owner occupied housing including,
249.27 but not limited to: insulation, storm windows and doors, furnace or space heater repair,
249.28 cleaning or replacement, chimney construction or improvement, weatherstripping and
249.29 caulking, ~~and structural or other directly related repairs,~~ or installations essential for energy
249.30 conservation, decarbonization, climate resiliency, and other qualified projects. The grant
249.31 to any household shall not exceed \$2,000.

249.32 (b) To be eligible for an emergency energy conservation, decarbonization, and climate
249.33 resiliency grant, a household must be certified as eligible to receive emergency residential
249.34 heating assistance under either the federal or the state program, and either (1) have had a

250.1 heating cost for the preceding heating season that exceeded 120 percent of the regional
250.2 average for the preceding heating season for that energy source as determined by the
250.3 commissioner of employment and economic development, or (2) be eligible to receive a
250.4 federal energy conservation grant, but be precluded from receiving the grant because of a
250.5 need for directly related repairs that cannot be paid for under the federal program. The
250.6 Housing Finance Agency shall make a reasonable effort to determine whether other state
250.7 or federal loan and grant programs are available and adequate to finance the intended
250.8 improvements. An emergency energy conservation grant may be made in conjunction with
250.9 grants or loans from other state or federal programs that finance other needed rehabilitation
250.10 work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility
250.11 for other Housing Finance Agency loan or grant programs.

250.12 Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

250.13 Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners
250.14 of rental property that is occupied or intended for occupancy primarily by low- and
250.15 moderate-income tenants and which does not comply with the standards established in
250.16 section 326B.106, subdivision 1, for the purpose of energy improvements, decarbonization,
250.17 climate resiliency, and other qualified projects necessary to bring the property into full or
250.18 partial compliance with these standards. For property which meets the other requirements
250.19 of this subdivision, a loan may also be used for moderate rehabilitation of the property. The
250.20 authority granted in this subdivision is in addition to and not in limitation of any other
250.21 authority granted to the agency in this chapter. The limitations on eligible mortgagors
250.22 contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.
250.23 Loans for the improvement of rental property pursuant to this subdivision may contain
250.24 provisions that repayment is not required in whole or in part subject to terms and conditions
250.25 determined by the agency to be necessary and desirable to encourage owners to maximize
250.26 rehabilitation of properties.

250.27 Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

250.28 Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or
250.29 establish a fund to insure loans, or portions of loans, that are made by any banking institution,
250.30 savings association, or other lender approved by the agency, organized under the laws of
250.31 this or any other state or of the United States having an office in this state, to owners of
250.32 renter-occupied homes or apartments that do not comply with standards set forth in section
250.33 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners
250.34 or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of

251.1 improvements, including all related structural and other improvements, that will reduce
251.2 energy consumption, that will decarbonize, and that will ensure the climate resiliency of
251.3 housing.

251.4 Sec. 11. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended
251.5 to read:

251.6 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its
251.7 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or
251.8 their associated Tribally Designated Housing Entity (TDHE) as defined by United States
251.9 Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

251.10 Sec. 12. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
251.11 to read:

251.12 Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote
251.13 efficiency in program administration, underwriting, and compliance, the commissioner may
251.14 adjust income or rent limits for any multifamily capital funding program authorized under
251.15 state law to align with federal rent or income limits in sections 42 and 142 of the Internal
251.16 Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt
251.17 from the rulemaking requirements of chapter 14.

251.18 Sec. 13. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
251.19 to read:

251.20 Subd. 19. **Report to the legislature.** (a) By February 15 each year, the commissioner
251.21 must submit a report to the chairs and ranking minority members of the legislative committees
251.22 having jurisdiction over housing finance and policy containing the following information:

251.23 (1) the total number of applications for funding;

251.24 (2) the amount of funding requested;

251.25 (3) the amounts of funding awarded; and

251.26 (4) the number of housing units that are affected by funding awards, including the number
251.27 of:

251.28 (i) newly constructed owner-occupied units;

251.29 (ii) renovated owner-occupied units;

251.30 (iii) newly constructed rental units; and

252.1 (iv) renovated rental units.

252.2 (b) This reporting requirement applies to appropriations for competitive development
252.3 programs made in Laws 2023 and in subsequent laws.

252.4 Sec. 14. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
252.5 to read:

252.6 Subd. 20. **Eligibility for agency programs.** The agency may determine that a household
252.7 or project unit meets the rent or income requirements for a program if the household or unit
252.8 receives or participates in income-based state or federal public assistance benefits, including
252.9 but not limited to:

252.10 (1) child care assistance programs under chapter 119B;

252.11 (2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

252.12 (3) housing support under chapter 256I;

252.13 (4) Minnesota family investment program and diversionary work program under chapter
252.14 256J; and

252.15 (5) economic assistance programs under chapter 256P.

252.16 Sec. 15. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

252.17 Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate
252.18 income persons who own existing residential housing for the purpose of improving the
252.19 efficient energy utilization decarbonization and climate resiliency of the housing. Permitted
252.20 improvements shall include installation or upgrading of ceiling, wall, floor and duct
252.21 insulation, storm windows and doors, and caulking and weatherstripping. The improvements
252.22 shall not be inconsistent with the energy standards as promulgated as part of the State
252.23 Building Code; provided that the improvements need not bring the housing into full
252.24 compliance with the energy standards. Any loan for such purpose shall be made only upon
252.25 determination by the agency that such loan is not otherwise available, wholly or in part,
252.26 from private lenders upon equivalent terms and conditions. The agency may promulgate
252.27 rules as necessary to implement and make specific the provisions of this subdivision. The
252.28 rules shall be designed to permit the state, to the extent not inconsistent with this chapter,
252.29 to seek federal grants or loans for energy purposes decarbonization, climate resiliency, and
252.30 other qualified projects.

253.1 Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended
253.2 to read:

253.3 Subdivision 1. **Agency debt ceiling capacity.** The aggregate principal amount of general
253.4 obligation bonds and notes which are outstanding at any time, excluding the principal amount
253.5 of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed
253.6 the sum of ~~\$5,000,000,000~~ \$9,000,000,000.

253.7 Sec. 17. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

253.8 Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota
253.9 manufactured home relocation trust fund to the extent necessary to carry out the objectives
253.10 of section 327C.095, subdivision 13, by making payments to manufactured home owners,
253.11 or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a)
253.12 and (e), and to pay the costs of administering the fund. Money in the fund is appropriated
253.13 to the agency for these purposes and ~~to the commissioner of management and budget~~ to pay
253.14 costs incurred ~~by the commissioner of management and budget~~ to administer the fund.

253.15 Sec. 18. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended
253.16 to read:

253.17 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
253.18 principal amount of housing infrastructure bonds in one or more series to which the payment
253.19 made under this section may be pledged. The housing infrastructure bonds authorized in
253.20 this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and
253.21 (7), on terms and conditions the agency deems appropriate, made for one or more of the
253.22 following purposes:

253.23 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
253.24 housing where at least 50 percent of units are set aside for individuals and families who are
253.25 without a permanent residence;

253.26 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
253.27 housing to be used for affordable rental housing or for affordable home ownership and the
253.28 costs of new construction of rental housing on abandoned or foreclosed property where the
253.29 existing structures will be demolished or removed;

253.30 (3) to finance that portion of the costs of acquisition of property that is attributable to
253.31 the land to be leased by community land trusts to low- and moderate-income home buyers;

254.1 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
254.2 parks under section 462A.2035, subdivision 1b;

254.3 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
254.4 of senior housing;

254.5 (6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted
254.6 rental housing and for the refinancing of costs of the construction, acquisition, and
254.7 rehabilitation of federally assisted rental housing, including providing funds to refund, in
254.8 whole or in part, outstanding bonds previously issued by the agency or another government
254.9 unit to finance or refinance such costs;

254.10 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
254.11 of single-family housing; ~~and~~

254.12 (8) to finance the costs of construction, acquisition, and rehabilitation of permanent
254.13 housing that is affordable to households with incomes at or below 50 percent of the area
254.14 median income for the applicable county or metropolitan area as published by the Department
254.15 of Housing and Urban Development, as adjusted for household size; and

254.16 (9) to finance the costs of construction, acquisition, rehabilitation, conversion, and
254.17 development of cooperatively owned housing created under chapter 308A, 308B, or 308C
254.18 that is affordable to low- and moderate-income households.

254.19 (b) Among comparable proposals for permanent supportive housing, preference shall
254.20 be given to permanent supportive housing for veterans and other individuals or families
254.21 who:

254.22 (1) either have been without a permanent residence for at least 12 months or at least four
254.23 times in the last three years; or

254.24 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
254.25 times in the last three years.

254.26 (c) Among comparable proposals for senior housing, the agency must give priority to
254.27 requests for projects that:

254.28 (1) demonstrate a commitment to maintaining the housing financed as affordable to
254.29 senior households;

254.30 (2) leverage other sources of funding to finance the project, including the use of
254.31 low-income housing tax credits;

255.1 (3) provide access to services to residents and demonstrate the ability to increase physical
255.2 supports and support services as residents age and experience increasing levels of disability;
255.3 and

255.4 (4) include households with incomes that do not exceed 30 percent of the median
255.5 household income for the metropolitan area.

255.6 (d) To the extent practicable, the agency shall balance the loans made between projects
255.7 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
255.8 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
255.9 the loans made between projects in counties or cities with a population of 20,000 or less,
255.10 as established by the most recent decennial census, and projects in counties or cities with
255.11 populations in excess of 20,000.

255.12 (e) Among comparable proposals for permanent housing, the agency must give preference
255.13 to projects that will provide housing that is affordable to households at or below 30 percent
255.14 of the area median income.

255.15 (f) If a loan recipient uses the loan for new construction ~~or substantial rehabilitation~~ as
255.16 defined by the agency on a building containing more than four units, the loan recipient must
255.17 construct, convert, or otherwise adapt the building to include:

255.18 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
255.19 accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility~~
255.20 ~~Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes
255.21 at least one roll-in shower, water closet, and kitchen work surface meeting the requirements
255.22 of section 1002 of the current State Building Code Accessibility Provisions for Dwelling
255.23 Units in Minnesota; and

255.24 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
255.25 sensory-accessible units that include:

255.26 (A) soundproofing between shared walls for first and second floor units;

255.27 (B) no florescent lighting in units and common areas;

255.28 (C) low-fume paint;

255.29 (D) low-chemical carpet; and

255.30 (E) low-chemical carpet glue in units and common areas.

255.31 Nothing in this paragraph relieves a project funded by the agency from meeting other
255.32 applicable accessibility requirements.

256.1 Sec. 19. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
256.2 to read:

256.3 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions
256.4 2 to 2i, the agency may issue up to \$50,000,000 in one or more series to which the payments
256.5 under this section may be pledged.

256.6 Sec. 20. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended
256.7 to read:

256.8 **Subd. 5. Additional appropriation.** (a) The agency must certify annually to the
256.9 commissioner of management and budget the actual amount of annual debt service on each
256.10 series of bonds issued under this section.

256.11 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
256.12 bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those
256.13 bonds, remain outstanding, the commissioner of management and budget must transfer to
256.14 the housing infrastructure bond account established under section 462A.21, subdivision 33,
256.15 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
256.16 necessary to make the transfers are appropriated from the general fund to the commissioner
256.17 of management and budget.

256.18 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
256.19 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those
256.20 bonds, remain outstanding, the commissioner of management and budget must transfer to
256.21 the housing infrastructure bond account established under section 462A.21, subdivision 33,
256.22 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
256.23 necessary to make the transfers are appropriated from the general fund to the commissioner
256.24 of management and budget.

256.25 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
256.26 bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those
256.27 bonds, remain outstanding, the commissioner of management and budget must transfer to
256.28 the housing infrastructure bond account established under section 462A.21, subdivision 33,
256.29 the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
256.30 necessary to make the transfers are appropriated from the general fund to the commissioner
256.31 of management and budget.

256.32 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
256.33 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those

257.1 bonds, remain outstanding, the commissioner of management and budget must transfer to
257.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,
257.3 the amount certified under paragraph (a). The amounts necessary to make the transfers are
257.4 appropriated from the general fund to the commissioner of management and budget.

257.5 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
257.6 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those
257.7 bonds, remain outstanding, the commissioner of management and budget must transfer to
257.8 the housing infrastructure bond account established under section 462A.21, subdivision 33,
257.9 the amount certified under paragraph (a). The amounts necessary to make the transfers are
257.10 appropriated from the general fund to the commissioner of management and budget.

257.11 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
257.12 bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those
257.13 bonds, remain outstanding, the commissioner of management and budget must transfer to
257.14 the housing infrastructure bond account established under section 462A.21, subdivision 33,
257.15 the amount certified under paragraph (a). The amounts necessary to make the transfers are
257.16 appropriated from the general fund to the commissioner of management and budget.

257.17 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
257.18 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those
257.19 bonds, remain outstanding, the commissioner of management and budget must transfer to
257.20 the housing infrastructure bond account established under section 462A.21, subdivision 33,
257.21 the amount certified under paragraph (a). The amounts necessary to make the transfers are
257.22 appropriated from the general fund to the commissioner of management and budget.

257.23 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
257.24 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
257.25 bonds, remain outstanding, the commissioner of management and budget must transfer to
257.26 the housing infrastructure bond account established under section 462A.21, subdivision 33,
257.27 the amount certified under paragraph (a). The amounts necessary to make the transfers are
257.28 appropriated from the general fund to the commissioner of management and budget.

257.29 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
257.30 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
257.31 bonds, remain outstanding, the commissioner of management and budget must transfer to
257.32 the housing infrastructure bond account established under section 462A.21, subdivision 33,
257.33 the amount certified under paragraph (a). The amounts necessary to make the transfers are
257.34 appropriated from the general fund to the commissioner of management and budget.

258.1 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
258.2 payments to be made by the state under this section.

258.3 Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.38, subdivision 2, is amended
258.4 to read:

258.5 Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be
258.6 used for:

258.7 (1) development costs;

258.8 (2) rehabilitation;

258.9 (3) land development; ~~and~~

258.10 (4) affordability gap; and

258.11 ~~(4)~~ (5) residential housing, including storm shelters and related community facilities.

258.12 (b) A project funded through this program shall serve households that meet the income
258.13 limits as provided in section 462A.33, subdivision 5, unless a project is intended for the
258.14 purpose outlined in section 462A.02, subdivision 6.

258.15 Sec. 22. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended
258.16 to read:

258.17 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
258.18 meanings given.

258.19 (b) "Eligible project area" means a home rule charter or statutory city located outside
258.20 of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population~~
258.21 ~~exceeding 500; a community that has a combined population of 1,500 residents located~~
258.22 ~~within 15 miles of a home rule charter or statutory city located outside a metropolitan county~~
258.23 ~~as defined in section 473.121, subdivision 4; federally recognized Tribal reservations; or~~
258.24 an area served by a joint county-city economic development authority.

258.25 (c) "Joint county-city economic development authority" means an economic development
258.26 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
258.27 a city and county and excluding those established by the county only.

258.28 (d) "Market rate residential rental properties" means properties that are rented at market
258.29 value, including new modular homes, new manufactured homes, and new manufactured
258.30 homes on leased land or in a manufactured home park, and may include rental developments
258.31 that have a portion of income-restricted units.

259.1 (e) "Qualified expenditure" means expenditures for market rate residential rental
259.2 properties including acquisition of property; construction of improvements; and provisions
259.3 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
259.4 costs.

259.5 Sec. 23. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

259.6 **462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**
259.7 **PROGRAM.**

259.8 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
259.9 Finance Agency may make grants to counties and cities to provide up to 50 percent of the
259.10 capital costs of public infrastructure necessary for an eligible workforce housing development
259.11 project. The commissioner may make a grant award only after determining that nonstate
259.12 resources are committed to complete the project. The nonstate contribution may be cash,
259.13 other committed grant funds, or in kind. In-kind contributions may include the value of the
259.14 site, whether the site is prepared before or after the law appropriating money for the grant
259.15 is enacted.

259.16 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
259.17 meanings given.

259.18 (b) "City" means a statutory or home rule charter city located outside the metropolitan
259.19 area, as defined in section 473.121, subdivision 2.

259.20 (c) "Housing infrastructure" means publicly owned physical infrastructure necessary to
259.21 support housing development projects, including but not limited to sewers, water supply
259.22 systems, utility extensions, streets, wastewater treatment systems, stormwater management
259.23 systems, and facilities for pretreatment of wastewater to remove phosphorus.

259.24 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
259.25 be a single-family or multifamily housing development, and either owner-occupied or rental.
259.26 Housing projects eligible for a grant under this section may also be a manufactured home
259.27 development qualifying for homestead treatment under section 273.124, subdivision 3a.

259.28 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
259.29 soliciting and reviewing applications for grants under this section. At a minimum, a city or
259.30 county must include in its application a resolution of the county board or city council
259.31 certifying that the required nonstate match is available. The commissioner must evaluate
259.32 complete applications for funding for eligible projects to determine that:

260.1 (1) the project is necessary to increase sites available for housing development that will
260.2 provide adequate housing stock for the current or future workforce; and

260.3 (2) the increase in workforce housing will result in substantial public and private capital
260.4 investment in the county or city in which the project would be located.

260.5 (b) The determination of whether to make a grant for a site is within the discretion of
260.6 the commissioner, subject to this section. The commissioner's decisions and application of
260.7 the criteria are not subject to judicial review, except for abuse of discretion.

260.8 Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$30,000
260.9 \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more
260.10 than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for
260.11 multifamily housing with more than four units per building. A county or city may receive
260.12 no more than \$500,000 in two years for one or more housing developments. The \$500,000
260.13 limitation does not apply to use on manufactured housing developments.

260.14 Sec. 24. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

260.15 Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and
260.16 loans to be used for multifamily and single family developments for persons and families
260.17 of low and moderate income. Allowable use of the funds include: gap financing, as defined
260.18 in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition
260.19 or removal of existing structures; construction financing; permanent financing; interest rate
260.20 reduction; and refinancing.

260.21 (b) The agency may give preference for grants and loans to comparable proposals that
260.22 include regulatory changes or waivers that result in identifiable cost avoidance or cost
260.23 reductions, including but not limited to increased density, flexibility in site development
260.24 standards, or zoning code requirements.

260.25 (c) ~~The agency shall separately set aside:~~

260.26 ~~(1) at least ten percent of the financing under this section for housing units located in a~~
260.27 ~~township or city with a population of 2,500 or less that is located outside the metropolitan~~
260.28 ~~area, as defined in section 473.121, subdivision 2;~~

260.29 ~~(2) at least 35 percent of the financing under this section for housing for persons and~~
260.30 ~~families whose income is 50 percent or less of the area median income for the applicable~~
260.31 ~~county or metropolitan area as published by the Department of Housing and Urban~~
260.32 ~~Development, as adjusted for household size; and~~

261.1 ~~(3) at least 25 percent of the financing under this section for single-family housing.~~

261.2 ~~(d) If by September 1 of each year the agency does not receive requests to use all of the~~
261.3 ~~amounts set aside under paragraph (c), the agency may use any remaining financing for~~
261.4 ~~other projects eligible under this section.~~

261.5 Sec. 25. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

261.6 **Subd. 3. Eligible recipients; definitions; restrictions; use of funds.** (a) The agency
261.7 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency
261.8 must not award a grant or a loan to a disqualified individual or disqualified business.

261.9 (b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

261.10 (1) an individual who or an individual whose immediate family member made a
261.11 contribution to the account in the current or prior taxable year and received a credit certificate;

261.12 (2) an individual who or an individual whose immediate family member owns the housing
261.13 for which the grant or loan will be used ~~and is using that housing as their domicile~~;

261.14 (3) an individual who meets the following criteria:

261.15 (i) the individual is an officer or principal of a business entity; and

261.16 (ii) that business entity made a contribution to the account in the current or previous
261.17 taxable year and received a credit certificate; or

261.18 (4) an individual who meets the following criteria:

261.19 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more
261.20 of the outstanding securities of a business entity; and

261.21 (ii) that business entity made a contribution to the account in the current or previous
261.22 taxable year and received a credit certificate.

261.23 (c) For the purposes of this subdivision disqualified business means a business entity
261.24 that:

261.25 (1) made a contribution to the account in the current or prior taxable year and received
261.26 a credit certificate;

261.27 (2) has an officer or principal who is an individual who made a contribution to the
261.28 account in the current or previous taxable year and received a credit certificate; or

261.29 (3) meets the following criteria:

262.1 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20
262.2 percent or more of the outstanding securities by an individual or business entity; and

262.3 (ii) that controlling individual or business entity made a contribution to the account in
262.4 the current or previous taxable year and received a credit certificate.

262.5 (d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be~~
262.6 ~~disqualified either individually or in combination with one or more members of the taxpayer's~~
262.7 ~~family, as defined in the Internal Revenue Code, section 267(c)(4). For purposes of this~~
262.8 ~~subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse,~~
262.9 ~~sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint~~
262.10 ~~return, the limitations in this paragraph subdivision apply collectively to the taxpayer and~~
262.11 ~~spouse. For purposes of determining the ownership interest of a taxpayer under paragraph~~
262.12 ~~(a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code~~
262.13 ~~apply.~~

262.14 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the
262.15 disqualifications under this subdivision do not apply. The Minnesota Housing Finance
262.16 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency
262.17 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

262.18 (f) The agency may award grants or loans to a city as defined in section 462A.03,
262.19 subdivision 21; a federally recognized American Indian tribe or subdivision located in
262.20 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
262.21 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
262.22 authority or agency authorized by law to exercise any of the powers granted by sections
262.23 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
262.24 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible
262.25 recipients apply to grants and loans awarded under this paragraph.

262.26 (g) ~~Except for the set-aside provided in subdivision 2, paragraph (d),~~ Eligible recipients
262.27 must use the funds to serve households that meet the income limits as provided in section
262.28 462A.33, subdivision 5.

262.29 Sec. 26. Minnesota Statutes 2023 Supplement, section 473.145, is amended to read:

262.30 **473.145 DEVELOPMENT GUIDE.**

262.31 (a) The Metropolitan Council must prepare and adopt, after appropriate study and such
262.32 public hearings as may be necessary, a comprehensive development guide for the
262.33 metropolitan area. It must consist of a compilation of policy statements, goals, standards,

263.1 programs, and maps prescribing guides for the orderly and economical development, public
263.2 and private, of the metropolitan area. The comprehensive development guide must recognize
263.3 and encompass physical, social, or economic needs of the metropolitan area and those future
263.4 developments which will have an impact on the entire area including but not limited to such
263.5 matters as land use, climate mitigation and adaptation, parks and open space land needs,
263.6 the necessity for and location of airports, highways, transit facilities, public hospitals,
263.7 libraries, schools, and other public buildings.

263.8 (b) For the purposes of this section, "climate mitigation and adaptation" includes
263.9 mitigation goals and strategies that meet or exceed the greenhouse gas emissions-reduction
263.10 goals established by the state under section 216H.02, subdivision 1, and transportation
263.11 targets established by the commissioner of transportation, including vehicle miles traveled
263.12 reduction targets established in the statewide multimodal transportation plan under section
263.13 174.03, subdivision 1a, as well as plans and policies to address climate adaptation in the
263.14 region. The commissioner of transportation must consult with the Metropolitan Council on
263.15 transportation targets prior to establishing the targets.

263.16 (c) Notwithstanding any other provision of law, no decision adopting or authorizing a
263.17 comprehensive plan shall be subject to the requirements of chapter 116D. Nothing in this
263.18 paragraph exempts individual projects, as defined by Minnesota Rules, part 4410.0200,
263.19 subpart 65, from the requirements of chapter 116D and applicable rules.

263.20 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
263.21 final enactment and applies to all comprehensive plans and amendments adopted by any
263.22 local governmental unit, as defined under Minnesota Statutes, section 473.852, subdivision
263.23 7, and authorized by the Metropolitan Council during the most recent decennial review
263.24 under Minnesota Statutes, section 473.864, and for subsequent reviews under Minnesota
263.25 Statutes, section 473.864, thereafter. This section applies in the counties of Anoka, Carver,
263.26 Dakota, Hennepin, Ramsey, Scott, and Washington.

263.27 Sec. 27. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended
263.28 to read:

263.29 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
263.30 meanings given:

263.31 ~~(+)~~ (b) "City distribution factor" means the number of households in a tier I city that are
263.32 cost-burdened divided by the total number of households that are cost-burdened in tier I
263.33 cities. The number of cost-burdened households shall be determined using the most recent

264.1 estimates or experimental estimates provided by the American Community Survey of the
264.2 United States Census Bureau as of May 1 of the aid calculation year;

264.3 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent
264.4 or more of household income or in which homeownership costs are 30 percent or more of
264.5 household income;

264.6 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that
264.7 are cost-burdened divided by the total number of households in metropolitan counties that
264.8 are cost-burdened. The number of cost-burdened households shall be determined using the
264.9 most recent estimates or experimental estimates provided by the American Community
264.10 Survey of the United States Census Bureau as of May 1 of the aid calculation year;

264.11 (e) "Locally funded housing expenditures" means expenditures of the aid recipient,
264.12 including expenditures by a public corporation or legal entity created by the aid recipient,
264.13 that are:

264.14 (1) funded from the recipient's general fund, a property tax levy of the recipient or its
264.15 housing and redevelopment authority, or unrestricted money available to the recipient, but
264.16 not including tax increments; and

264.17 (2) expended on one of the following qualifying activities:

264.18 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax
264.19 payments;

264.20 (ii) support services, case management services, and legal services for residents in arrears
264.21 on rent, mortgage, utilities, or property tax payments;

264.22 (iii) down payment assistance or homeownership education, counseling, and training;

264.23 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,
264.24 and infrastructure of residential dwellings;

264.25 (v) costs of operating emergency shelter, transitional housing, supportive housing, or
264.26 publicly owned housing, including costs of providing case management services and support
264.27 services; and

264.28 (vi) rental assistance.

264.29 ~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

264.30 ~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

264.31 ~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

265.1 ~~(7)~~(i) "Tier I city" means a statutory or home rule charter city that is a city of the first,
265.2 second, or third class and is located in a metropolitan county.

265.3 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

265.4 Sec. 28. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended
265.5 to read:

265.6 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

265.7 (1) emergency rental assistance for households earning less than 80 percent of area
265.8 median income as determined by the United States Department of Housing and Urban
265.9 Development;

265.10 (2) financial support to nonprofit affordable housing providers in their mission to provide
265.11 safe, dignified, affordable and supportive housing; ~~and~~

265.12 (3) projects designed for the purpose of construction, acquisition, rehabilitation,
265.13 demolition or removal of existing structures, construction financing, permanent financing,
265.14 interest rate reduction, refinancing, and gap financing of housing to provide affordable
265.15 housing to households that have incomes which do not exceed, for homeownership projects,
265.16 115 percent of the greater of state or area median income as determined by the United States
265.17 Department of Housing and Urban Development, and for rental housing projects, 80 percent
265.18 of the greater of state or area median income as determined by the United States Department
265.19 of Housing and Urban Development, except that the housing developed or rehabilitated
265.20 with funds under this section must be affordable to the local work force;

265.21 (4) financing the operations and management of financially distressed residential
265.22 properties;

265.23 (5) funding of supportive services or staff of supportive services providers for supportive
265.24 housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing
265.25 providers to finance supportive housing operations may be awarded as a capitalized reserve
265.26 or as an award of ongoing funding; and

265.27 (6) costs of operating emergency shelter facilities, including the costs of providing
265.28 services.

265.29 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable
265.30 housing to households that have incomes which do not exceed, for homeownership projects,
265.31 80 percent of the greater of state or area median income as determined by the United States
265.32 Department of Housing and Urban Development, and for rental housing projects, 50 percent

266.1 of the greater of state or area median income as determined by the United States Department
266.2 of Housing and Urban Development. Priority may be given to projects that: reduce disparities
266.3 in home ownership; reduce housing cost burden, housing instability, or homelessness;
266.4 improve the habitability of homes; create accessible housing; or create more energy- or
266.5 water-efficient homes.

266.6 ~~(b)~~ (c) Gap financing is either:

266.7 (1) the difference between the costs of the property, including acquisition, demolition,
266.8 rehabilitation, and construction, and the market value of the property upon sale; or

266.9 (2) the difference between the cost of the property and the amount the targeted household
266.10 can afford for housing, based on industry standards and practices.

266.11 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,
266.12 the cleared land must be used for the construction of housing to be owned or rented by
266.13 persons who meet the income limits of paragraph (a).

266.14 ~~(d)~~ (e) If an aid recipient uses the aid on new construction ~~or substantial rehabilitation~~
266.15 of a building containing more than four units, the loan recipient must construct, convert, or
266.16 otherwise adapt the building to include:

266.17 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
266.18 accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility~~
266.19 ~~Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes
266.20 at least one roll-in shower, water closet, and kitchen work surface meeting the requirements
266.21 of section 1002 of the current State Building Code Accessibility Provisions for Dwelling
266.22 Units in Minnesota; and

266.23 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
266.24 sensory-accessible units that include:

266.25 (A) soundproofing between shared walls for first and second floor units;

266.26 (B) no florescent lighting in units and common areas;

266.27 (C) low-fume paint;

266.28 (D) low-chemical carpet; and

266.29 (E) low-chemical carpet glue in units and common areas.

266.30 Nothing in this paragraph relieves a project funded by this section from meeting other
266.31 applicable accessibility requirements.

267.1 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

267.2 Sec. 29. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended
267.3 to read:

267.4 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on
267.5 a qualifying project. Funds are considered spent on a qualifying project if:

267.6 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that
267.7 the city or county cannot expend funds on a qualifying project by the deadline imposed by
267.8 paragraph (b) due to factors outside the control of the city or county; and

267.9 (2) the funds are transferred to a local housing trust fund.

267.10 Funds transferred to a local housing trust fund under this paragraph must be spent on a
267.11 project or household that meets the affordability requirements of subdivision 4, paragraph
267.12 (a).

267.13 (b) Funds must be spent by December 31 in the third year following the year after the
267.14 aid was received. The requirements of this paragraph are satisfied if funds are:

267.15 (1) committed to a qualifying project by December 31 in the third year following the
267.16 year after the aid was received; and

267.17 (2) expended by December 31 in the fourth year following the year after the aid was
267.18 received.

267.19 (c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

267.20 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

267.21 Sec. 30. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a
267.22 subdivision to read:

267.23 Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section,
267.24 a recipient must commit to using funds to supplement, not supplant, existing locally funded
267.25 housing expenditures, so that the recipient is using the funds to create new or to expand
267.26 existing housing programs.

267.27 (b) In the annual report required under subdivision 6, a recipient must certify its
267.28 compliance with this subdivision, including an accounting of locally funded housing
267.29 expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota
267.30 Housing Finance Agency, it must document its locally funded housing expenditures in the
267.31 two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures,

268.1 the recipient must detail the expenditure, the amount of the reduction, and the reason for
268.2 the reduction. The certification required under this paragraph must be made available publicly
268.3 on the website of the recipient.

268.4 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

268.5 Sec. 31. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended
268.6 to read:

268.7 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount
268.8 of aid payable to each tier I city and county under this section. By August 1 of each year,
268.9 the commissioner must certify the distribution factors of each tier I city and county to be
268.10 used in the following year. The commissioner must pay local affordable housing aid annually
268.11 at the times provided in section 477A.015, distributing the amounts available on the
268.12 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions
268.13 2 and 3.

268.14 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later
268.15 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must
268.16 include documentation of the location of any unspent funds distributed under this section
268.17 and of qualifying projects completed or planned with funds under this section. If a tier I
268.18 city or county fails to submit a report, if a tier I city or county fails to spend funds within
268.19 the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses
268.20 funds for a project that does not qualify under this section, or if a tier I city or county fails
268.21 to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall
268.22 notify the Department of Revenue and the cities and counties that must repay funds under
268.23 paragraph (c) by February 15 of the following year.

268.24 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a
268.25 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or
268.26 county received under this section if the city or county:

268.27 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

268.28 (2) spends the funds on anything other than a qualifying project; ~~or~~

268.29 (3) fails to submit a report documenting use of the funds; or

268.30 (4) fails to meet the requirements of subdivision 5a.

268.31 (d) The commissioner of revenue must stop distributing funds to a tier I city or county
268.32 that requests in writing that the commissioner stop payment or that, in three consecutive

269.1 years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to
269.2 have failed to use funds, misused funds, or failed to report on its use of funds. A request to
269.3 stop payment under this paragraph must be submitted to the commissioner in the form and
269.4 manner prescribed by the commissioner on or before May 1 of the aids payable year the
269.5 aid recipient wants the commissioner to stop payment of aid. The commissioner shall not
269.6 stop payment based on a request received after May 1 until the next aids payable year.

269.7 (e) The commissioner may resume distributing funds to a tier I city or county to which
269.8 the commissioner has stopped payments in the year following the August 1 after the
269.9 Minnesota Housing Finance Agency certifies that the city or county has submitted
269.10 documentation of plans for a qualifying project. The commissioner may resume distributing
269.11 funds to a tier I city or county to which the commissioner has stopped payments at the
269.12 request of the city or county in the year following the August 1 after the Minnesota Housing
269.13 Finance Agency certifies that the city or county has submitted documentation of plans for
269.14 a qualifying project.

269.15 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph
269.16 (c) must be deposited in the housing development fund. Funds deposited under this paragraph
269.17 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use
269.18 on the family homeless prevention and assistance program under section 462A.204, the
269.19 economic development and housing challenge program under section 462A.33, and the
269.20 workforce and affordable homeownership development program under section 462A.38.

269.21 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

269.22 Sec. 32. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 1, as amended
269.23 by Laws 2024, chapter 76, section 4, is amended to read:

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

269.26 ~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are
269.27 cost-burdened divided by the total number of households that are cost-burdened in Minnesota
269.28 tier I cities. The number of cost-burdened households shall be determined using the most
269.29 recent estimates or experimental estimates provided by the American Community Survey
269.30 of the United States Census Bureau as of May 1 of the aid calculation year;

269.31 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent
269.32 or more of household income or in which homeownership costs are 30 percent or more of
269.33 household income;

270.1 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that
270.2 are cost-burdened divided by the total number of households in Minnesota that are
270.3 cost-burdened. The number of cost-burdened households shall be determined using the most
270.4 recent estimates or experimental estimates provided by the American Community Survey
270.5 of the United States Census Bureau as of May 1 of the aid calculation year;

270.6 ~~(4)~~ (e) "Eligible Tribal Nation" means any of the 11 federally recognized Indian Tribes
270.7 located in Minnesota which submit an application under subdivision 6, paragraph (g);

270.8 (f) "Locally funded housing expenditures" means expenditures of the aid recipient,
270.9 including expenditures by a public corporation or legal entity created by the aid recipient,
270.10 that are:

270.11 (1) funded from the recipient's general fund, a property tax levy of the recipient or its
270.12 housing and redevelopment authority, or unrestricted money available to the recipient, but
270.13 not including tax increments; and

270.14 (2) expended on one of the following qualifying activities:

270.15 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax
270.16 payments;

270.17 (ii) support services, case management services, and legal services for residents in arrears
270.18 on rent, mortgage, utilities, or property tax payments;

270.19 (iii) down payment assistance or homeownership education, counseling, and training;

270.20 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,
270.21 and infrastructure of residential dwellings;

270.22 (v) costs of operating emergency shelter, transitional housing, supportive housing, or
270.23 publicly owned housing, including costs of providing case management services and support
270.24 services; and

270.25 (vi) rental assistance.

270.26 ~~(5)~~ (g) "Population" has the meaning given in section 477A.011, subdivision 3;

270.27 ~~(6)~~ (h) "Tier I city" means a statutory or home rule charter city that is a city of the first,
270.28 second, or third class and is not located in a metropolitan county, as defined by section
270.29 473.121, subdivision 4; and.

270.30 ~~(7)~~ (i) "Tier II city" means a statutory or home rule charter city that is a city of the fourth
270.31 class and is not located in a metropolitan county, as defined by section 473.121, subdivision
270.32 4.

271.1 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

271.2 Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 4, is amended
271.3 to read:

271.4 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

271.5 (1) emergency rental assistance for households earning less than 80 percent of area
271.6 median income as determined by the United States Department of Housing and Urban
271.7 Development;

271.8 (2) financial support to nonprofit affordable housing providers in their mission to provide
271.9 safe, dignified, affordable and supportive housing;

271.10 (3) outside the metropolitan counties as defined in section 473.121, subdivision 4,
271.11 development of market rate residential rental properties, as defined in section 462A.39,
271.12 subdivision 2, paragraph (d), if the relevant unit of government submits with the report
271.13 required under subdivision 6 a resolution and supporting documentation showing that the
271.14 area meets the requirements of section 462A.39, subdivision 4, paragraph (a); ~~and~~

271.15 (4) projects designed for the purpose of construction, acquisition, rehabilitation,
271.16 demolition or removal of existing structures, construction financing, permanent financing,
271.17 interest rate reduction, refinancing, and gap financing of housing to provide affordable
271.18 housing to households that have incomes which do not exceed, for homeownership projects,
271.19 115 percent of the greater of state or area median income as determined by the United States
271.20 Department of Housing and Urban Development and, for rental housing projects, 80 percent
271.21 of the greater of state or area median income as determined by the United States Department
271.22 of Housing and Urban Development, except that the housing developed or rehabilitated
271.23 with funds under this section must be affordable to the local work force;

271.24 (5) financing the operations and management of financially distressed residential
271.25 properties;

271.26 (6) funding of supportive services or staff of supportive services providers for supportive
271.27 housing as defined in section 462A.37, subdivision 1. Financial support to nonprofit housing
271.28 providers to finance supportive housing operations may be awarded as a capitalized reserve
271.29 or as an award of ongoing funding; and

271.30 (7) costs of operating emergency shelter facilities, including the costs of providing
271.31 services.

272.1 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable
272.2 housing to households that have incomes that do not exceed, for homeownership projects,
272.3 80 percent of the greater of state or area median income as determined by the United States
272.4 Department of Housing and Urban Development, and for rental housing projects, 50 percent
272.5 of the greater of state or area median income as determined by the United States Department
272.6 of Housing and Urban Development. Priority may be given to projects that: reduce disparities
272.7 in home ownership; reduce housing cost burden, housing instability, or homelessness;
272.8 improve the habitability of homes; create accessible housing; or create more energy- or
272.9 water-efficient homes.

272.10 ~~(b)~~ (c) Gap financing is either:

272.11 (1) the difference between the costs of the property, including acquisition, demolition,
272.12 rehabilitation, and construction, and the market value of the property upon sale; or

272.13 (2) the difference between the cost of the property and the amount the targeted household
272.14 can afford for housing, based on industry standards and practices.

272.15 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,
272.16 the cleared land must be used for the construction of housing to be owned or rented by
272.17 persons who meet the income limits of paragraph (a).

272.18 ~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation
272.19 of a building containing more than four units, the loan recipient must construct, convert, or
272.20 otherwise adapt the building to include:

272.21 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
272.22 accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility~~
272.23 ~~Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes
272.24 at least one roll-in shower, water closet, and kitchen work surface meeting the requirements
272.25 of section 1002 of the current State Building Code Accessibility Provisions for Dwelling
272.26 Units in Minnesota; and

272.27 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
272.28 sensory-accessible units that include:

272.29 (A) soundproofing between shared walls for first and second floor units;

272.30 (B) no florescent lighting in units and common areas;

272.31 (C) low-fume paint;

272.32 (D) low-chemical carpet; and

273.1 (E) low-chemical carpet glue in units and common areas.

273.2 Nothing in this paragraph relieves a project funded by this section from meeting other
273.3 applicable accessibility requirements.

273.4 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

273.5 Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 5, is amended
273.6 to read:

273.7 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on
273.8 a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance
273.9 Agency that the tier I city or county cannot expend funds on a qualifying project by the
273.10 deadline imposed by paragraph (b) due to factors outside the control of the tier I city or
273.11 county, funds shall be considered spent on a qualifying project if the funds are transferred
273.12 to a local housing trust fund. Funds transferred to a local housing trust fund must be spent
273.13 on a project or household that meets the affordability requirements of subdivision 4,
273.14 paragraph (a).

273.15 (b) ~~Any funds must be returned to the commissioner of revenue if the funds are not spent~~
273.16 ~~by December 31 in the third year following the year after the aid was received.~~ Funds must
273.17 be spent by December 31 in the third year following the year after the aid was received.
273.18 The requirements of this paragraph are satisfied if funds are:

273.19 (1) committed to a qualifying project by December 31 in the third year following the
273.20 year after the aid was received; and

273.21 (2) expended by December 31 in the fourth year following the year after the aid was
273.22 received.

273.23 (c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

273.24 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

273.25 Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.36, is amended by adding a
273.26 subdivision to read:

273.27 Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section,
273.28 a recipient must commit to using money to supplement, not supplant, existing locally funded
273.29 housing expenditures, so that the recipient is using the funds to create new or to expand
273.30 existing housing programs.

274.1 (b) In the annual report required under subdivision 6, a recipient must certify compliance
274.2 with this subdivision, including an accounting of locally funded housing expenditures in
274.3 the prior fiscal year. In an aid recipient's first report to the Minnesota Housing Finance
274.4 Agency, the aid recipient must document its locally funded housing expenditures in the two
274.5 prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the
274.6 recipient must detail the expenditure, the amount of the reduction, and the reason for the
274.7 reduction. The certification required under this paragraph must be made available publicly
274.8 on the recipient's website.

274.9 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

274.10 Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 6, as amended
274.11 by Laws 2024, chapter 76, section 5, is amended to read:

274.12 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount
274.13 of aid payable to each aid recipient under this section. Beginning with aids payable in
274.14 calendar year 2024, before computing the amount of aid for counties and after receiving
274.15 the report required by subdivision 3, paragraph (e), the commissioner shall compute the
274.16 amount necessary to increase the amount in the account or accounts established under that
274.17 paragraph to \$1,250,000. The amount calculated under the preceding sentence shall be
274.18 deducted from the amount available to counties for the purposes of certifying the amount
274.19 of aid to be paid to counties in the following year. By August 1 of each year, the
274.20 commissioner must certify the amount to be paid to each tier I city and county in the
274.21 following year. The commissioner must pay statewide local housing aid to tier I cities and
274.22 counties annually at the times provided in section 477A.015. Before paying the first
274.23 installment of aid annually, the commissioner of revenue shall transfer to the Minnesota
274.24 Housing Finance Agency from the funds available for counties, for deposit in the account
274.25 or accounts established under subdivision 3, paragraph (e), the amount computed in the
274.26 prior year to be necessary to increase the amount in the account or accounts established
274.27 under that paragraph to \$1,250,000.

274.28 (b) Beginning in 2025, aid recipients shall submit a report annually, no later than
274.29 December 1 of each year, to the Minnesota Housing Finance Agency. The report shall
274.30 include documentation of the location of any unspent funds distributed under this section
274.31 and of qualifying projects completed or planned with funds under this section. If an aid
274.32 recipient fails to submit a report, fails to spend funds within the timeline imposed under
274.33 subdivision 5, paragraph (b), ~~or~~ uses funds for a project that does not qualify under this
274.34 section, or if an aid recipient fails to meet the requirements of subdivision 5a, the Minnesota

275.1 Housing Finance Agency shall notify the Department of Revenue and the aid recipient must
275.2 repay funds under paragraph (c) by February 15 of the following year.

275.3 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an
275.4 aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient
275.5 received under this section if the aid recipient:

275.6 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

275.7 (2) spends the funds on anything other than a qualifying project; ~~or~~

275.8 (3) fails to submit a report documenting use of the funds; or

275.9 (4) fails to meet the requirements of subdivision 5a.

275.10 (d) The commissioner of revenue must stop distributing funds to an aid recipient that
275.11 requests in writing that the commissioner stop payment or that the Minnesota Housing
275.12 Finance Agency reports to have, in three consecutive years, failed to use funds, misused
275.13 funds, or failed to report on its use of funds. A request to stop payment under this paragraph
275.14 must be submitted to the commissioner in the form and manner prescribed by the
275.15 commissioner on or before May 1 of the year prior to the aids payable year in which the
275.16 aid recipient wants the commissioner to stop payment of aid. The commissioner shall not
275.17 stop payment based on a request received after May 1 until aids payable based on certification
275.18 in the following calendar year.

275.19 (e) The commissioner may resume distributing funds to an aid recipient to which the
275.20 commissioner has stopped payments in the year following the August 1 after the Minnesota
275.21 Housing Finance Agency certifies that the city or county has submitted documentation of
275.22 plans for a qualifying project. The commissioner may resume distributing funds to an aid
275.23 recipient to which the commissioner has stopped payments at the request of the recipient
275.24 in the year following the August 1 after the Minnesota Housing Finance Agency certifies
275.25 that the recipient has submitted documentation of plans for a qualifying project.

275.26 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph
275.27 (c) must be deposited in the housing development fund. Funds deposited under this paragraph
275.28 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use
275.29 on the family homeless prevention and assistance program under section 462A.204, the
275.30 economic development and housing challenge program under section 462A.33, and the
275.31 workforce and affordable homeownership development program under section 462A.38.

275.32 (g) An eligible Tribal Nation may choose to receive an aid distribution under this section
275.33 by submitting an application under this subdivision. An eligible Tribal Nation which has

276.1 not received a distribution in a prior aids payable year may elect to begin participation in
 276.2 the program by submitting an application in the manner and form prescribed by the
 276.3 commissioner of revenue by January 15 of the aids payable year. In order to receive a
 276.4 distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most
 276.5 recent estimate of the total number of enrolled members of the eligible Tribal Nation. The
 276.6 information must be annually certified by March 1 in the form prescribed by the
 276.7 commissioner of revenue. The commissioner of revenue must annually calculate and certify
 276.8 the amount of aid payable to each eligible Tribal Nation on or before August 1 of the aids
 276.9 payable year. The commissioner of revenue must pay statewide local housing aid to eligible
 276.10 Tribal Nations annually by December 27 of the year the aid is certified.

276.11 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

276.12 Sec. 37. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

276.13 Subd. 32. **Northland Foundation** 1,000,000 -0-

276.14 This appropriation is for a grant to Northland
 276.15 Foundation for use on expenditures authorized
 276.16 under Minnesota Statutes, section 462C.16,
 276.17 subdivision 3, to assist and support
 276.18 communities in providing housing locally, and
 276.19 ~~on~~ for assisting local governments to establish
 276.20 local or regional housing trust funds.
 276.21 Northland Foundation may award grants and
 276.22 loans to other entities to expend on authorized
 276.23 expenditures under this section. This
 276.24 appropriation is onetime and available until
 276.25 June 30, 2025.

276.26 Sec. 38. Laws 2023, chapter 37, article 2, section 6, subdivision 1, is amended to read:

276.27 Subdivision 1. **Establishment.** The Minnesota Housing Finance Agency shall establish
 276.28 a community stabilization program to provide grants or loans to preserve naturally occurring
 276.29 affordable housing ~~through acquisition or rehabilitation~~ and support recapitalization of
 276.30 distressed buildings.

277.1 Sec. 39. Laws 2023, chapter 37, article 2, section 6, subdivision 2, is amended to read:

277.2 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
277.3 meanings given.

277.4 (b) "Naturally occurring affordable housing" means:

277.5 (1) multiunit rental housing that:

277.6 (i) is at least 20 years old;

277.7 (ii) has rents in a majority of units that are affordable to households at or below 60
277.8 percent of the greater of state or area median income as determined by the United States
277.9 Department of Housing and Urban Development; and

277.10 (iii) does not currently have federal or state financing or tax credits that require income
277.11 or rent restrictions, except for public housing, as defined in Section 9 of the Housing Act
277.12 of 1937, that is part of a mixed-finance community; or

277.13 ~~(2) owner-occupied housing located in communities where market pressures or significant~~
277.14 ~~deferred rehabilitation needs, as defined by the agency, create opportunities for displacement~~
277.15 ~~or the loss of owner-occupied housing affordable to households at or below 115 percent of~~
277.16 ~~the greater of state or area median income as determined by the United States Department~~
277.17 ~~of Housing and Urban Development.~~

277.18 (2) single-family housing that is:

277.19 (i) one to four units;

277.20 (ii) located in communities where market pressures or significant deferred rehabilitation
277.21 needs, as defined by the agency, create opportunities for displacement or the loss of
277.22 owner-occupied or single-family rental housing; and

277.23 (iii) affordable to owner-occupied households at or below 115 percent or rental
277.24 households at or below 80 percent of the greater of state or area median income as determined
277.25 by the United States Department of Housing and Urban Development.

277.26 (c) "Distressed building" means an existing rental housing building in which the units
277.27 are restricted to households at or below 60 percent of the area median income and that:

277.28 (1) is at imminent risk of foreclosure, closure, or sale that would result in permanent
277.29 loss of affordability;

277.30 (2) has two or more years of negative net operating income, exclusive of financial or
277.31 in-kind operating support from the owner of the property;

278.1 (3) has two or more years with a debt service coverage ratio less than one; or

278.2 (4) has necessary costs of repair, replacement, or maintenance that exceed the project
278.3 reserves available for those purposes.

278.4 (d) "Recapitalization" means financing for the physical and financial needs of a distressed
278.5 building, including restructuring and forgiveness of amortizing and deferred debt, principal
278.6 and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment
278.7 forbearance, deferred maintenance and rehabilitation, funding of reserves, and property
278.8 operating costs including but not limited to supportive services, security services, and
278.9 property insurance. Recapitalization may include financing to sell or transfer ownership of
278.10 a property to a qualified owner that will commit to long-term affordability as determined
278.11 by the commissioner.

278.12 Sec. 40. Laws 2023, chapter 37, article 2, section 6, subdivision 4, is amended to read:

278.13 Subd. 4. **Eligible uses.** (a) The program shall provide grants or loans for the purpose of
278.14 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support
278.15 the preservation of naturally occurring affordable housing or recapitalization of distressed
278.16 buildings.

278.17 (b) When awarding grants or loans for the acquisition or rehabilitation of naturally
278.18 occurring affordable housing, priority in funding shall be given to proposals that serve
278.19 lower-income households and maintain longer periods of affordability. Funding may be
278.20 used to acquire single-family rental housing that is intended to be converted to affordable
278.21 homeownership.

278.22 (c) When awarding grants or loans for the recapitalization of distressed buildings, to the
278.23 extent practicable, priority in funding shall be given to the following:

278.24 (1) buildings where residents are at or below 30 percent of the area median income;

278.25 (2) buildings at imminent risk of foreclosure, closure, or sale that would result in
278.26 permanent loss of affordability;

278.27 (3) operators who have a path to achieve neutral or positive net operating income within
278.28 five years;

278.29 (4) operators who keep subject properties affordable; and

278.30 (5) buildings that are not eligible or not prioritized for other agency programs.

278.31 (d) The agency may establish funding limits per eligible recipient and require priority
278.32 rankings of eligible recipient proposals.

279.1 (e) Funds may not be used for publicly owned housing.

279.2 Sec. 41. Laws 2023, chapter 37, article 2, section 6, subdivision 5, is amended to read:

279.3 Subd. 5. ~~Owner-occupied~~ **Single-family housing income limits.** Households served
279.4 through grants or loans related to ~~owner-occupied~~ single-family housing must have, at initial
279.5 occupancy, income that is at or below 115 percent of the greater of state or area median
279.6 income as determined by the United States Department of Housing and Urban Development.

279.7 Sec. 42. Laws 2023, chapter 37, article 2, section 6, is amended by adding a subdivision
279.8 to read:

279.9 Subd. 6a. **Private lender participation.** Prior to the commissioner executing a grant or
279.10 loan agreement for recapitalization of private debt, a project owner must demonstrate
279.11 receiving a meaningful amount, as determined by the commissioner, of restructuring and
279.12 forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate
279.13 write-down, deferral of debt payments, and mortgage payment forbearance from a private
279.14 lender.

279.15 Sec. 43. Laws 2023, chapter 37, article 2, section 6, is amended by adding a subdivision
279.16 to read:

279.17 Subd. 9. **Report.** By February 15, 2025, and February 15, 2026, the commissioner shall
279.18 submit a report to the chairs and ranking minority members of the legislative committees
279.19 having jurisdiction over housing and homelessness. The report must include the number of
279.20 applications received, the amount of funding requested, the grants awarded, and the number
279.21 of affordable housing units preserved through awards under this section.

279.22 Sec. 44. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

279.23 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"
279.24 means an individual:

279.25 (1) whose income is at or below 130 percent of area median income;

279.26 ~~(2) who resides in a census tract where at least 60 percent of occupied housing units are~~
279.27 ~~renter-occupied, based on the most recent estimates or experimental estimates provided by~~
279.28 ~~the American Community Survey of the United States Census Bureau;~~

279.29 ~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free,
279.30 fee-based mortgage; and

280.1 ~~(4)~~(3) who is a first-time homebuyer as defined by Code of Federal Regulations, title
280.2 24, section 92.2.

280.3 Sec. 45. Laws 2023, chapter 52, article 19, section 120, is amended to read:

280.4 Sec. 120. **EFFECTIVE DATE.**

280.5 Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January
280.6 1, 2024, and applies to cases filed before, on, or after that date.

280.7 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

280.8 Sec. 46. **SINGLE-EGRESS STAIRWAY APARTMENT BUILDING REPORT.**

280.9 The commissioner of labor and industry must evaluate conditions under which apartment
280.10 buildings with a single means of egress above three stories up to 75 feet would achieve life
280.11 safety outcomes equal to or superior to currently adopted codes. The commissioner must
280.12 use research techniques that include smoke modeling, egress modeling, an analysis of fire
280.13 loss history in jurisdictions that have already adopted similar provisions, and interviews
280.14 with fire services regarding fire suppression and rescue techniques in such buildings. The
280.15 commissioner shall consult with relevant stakeholders, including but not limited to the
280.16 Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association, Fire
280.17 Marshals Association of Minnesota, Association of Minnesota Building Officials, Housing
280.18 First Minnesota, Center for Building in North America, and faculty from the relevant
280.19 department of a university which grants degrees in fire protection engineering. In addition,
280.20 the commissioner must also contextualize the life safety outcomes from the single-egress
280.21 evaluation to life safety outcomes in other types of housing. The commissioner may contract
280.22 with external experts or an independent third party to develop the report and perform other
280.23 functions required of the commissioner under this section. The report must include
280.24 recommendations for code updates for the single-egress buildings evaluated in this section.
280.25 By December 31, 2025, the commissioner must report on the findings to the chairs and
280.26 ranking minority members of the legislative committees with jurisdiction over housing and
280.27 state building codes.

280.28 Sec. 47. **LOCALLY FUNDED HOUSING EXPENDITURE REPORT.**

280.29 By February 15, 2027, the commissioner of the Minnesota Housing Finance Agency
280.30 shall report to the chairs and ranking minority members of the legislative policy and finance
280.31 committees with jurisdiction over housing and taxes, on the reports received on locally

281.1 funded housing expenditures as required under Minnesota Statutes, sections 477A.35,
281.2 subdivision 5a, and 477A.36, subdivision 5a.

281.3 Sec. 48. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND**
281.4 **HOMEOWNERS ASSOCIATIONS.**

281.5 Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence
281.6 and impact of common interest communities (CICs) and homeowners associations (HOAs)
281.7 in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and
281.8 tenants access safe and affordable housing. The working group shall study:

281.9 (1) how many CICs and HOAs exist, how many people may reside in those housing
281.10 units, and where they are located in the state;

281.11 (2) the governing documents commonly used by CICs and HOAs and whether the
281.12 governing documents or common practices create barriers for participation by homeowners
281.13 in the board of directors for CICs or HOAs;

281.14 (3) the fees and costs commonly associated with CICs and HOAs and how those fees
281.15 have increased, including the cost of outside management, accounting, and attorney fees
281.16 that are assessed to owners and residents;

281.17 (4) whether there should be uniform, statutory standards regarding fees, fines, and costs
281.18 assessed to residents;

281.19 (5) how the organization and management of CICs and HOAs, including boards and
281.20 management companies, impact the affordability of CICs and HOAs;

281.21 (6) the impact of CICs and HOAs on the housing market and housing costs;

281.22 (7) the racial disparity in homeownership as it relates to CICs and HOAs;

281.23 (8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

281.24 (9) how other states regulate CICs and HOAs and best practices related to board
281.25 transparency, dispute resolution, and foreclosures; and

281.26 (10) how the current laws governing CICs and HOAs may be consolidated and reformed
281.27 for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

281.28 (b) The focus and duties of the working group shall be to recommend legislative reforms
281.29 or other methods to regulate CICs and HOAs, including the consolidation or recodification
281.30 of existing chapters regulating CICs and HOAs.

281.31 Subd. 2. **Membership.** (a) The working group shall consist of the following:

- 282.1 (1) two members of the house of representatives, one appointed by the speaker of the
282.2 house and one appointed by the minority leader;
- 282.3 (2) two members of the senate, one appointed by the senate majority leader and one
282.4 appointed by the senate minority leader;
- 282.5 (3) one member from the Minnesota Homeownership Center;
- 282.6 (4) one member from the Community Associations Institute;
- 282.7 (5) one member from a business association that supports, educates, or provides services
282.8 to CICs and HOAs in Minnesota designated by the commissioner of commerce;
- 282.9 (6) one member from a legal aid association familiar with housing laws and representing
282.10 low-income clients designated by Mid-Minnesota Legal Assistance;
- 282.11 (7) one member from the Minnesota Association of Realtors;
- 282.12 (8) one member who is an attorney who regularly works advising homeowners or
282.13 residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the
282.14 State Bar Association;
- 282.15 (9) one member who is an attorney who regularly works advising CIC and HOA boards
282.16 designated by the State Bar Association;
- 282.17 (10) one member from a metropolitan area government who is familiar with issues
282.18 homeowners and tenants face while living in CICs and HOAs in the metropolitan area
282.19 designated by League of Minnesota Cities;
- 282.20 (11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's
282.21 designee;
- 282.22 (12) one member from the attorney general's office designated by the attorney general;
- 282.23 (13) one member designated by the North Country Cooperative Foundation and one
282.24 member to be designated by the Senior Housing Cooperative Council;
- 282.25 (14) four members who are current or recent owners of a residence that is part of a CIC
282.26 or HOA designated by the Housing Justice Center.
- 282.27 (b) Appointments and designations for members of the working group shall be made by
282.28 July 1, 2024, and information about the appointed and designated members shall be provided
282.29 by the commissioner of housing finance to the chairs and ranking minority members of the
282.30 legislative committees with jurisdiction over housing no later than July 1, 2024.

283.1 Subd. 3. **Facilitation; organization; meetings.** (a) The Legislative Coordinating
283.2 Commission shall facilitate the working group, provide administrative assistance, and
283.3 convene the first meeting by July 15, 2024. Members of the working group may receive
283.4 compensation and reimbursement for expenses as authorized by Minnesota Statutes, section
283.5 15.059, subdivision 3.

283.6 (b) The working group must meet at regular intervals as often as necessary to accomplish
283.7 the goals enumerated under subdivision 1. Meetings of the working group are subject to the
283.8 Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

283.9 Subd. 4. **External consultation.** The working group shall consult with other individuals
283.10 and organizations that have expertise and experience that may assist the working group in
283.11 fulfilling its responsibilities, including entities engaging in additional external stakeholder
283.12 input from those with experience living in CICs and HOAs as well as working with the
283.13 board of directors for CICs and HOAs.

283.14 Subd. 5. **Report required.** The working group shall submit a final report by February
283.15 1, 2025, to the chairs and ranking minority members of the legislative committees with
283.16 jurisdiction over housing finance and policy, commerce, and real property. The report shall
283.17 include recommendations and draft legislation based on the duties and focus for the working
283.18 group provided in subdivision 1.

283.19 Subd. 6. **Expiration.** The working group expires upon submission of the final report in
283.20 subdivision 5, or February 28, 2025, whichever is later.

283.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
283.22 expires March 1, 2025.

283.23 Sec. 49. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE**
283.24 **HOUSING.**

283.25 Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide
283.26 recommendations relating to affordable housing sustainability, including displacement of
283.27 tenants, preservation of housing previously developed with public financing, and long-term
283.28 sustainability of new housing developments.

283.29 Subd. 2. **Membership.** (a) The task force consists of the following members:

283.30 (1) three members appointed by the commissioner of housing;

283.31 (2) one member with expertise in insurance regulation appointed by the commissioner
283.32 of commerce;

- 284.1 (3) one member from a county that participates in the Interagency Stabilization Group
284.2 appointed by the Association of Minnesota Counties;
- 284.3 (4) one member from a greater Minnesota county appointed by the Association of
284.4 Minnesota Counties;
- 284.5 (5) one member with experience developing affordable rental housing appointed by the
284.6 Metropolitan Consortium of Community Developers;
- 284.7 (6) one member with experience in operating affordable rental housing appointed by
284.8 the Metropolitan Consortium of Community Developers;
- 284.9 (7) one member of the Minnesota Housing Partnership who has experience developing
284.10 affordable rental housing;
- 284.11 (8) one member of the Minnesota Housing Partnership who has experience operating
284.12 affordable rental housing;
- 284.13 (9) one member of the Minnesota Housing Partnership who has experience developing
284.14 and operating affordable rental housing in greater Minnesota;
- 284.15 (10) one member with experience developing or operating for-profit affordable housing
284.16 appointed by the Minnesota Multi-Housing Association;
- 284.17 (11) one member appointed by the Family Housing Fund;
- 284.18 (12) one member appointed by the Greater Minnesota Housing Fund;
- 284.19 (13) one member with experience in multifamily affordable housing lending appointed
284.20 by the Minnesota Bankers Association;
- 284.21 (14) one member appointed by the Insurance Federation of Minnesota;
- 284.22 (15) one member appointed by the Twin Cities United Way;
- 284.23 (16) one member appointed by the speaker of the house;
- 284.24 (17) one member appointed by the house minority leader;
- 284.25 (18) one member appointed by the senate majority leader; and
- 284.26 (19) one member appointed by the senate minority leader.
- 284.27 (b) The appointing authorities must make the appointments by June 15, 2024.
- 284.28 Subd. 3. **Duties.** (a) The task force must assess underlying financial challenges to develop,
284.29 operate, and preserve safe, affordable, and dignified housing, including;

285.1 (1) factors that are leading to increasing operating costs for affordable housing providers,
285.2 including insurance availability and rates, labor costs, and security costs;

285.3 (2) factors that are leading to declining revenues for affordable housing providers, such
285.4 as loss of rent and vacancy issues; and

285.5 (3) the potential impact of the loss of housing units under current conditions, including
285.6 preservation needs of federally rent-assisted properties and tax credit developments with
285.7 expiring contracts.

285.8 (b) The task force must evaluate current financing and administrative tools to develop,
285.9 operate, and preserve safe and affordable housing, including:

285.10 (1) public and private financing programs, and the availability of funding as it relates
285.11 to overall needs; and

285.12 (2) administrative tools including underwriting standards used by public and private
285.13 housing funders and investors.

285.14 (c) The task force must evaluate financial or asset management practices of affordable
285.15 housing providers and support for asset management functions by funder organizations.

285.16 (d) The task force must recommend potential solutions to develop and preserve safe and
285.17 affordable housing, including:

285.18 (1) additional funding for existing programs and administrative tools;

285.19 (2) any new financial tools necessary to meet current financial challenges that cannot
285.20 be met by existing state and local government or private program and administrative tools,
285.21 including new uses, modified implementation, or other improvements to existing programs;
285.22 and

285.23 (3) best practices for changes to financial or asset management practices of affordable
285.24 housing providers and funders.

285.25 (e) The task force may address other topics as identified by task force members during
285.26 the course of its work.

285.27 (f) The task force shall consult with other organizations that have expertise in affordable
285.28 rental housing, including entities engaging in additional external stakeholder input from
285.29 those with lived experience and administrators of emergency assistance, including
285.30 Minnesota's Tribal nations.

286.1 Subd. 4. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first
286.2 meeting of the task force convenes no later than July 1, 2024, and must provide accessible
286.3 physical or virtual meeting space as necessary for the task force to conduct its work.

286.4 (b) At its first meeting, the task force must elect a chair or cochair by a majority vote
286.5 of those members present and may elect a vice-chair as necessary.

286.6 (c) The task force must establish a schedule for meetings and meet as necessary to
286.7 accomplish the duties under subdivision 3.

286.8 (d) The task force is subject to the Minnesota Open Meeting Law under Minnesota
286.9 Statutes, chapter 13D.

286.10 Subd. 5. **Report required.** By February 1, 2025, the task force must submit a report to
286.11 the commissioner of the Minnesota Housing Finance Agency, the Interagency Stabilization
286.12 Group, and the chairs and ranking minority members of the legislative committees having
286.13 jurisdiction over housing finance and policy. At a minimum, the report must:

286.14 (1) summarize the activities of the task force;

286.15 (2) provide findings and recommendations adopted by the task force; and

286.16 (3) include any draft legislation to implement the recommendations.

286.17 Subd. 6. **Expiration.** The task force expires upon submission of the final
286.18 recommendations required under subdivision 5.

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

286.20 Sec. 50. **REPORT ON SECTION 42 SENIOR RENTAL HOUSING.**

286.21 (a) The commissioner of the Minnesota Housing Finance Agency must gather data and
286.22 produce a report on senior renters residing in properties financed by tax credits under Section
286.23 42 of the Internal Revenue Code, and Section 42 properties. To the extent practicable, the
286.24 commissioner must gather data from the past ten years and report on the:

286.25 (1) estimated number of Section 42 properties in which a majority of units are occupied
286.26 by senior households;

286.27 (2) estimated number of senior households living in Section 42 properties and the
286.28 estimated number of senior households living in Section 42 properties that are cost-burdened;

286.29 (3) amount of public resources allocated or awarded to construct Section 42 properties
286.30 in which a majority of units are occupied by senior households;

287.1 (4) annual percentage changes in area median income, Social Security cost-of-living
287.2 adjustments, and inflation; and

287.3 (5) number of times rents were increased to the maximum allowable under HUD
287.4 guidelines in Section 42 properties in which a majority of units occupied by senior
287.5 households.

287.6 (b) By January 15, 2025, the commissioner must report on the data gathered to the chairs
287.7 and ranking minority members of the legislative committees with jurisdiction over housing
287.8 finance. The commissioner must use existing financial resources to review and complete
287.9 this report.

287.10 **Sec. 51. COMPREHENSIVE PLANS; METROPOLITAN AREA CITIES OF THE**
287.11 **FIRST CLASS.**

287.12 Comprehensive plans adopted by cities of the first class in the metropolitan area, as
287.13 defined under Minnesota Statutes, section 473.121, subdivision 2, and authorized by the
287.14 Metropolitan Council for the most recent decennial review under Minnesota Statutes, section
287.15 473.864, shall not constitute conduct that causes or is likely to cause pollution, impairment,
287.16 or destruction as defined under Minnesota Statutes, section 116B.02, subdivision 5.

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

287.20 **Sec. 52. CONTINGENT FEE PAYMENTS.**

287.21 Notwithstanding any law to the contrary, an attorney or financial adviser participating
287.22 in conduit financing through a local unit of government may be paid on a contingent fee
287.23 basis.

287.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
287.25 expires June 1, 2025.

287.26 **Sec. 53. REVISOR INSTRUCTION.**

287.27 The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision
287.28 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make
287.29 necessary cross-reference changes in Minnesota Statutes.

288.1 Sec. 54. **REPEALER.**

288.2 (a) Minnesota Statutes 2022, section 462A.209, subdivision 8, is repealed.

288.3 (b) Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is repealed.

288.4 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment.

288.5 Paragraph (b) is effective beginning with aids payable in 2024.

288.6 **ARTICLE 16**

288.7 **EXPEDITING RENTAL ASSISTANCE**

288.8 Section 1. **[462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL**

288.9 **ASSISTANCE NEEDS.**

288.10 The agency must develop a projection of emergency rental assistance needs in
288.11 consultation with the commissioner of human services and representatives from county and
288.12 Tribal housing administrators and housing nonprofit agencies. The projection must identify
288.13 the amount of funding required to meet all emergency rental assistance needs, including
288.14 the family homelessness prevention and assistance program, the emergency assistance
288.15 program, and emergency general assistance. By January 15 each year, the commissioner
288.16 must submit a report on the projected need for emergency rental assistance to the chairs and
288.17 ranking minority members of the legislative committees having jurisdiction over housing
288.18 and human services finance and policy.

288.19 Sec. 2. **EXPEDITING RENTAL ASSISTANCE; IMPLEMENTATION.**

288.20 (a) For the purposes of this section, the following terms have the meanings given:

288.21 (1) "culturally responsive" means agencies, programs, and providers of services respond
288.22 respectfully and effectively to people of all cultures, languages, classes, races, ethnic
288.23 backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a
288.24 manner that recognizes, values, and affirms differences and eliminates barriers to access;
288.25 and

288.26 (2) "trauma-informed" means to recognize that many people have experienced trauma
288.27 in their lifetime and that programs must be designed to respond to people with respect and
288.28 accommodate the needs of people who have or are currently experiencing trauma.

288.29 (b) In implementing the sections in this article, the commissioner of the Minnesota
288.30 Housing Finance Agency must ensure the work is culturally responsive and trauma-informed.

289.1 **Sec. 3. DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL**
289.2 **ASSISTANCE.**

289.3 The commissioner of the Minnesota Housing Finance Agency must work with the
289.4 commissioner of human services to develop criteria for measuring the timeliness of
289.5 processing applications for rental assistance. The commissioner of the Minnesota Housing
289.6 Finance Agency must collect data to monitor application speeds of the family homelessness
289.7 prevention and assistance program and use the collected data to inform improvements to
289.8 application processing systems. By January 15, 2027, the commissioner of the Minnesota
289.9 Housing Finance Agency must submit a report to the chairs and ranking minority members
289.10 of the legislative committees having jurisdiction over housing finance and policy. The report
289.11 must include analysis of the data collected and whether goals have been met to (1) process
289.12 an emergency rental assistance application within two weeks of the receipt of a complete
289.13 application, and (2) if approved, make payment to a landlord within 30 days of the receipt
289.14 of a complete application.

289.15 **Sec. 4. E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

289.16 The commissioner of the Minnesota Housing Finance Agency, working with the
289.17 commissioner of human services, shall develop uniform e-signature options to be used in
289.18 applications for the family homelessness prevention and assistance program. No later than
289.19 June 30, 2026, the commissioner shall require administrators of the family homelessness
289.20 prevention and assistance program to incorporate and implement the developed e-signature
289.21 options. The commissioner must notify the chairs and ranking minority members of the
289.22 legislative committees with jurisdiction over housing of the date when the e-signature options
289.23 are implemented. A copy of this notification must also be filed with the Legislative Reference
289.24 Library in compliance with Minnesota Statutes, section 3.195.

289.25 **Sec. 5. VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

289.26 (a) The commissioner of the Minnesota Housing Finance Agency, working with program
289.27 administrators, must develop recommendations to simplify the process of verifying
289.28 information in applications for the family homelessness prevention and assistance program.
289.29 In developing recommendations, the commissioner must consider:

289.30 (1) allowing self-attestation of emergencies, assets, and income;

289.31 (2) allowing verbal authorization by applicants to allow emergency rental assistance
289.32 administrators to communicate with landlords and utility providers regarding applications
289.33 for assistance; and

290.1 (3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

290.2 (b) The commissioner must:

290.3 (1) prepare recommendations and submit them to the chairs and ranking minority

290.4 members of the legislative committees having jurisdiction over housing finance and policy

290.5 by January 1, 2025;

290.6 (2) adopt any recommendations that have become law; and

290.7 (3) provide technical assistance to counties, Tribes, and other emergency rental assistance

290.8 administrators to implement these recommendations.

290.9 (c) By January 13, 2025, the commissioner must report to the chairs and ranking minority

290.10 members of the legislative committees with jurisdiction over housing detailing the proposed

290.11 recommendations required by this section. By July 7, 2025, the commissioner must report

290.12 to the chairs and ranking minority members of the legislative committees with jurisdiction

290.13 over housing detailing the recommendations adopted as required by this section.

290.14

ARTICLE 17

290.15

TRANSPORTATION NETWORK COMPANIES

290.16 Section 1. Minnesota Statutes 2022, section 65B.472, is amended to read:

290.17 **65B.472 TRANSPORTATION NETWORK FINANCIAL RESPONSIBILITY.**

290.18 Subdivision 1. **Definitions.** (a) Unless a different meaning is expressly made applicable,

290.19 the terms defined in paragraphs (b) through ~~(g)~~ (p) have the meanings given them for the

290.20 purposes of this ~~chapter~~ section.

290.21 (b) ~~A~~ "Digital network" means any online-enabled application, software, website, or

290.22 system offered or utilized by a transportation network company that enables the

290.23 prearrangement of rides with transportation network company drivers.

290.24 (c) "Disability and income loss benefits" has the meaning given in section 65B.44,

290.25 subdivision 3, subject to the weekly maximum amount and with a maximum time period

290.26 of 130 weeks after the injury.

290.27 (d) "P1," "P2," and "P3" have the meanings given in section 181C.01, subdivision 4.

290.28 (e) "Funeral and burial expenses" has the meaning given in section 65B.44, subdivision

290.29 4.

291.1 (f) "Medical expense benefits" has the meaning given in section 65B.44, subdivision 2,
291.2 except that payment for rehabilitative services is only required when the services are
291.3 medically necessary.

291.4 (g) "Personal injury" means a physical injury or mental impairment arising out of a
291.5 physical injury in the course of a prearranged ride. A personal injury is only covered if the
291.6 injury occurs to a driver during P2 or P3, except as provided under subdivision 2, paragraph
291.7 (d). A personal injury claimant is subject to the requirements of section 65B.56.

291.8 ~~(e)~~ (h) "Personal vehicle" means a vehicle that is used by a transportation network
291.9 company TNC driver in connection with providing a prearranged ride and is:

291.10 (1) owned, leased, or otherwise authorized for use by the ~~transportation network company~~
291.11 driver; and

291.12 (2) not a taxicab, limousine, for-hire vehicle, or a private passenger vehicle driven by a
291.13 volunteer driver.

291.14 ~~(d)~~ (i) "Prearranged ride" means the provision of transportation by a driver to a rider,
291.15 beginning when a driver accepts a ride requested by a rider through a digital network
291.16 controlled by a transportation network company, continuing while the driver transports a
291.17 requesting rider, and ending when the last requesting rider departs from the personal vehicle.
291.18 A prearranged ride does not include transportation provided using a taxicab, limousine, or
291.19 other for-hire vehicle.

291.20 (j) "Replacement services loss benefits" has the meaning given in section 65B.44,
291.21 subdivision 5, subject to the weekly maximum amount and with a maximum time period
291.22 of 130 weeks after the injury.

291.23 (k) "Survivors economic loss benefits" has the meaning given in section 65B.44,
291.24 subdivision 6, subject to the weekly maximum amount and with a maximum time period
291.25 of 130 weeks after death.

291.26 (l) "Survivors replacement services loss benefits" has the meaning given in section
291.27 65B.44, subdivision 7, subject to the weekly maximum amount and with a maximum time
291.28 period of 130 weeks after death.

291.29 ~~(e)~~ (m) "Transportation network company" or "TNC" means a corporation, partnership,
291.30 sole proprietorship, or other entity that is operating in Minnesota that uses a digital network
291.31 to connect transportation network company riders to transportation network company drivers
291.32 who provide prearranged rides.

292.1 ~~(f)~~ (n) "Transportation network company driver," "TNC driver," or "driver" means
292.2 an individual who:

292.3 (1) receives connections to potential riders and related services from a transportation
292.4 network company in exchange for payment of a fee to the transportation network company;
292.5 and

292.6 (2) uses a personal vehicle to provide a prearranged ride to riders upon connection
292.7 through a digital network controlled by a transportation network company in return for
292.8 compensation or payment of a fee.

292.9 ~~(g)~~ (o) "Transportation network company rider," "TNC rider," or "rider" means an
292.10 individual or persons who use a transportation network company's digital network to connect
292.11 with a transportation network driver who provides prearranged rides to the rider in the
292.12 driver's personal vehicle between points chosen by the rider.

292.13 ~~(h)~~ (p) "Volunteer driver" means an individual who transports persons or goods on
292.14 behalf of a nonprofit entity or governmental unit in a private passenger vehicle and receives
292.15 no compensation for services provided other than the reimbursement of actual expenses.

292.16 **Subd. 2. Maintenance of transportation network financial responsibility.** (a) A
292.17 transportation network company driver or transportation network company on the driver's
292.18 behalf shall maintain primary automobile insurance that recognizes that the driver is a
292.19 transportation network company driver or otherwise uses a vehicle to transport passengers
292.20 for compensation and covers the driver: during P1, P2, and P3.

292.21 ~~(1) while the driver is logged on to the transportation network company's digital network;~~
292.22 ~~or~~

292.23 ~~(2) while the driver is engaged in a prearranged ride.~~

292.24 (b) During P1, the following automobile insurance requirements apply ~~while a~~
292.25 ~~participating transportation network company driver is logged on to the transportation~~
292.26 ~~network company's digital network and is available to receive transportation requests but~~
292.27 ~~is not engaged in a prearranged ride:~~

292.28 (1) primary coverage insuring against loss resulting from liability imposed by law for
292.29 injury and property damage, including the requirements of section 65B.49, subdivision 3,
292.30 in the amount of not less than \$50,000 because of death or bodily injury to one person in
292.31 any accident, \$100,000 because of death or bodily injury to two or more persons in any
292.32 accident, and \$30,000 for injury to or destruction of property of others in any one accident;

293.1 (2) security for the payment of basic economic loss benefits where required by section
293.2 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network
293.3 company and a ~~transportation network company~~ driver, during the period set forth in this
293.4 paragraph, are deemed to be in the business of transporting persons for purposes of section
293.5 65B.47, subdivision 1, and the insurance required under this subdivision shall be deemed
293.6 to cover the vehicle during the period set forth in this paragraph;

293.7 (3) primary uninsured motorist coverage and primary underinsured motorist coverage
293.8 where required by section 65B.49, subdivisions 3a and 4a; and

293.9 (4) the coverage requirements of this subdivision may be satisfied by any of the following:

293.10 (i) automobile insurance maintained by the transportation network company driver;

293.11 (ii) automobile insurance maintained by the transportation network company; or

293.12 (iii) any combination of items (i) and (ii).

293.13 (c) During P2 and P3, the following automobile insurance requirements apply while a
293.14 ~~transportation network company driver is engaged in a prearranged ride:~~

293.15 (1) primary coverage insuring against loss resulting from liability imposed by law for
293.16 injury and property damage, including the requirements of section 65B.49, in the amount
293.17 of not less than \$1,500,000 for death, injury, or destruction of property of others;

293.18 (2) security for the payment of basic economic loss benefits where required by section
293.19 65B.44 pursuant to the priority requirements of section 65B.47. A transportation network
293.20 company and a transportation network company driver, during the period set forth in this
293.21 paragraph, are deemed to be in the business of transporting persons for purposes of section
293.22 65B.47, subdivision 1, and the insurance required under this subdivision shall be deemed
293.23 to cover the vehicle during the period set forth in this paragraph;

293.24 (3) primary uninsured motorist coverage and primary underinsured motorist coverage
293.25 where required by section 65B.49, subdivisions 3a and 4a; and

293.26 (4) the coverage requirements of this subdivision may be satisfied by any of the following:

293.27 (i) automobile insurance maintained by the transportation network company driver;

293.28 (ii) automobile insurance maintained by the transportation network company; or

293.29 (iii) any combination of items (i) and (ii).

293.30 (d) During P2 and P3, a TNC must maintain insurance on behalf of, and at no cost to,
293.31 the driver that provides reimbursement for all loss suffered through personal injury arising

294.1 from the driver's work for the TNC that is not otherwise covered by the insurance required
294.2 under paragraphs (b) and (c). The TNC may purchase the insurance coverage using a portion
294.3 of the fare or fee paid by the rider or riders. A driver shall not be charged by the TNC or
294.4 have their compensation lowered because of the insurance. The insurance coverage must
294.5 be in the amount of not less than \$1,000,000 per incident due to personal injury and include
294.6 the following types of coverage: medical expense benefits, disability and income loss
294.7 benefits, funeral and burial expenses, replacement services loss benefits, survivors economic
294.8 loss benefits, and survivors replacement services loss benefits. Insurance coverage under
294.9 this paragraph includes personal injury sustained while at the drop-off location immediately
294.10 following the conclusion of a prearranged ride.

294.11 (e) Any insurer authorized to write accident and sickness insurance in this state have
294.12 the power to issue the blanket accident and sickness policy described in paragraph (d).

294.13 (f) A policy of blanket accident and sickness insurance as described in paragraph (d)
294.14 must include in substance the provisions required for individual policies that are applicable
294.15 to blanket accident and sickness insurance and the following provisions:

294.16 (1) a provision that the policy and the application of the policyholder constitutes the
294.17 entire contract between the parties, and that, in the absence of fraud, all statements made
294.18 by the policyholder are deemed representations and not warranties, and that a statement
294.19 made for the purpose of affecting insurance does not avoid insurance or reduce benefits
294.20 unless the statement is contained in a written instrument signed by the policyholder, a copy
294.21 of which has been furnished to such policyholder; and

294.22 (2) a provision that to the group or class originally insured be added from time to time
294.23 all new persons eligible for coverage.

294.24 (g) If an injury is covered by blanket accident and sickness insurance maintained by
294.25 more than one TNC, the insurer of the TNC against whom a claim is filed is entitled to
294.26 contribution for the pro rata share of coverage attributable to one or more other TNCs up
294.27 to the coverages and limits in paragraph (d).

294.28 (h) Notwithstanding any law to the contrary, amounts paid or payable under the coverages
294.29 required by section 65B.49, subdivisions 3a and 4a, shall be reduced by the total amount
294.30 of benefits paid or payable under insurance provided pursuant to paragraph (d).

294.31 ~~(d)~~ (i) If insurance maintained by the driver in paragraph (b) or (c) has lapsed or does
294.32 not provide the required coverage, insurance maintained by a transportation network company
294.33 shall provide the coverage required by this subdivision beginning with the first dollar of a
294.34 claim and have the duty to defend the claim.

295.1 ~~(e)~~ (j) Coverage under an automobile insurance policy maintained by the transportation
295.2 network company shall not be dependent on a personal automobile insurer first denying a
295.3 claim nor shall a personal automobile insurance policy be required to first deny a claim.

295.4 ~~(f)~~ (k) Insurance required by this subdivision must satisfy the requirements of chapter
295.5 60A.

295.6 ~~(g)~~ (l) Insurance satisfying the requirements of this subdivision shall be deemed to satisfy
295.7 the financial responsibility requirements under the Minnesota No-Fault Automobile Insurance
295.8 Act, sections 65B.41 to 65B.71.

295.9 ~~(h)~~ (m) A transportation network company driver shall carry proof of coverage satisfying
295.10 paragraphs (b) and (c) at all times during the driver's use of a vehicle in connection with a
295.11 transportation network company's digital network. In the event of an accident, a transportation
295.12 network company driver shall provide this insurance coverage information to the directly
295.13 interested parties, automobile insurers, and investigating police officers upon request pursuant
295.14 to section 65B.482, subdivision 1. Upon such request, a transportation network company
295.15 driver shall also disclose to directly interested parties, automobile insurers, and investigating
295.16 police officers whether the driver was logged on to the transportation network company's
295.17 digital network or on a prearranged ride at the time of an accident.

295.18 Subd. 3. **Disclosure to transportation network company drivers.** The transportation
295.19 network company shall disclose in writing to transportation network company drivers the
295.20 following before they are allowed to accept a request for a prearranged ride on the
295.21 transportation network company's digital network:

295.22 (1) the insurance coverage, including the types of coverage and the limits for each
295.23 coverage under subdivision 2, paragraphs (b), (c), and (d), that the transportation network
295.24 company provides while the transportation network company driver uses a personal vehicle
295.25 in connection with a transportation network company's digital network;

295.26 (2) that the transportation network company driver's own automobile insurance policy
295.27 might not provide any coverage while the driver is logged on to the transportation network
295.28 company's digital network and is available to receive transportation requests or is engaged
295.29 in a prearranged ride depending on its terms; and

295.30 (3) that using a vehicle with a lien against the vehicle to provide ~~transportation network~~
295.31 services prearranged rides may violate the transportation network driver's contract with the
295.32 lienholder.

296.1 Subd. 4. **Automobile insurance provisions.** (a) Insurers that write automobile insurance
296.2 in Minnesota may exclude any and all coverage afforded under the owner's insurance policy
296.3 for any loss or injury that occurs ~~while a driver is logged on to a transportation network~~
296.4 ~~company's digital network or while a driver provides a prearranged ride~~ during P1, P2, and
296.5 P3. This right to exclude all coverage may apply to any coverage included in an automobile
296.6 insurance policy including, but not limited to:

296.7 (1) liability coverage for bodily injury and property damage;

296.8 (2) uninsured and underinsured motorist coverage;

296.9 (3) basic economic loss benefits as defined under section 65B.44;

296.10 (4) medical payments coverage;

296.11 (5) comprehensive physical damage coverage; and

296.12 (6) collision physical damage coverage.

296.13 These exclusions apply notwithstanding any requirement under the Minnesota No-Fault
296.14 Automobile Insurance Act, sections 65B.41 to 65B.71. Nothing in this section implies or
296.15 requires that a personal automobile insurance policy provide coverage ~~while the driver is~~
296.16 ~~logged on to the transportation network company's digital network, while the driver is~~
296.17 ~~engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport~~
296.18 ~~passengers for compensation~~ during P1, P2, or P3, or while the driver otherwise uses a
296.19 vehicle to transport passengers for compensation.

296.20 Nothing in this section shall be deemed to preclude an insurer from providing coverage
296.21 for the transportation network company driver's vehicle, if it so chooses to do so by contract
296.22 or endorsement.

296.23 (b) Automobile insurers that exclude coverage as permitted in paragraph (a) shall have
296.24 no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this
296.25 section shall be deemed to invalidate or limit an exclusion contained in a policy, including
296.26 any policy in use or approved for use in Minnesota prior to May 19, 2015, that excludes
296.27 coverage for vehicles used to carry persons or property for a charge or available for hire by
296.28 the public.

296.29 (c) An automobile insurer that defends or indemnifies a claim against a driver that is
296.30 excluded under the terms of its policy as permitted in paragraph (a) shall have a right of
296.31 contribution against other insurers that provide automobile insurance to the same driver in
296.32 satisfaction of the coverage requirements of subdivision 2 at the time of loss.

297.1 (d) In a claims coverage investigation, transportation network companies and any insurer
297.2 potentially providing coverage under subdivision 2 shall cooperate to facilitate the exchange
297.3 of relevant information with directly involved parties and any insurer of the transportation
297.4 network company driver if applicable, including the precise times that a transportation
297.5 network company driver logged on and off of the transportation network company's digital
297.6 network in the 12-hour period immediately preceding and in the 12-hour period immediately
297.7 following the accident and disclose to one another a clear description of the coverage,
297.8 exclusions, and limits provided under any automobile insurance maintained under subdivision
297.9 2.

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

297.11 Sec. 2. **[181C.01] DEFINITIONS.**

297.12 **Subdivision 1. Application.** For purposes of this chapter, the terms defined in this section
297.13 have the meanings given.

297.14 **Subd. 2. Deactivation.** "Deactivation" means a TNC blocking a driver's access to a
297.15 digital network, suspending a driver, or changing a driver's status from eligible to ineligible
297.16 to provide prearranged rides for a TNC for more than 24 hours, or more than 72 hours when
297.17 the TNC must investigate a claim against a driver. Deactivation does not include a driver's
297.18 loss of access to the digital network that is contingent on a driver's compliance with licensing,
297.19 insurance, or regulatory requirements or that can be resolved through unilateral action by
297.20 the driver. For the purposes of this chapter, "prearranged ride" has the meaning given in
297.21 section 65B.472, subdivision 1.

297.22 **Subd. 3. Digital network.** "Digital network" has the meaning given in section 65B.472,
297.23 subdivision 1.

297.24 **Subd. 4. Driver time periods.** "Driver time periods" are divided into three exclusive
297.25 segments which have the following meanings:

297.26 **(1) "period 1" or "P1" means the time when a driver is logged into a TNC application,**
297.27 **but has not accepted a ride offer;**

297.28 **(2) "period 2" or "P2" means the time when a driver is proceeding to pick up a rider**
297.29 **after choosing to accept a ride offer; and**

297.30 **(3) "period 3" or "P3" means the time when a driver is transporting a rider from a pickup**
297.31 **location to a drop-off location.**

298.1 Subd. 5. **Personal vehicle.** "Personal vehicle" has the meaning given in section 65B.472,
298.2 subdivision 1.

298.3 Subd. 6. **Transportation network company.** "Transportation network company" or
298.4 "TNC" has the meaning given in section 65B.472, subdivision 1.

298.5 Subd. 7. **Transportation network company driver.** "Transportation network company
298.6 driver," "TNC driver," or "driver" has the meaning given in section 65B.472, subdivision
298.7 1.

298.8 Subd. 8. **Transportation network company rider.** "Transportation network company
298.9 rider," "TNC rider," or "rider" has the meaning given in section 65B.472, subdivision 1.

298.10 Sec. 3. **[181C.02] NOTICE AND PAY TRANSPARENCY.**

298.11 Subdivision 1. **Compensation notice.** (a) Upon initial or subsequent account activation,
298.12 and annually each year while a driver continues to maintain an account with the TNC, a
298.13 TNC must provide written notice of compensation, or a compensation policy, if any, to each
298.14 driver containing the following information:

298.15 (1) the right to legally required minimum compensation under section 181C.03;

298.16 (2) the frequency and manner of a driver's pay;

298.17 (3) the rights and remedies available to a driver for a TNC's failure to comply with legal
298.18 obligations related to minimum compensation; and

298.19 (4) the driver's right to elect coverage of paid family and medical leave benefits, as
298.20 provided under chapter 268B.

298.21 (b) Notice under this subdivision must be provided in written plain language and made
298.22 available in English, Amharic, Arabic, Hmong, Oromo, Somali, and Spanish. TNCs operating
298.23 in Minnesota must consider updating the languages in which they offer the notice each year.

298.24 (c) The TNC must provide notice to a driver in writing or electronically of any changes
298.25 to the driver's compensation policy at least 48 hours before the date the changes take effect.

298.26 Subd. 2. **Assignment notice.** When a TNC alerts a driver of a possible assignment to
298.27 transport a rider, the ride offer must be available for sufficient time for the driver to review,
298.28 and the TNC must indicate:

298.29 (1) the estimated travel time and number of miles from the driver's current location to
298.30 the pickup location for P2;

298.31 (2) the estimated travel time and number of miles for the trip for P3; and

299.1 (3) the estimated total compensation, before any gratuity.

299.2 Subd. 3. **Daily trip receipt.** Within 24 hours of each trip completion, the TNC must
299.3 transmit a detailed electronic receipt to the driver containing the following information for
299.4 each unique trip or portion of a unique trip:

299.5 (1) the date, pickup, and drop-off locations. In describing the pickup and drop-off
299.6 locations, the TNC shall describe the location by indicating the specific block in which the
299.7 pick-up and drop-off occurred;

299.8 (2) the time and total mileage traveled from pick up to drop off of a rider or riders for
299.9 P3;

299.10 (3) the time and total mileage traveled from acceptance of the assignment to completion
299.11 for P2 and P3;

299.12 (4) total fare or fee paid by the rider or riders; and

299.13 (5) total compensation to the driver, specifying:

299.14 (i) any applicable rate or rates of pay, any applicable price multiplier, or variable pricing
299.15 policy in effect;

299.16 (ii) any gratuity; and

299.17 (iii) an itemized list of all tolls, fees, or other pass-throughs from the rider charged to
299.18 the driver.

299.19 Subd. 4. **Weekly summary.** Each week, a TNC must transmit a weekly summary to a
299.20 driver in writing or electronically containing the following information for the preceding
299.21 calendar week:

299.22 (1) total time the driver logged into the TNC application;

299.23 (2) total time and mileage for P2 and P3 segments;

299.24 (3) total fares or fees paid by riders; and

299.25 (4) total compensation to the driver, including any gratuities.

299.26 Subd. 5. **Record keeping.** TNCs must maintain the trip receipts and weekly summaries
299.27 required under this section for at least three years.

299.28 **EFFECTIVE DATE.** This section is effective December 1, 2024.

300.1 Sec. 4. [181C.03] MINIMUM COMPENSATION.

300.2 (a) Minimum compensation of a TNC driver under this paragraph must be adjusted
300.3 annually as provided under paragraph (f), and must be paid in a per minute, per mile format,
300.4 as follows:

300.5 (1) \$1.28 per mile and \$0.31 per minute for any transportation of a rider by a driver;

300.6 (2) if applicable, an additional \$0.91 per mile for any transportation of a rider by a driver
300.7 in a vehicle that is subject to the requirements in sections 299A.11 to 299A.17, regardless
300.8 of whether a wheelchair securement device is used;

300.9 (3) if a trip request is canceled by a rider or a TNC after the driver has already departed
300.10 to pick up a rider, 80 percent of any cancellation fee paid by the rider; and

300.11 (4) at minimum, compensation of \$5.00 for any transportation of a rider by a driver.

300.12 (b) A TNC must pay a driver the minimum compensation required under this section
300.13 over a reasonable earnings period not to exceed 14 calendar days. The minimum
300.14 compensation required under this section guarantees a driver a certain level of compensation
300.15 in an earnings period that cannot be reduced. Nothing in this section prevents a driver from
300.16 earning, or a TNC from paying, a higher level of compensation.

300.17 (c) Any gratuities received by a driver from a rider or riders are the property of the driver
300.18 and are not included as part of the minimum compensation required by this section. A TNC
300.19 must pay the applicable driver all gratuities received by the driver in an earnings period no
300.20 later than the driver's next scheduled payment.

300.21 (d) For each earnings period, a TNC must compare a driver's earnings, excluding
300.22 gratuities, against the required minimum compensation for that driver during the earnings
300.23 period. If the driver's earnings, excluding gratuities, in the earnings period are less than the
300.24 required minimum compensation for that earnings period, the TNC must include an additional
300.25 sum accounting for the difference in the driver's earnings and the minimum compensation
300.26 no later than during the next earnings period.

300.27 (e) A TNC that uses software or collection technology to collect fees or fares must pay
300.28 a driver the compensation earned by the driver, regardless of whether the fees or fares are
300.29 actually collected.

300.30 (f) Beginning January 1, 2027, and each January 1 thereafter, the minimum compensation
300.31 required under paragraph (a) must be adjusted annually by the same process as the statewide
300.32 minimum wage under section 177.24, subdivision 1.

301.1 **EFFECTIVE DATE.** This section is effective December 1, 2024.

301.2 Sec. 5. **[181C.04] DEACTIVATION.**

301.3 Subdivision 1. **Deactivation policy; requirements.** (a) A TNC must maintain a written
301.4 plain-language deactivation policy that provides the policies and procedures for deactivation.
301.5 The TNC must make the deactivation policy available online, through the TNC's digital
301.6 platform. Updates or changes to the policy must be provided to drivers at least 48 hours
301.7 before they go into effect.

301.8 (b) The deactivation policy must be provided in English, Amharic, Arabic, Hmong,
301.9 Oromo, Somali, and Spanish. TNCs operating in Minnesota must consider updating the
301.10 languages in which they offer the deactivation policy each year.

301.11 (c) The deactivation policy must:

301.12 (1) state that the deactivation policy is enforceable as a term of the TNC's contract with
301.13 a driver;

301.14 (2) provide drivers with a reasonable understanding of the circumstances that constitute
301.15 a violation that may warrant deactivation under the deactivation policy and indicate the
301.16 consequences known, including the specific number of days or range of days for a
301.17 deactivation if applicable;

301.18 (3) describe fair and reasonable procedures for notifying a driver of a deactivation and
301.19 the reason for the deactivation;

301.20 (4) describe fair, objective, and reasonable procedures and eligibility criteria for the
301.21 reconsideration of a deactivation decision and the process by which a driver may request a
301.22 deactivation appeal with the TNC, consistent with subdivision 5; and

301.23 (5) be specific enough for a driver to understand what constitutes a violation of the policy
301.24 and how to avoid violating the policy.

301.25 (d) Serious misconduct must be clearly defined in the TNC deactivation policy.

301.26 Subd. 2. **Prohibitions for deactivation.** A TNC must not deactivate a driver for:

301.27 (1) a violation not reasonably understood as part of a TNC's written deactivation policy;

301.28 (2) a driver's ability to work a minimum number of hours;

301.29 (3) a driver's acceptance or rejection of a ride, as long as the acceptance or rejection is
301.30 not for a discriminatory purpose;

302.1 (4) a driver's good faith statement regarding compensation or working conditions made
302.2 publicly or privately; or

302.3 (5) a driver asserting their legal rights under any local, state, or federal law.

302.4 Subd. 3. **Written notice and warning.** (a) The TNC must provide notice at the time of
302.5 the deactivation or, for deactivations based on serious misconduct, notice within three days
302.6 of the deactivation. A written notice must include:

302.7 (1) the reason for deactivation;

302.8 (2) anticipated length of the deactivation, if known;

302.9 (3) what day the deactivation started on;

302.10 (4) an explanation of whether or not the deactivation can be reversed and clear steps for
302.11 the driver to take to reverse a deactivation;

302.12 (5) instructions for a driver to challenge the deactivation and information on their rights
302.13 under the appeals process provided under subdivision 5; and

302.14 (6) a notice that the driver has a right to assistance and information on how to contact a
302.15 driver advocacy group as provided in subdivision 4 to assist in the deactivation appeal
302.16 process, including the telephone number and website information for one or more driver
302.17 advocacy groups.

302.18 (b) The TNC must provide a warning to a driver if the driver's behavior could result in
302.19 a future deactivation. A TNC does not need to provide a warning for behavior that constitutes
302.20 serious misconduct.

302.21 Subd. 4. **Driver advocacy organizations.** (a) A TNC must contract with a driver's
302.22 advocacy organization to provide services to drivers under this section. A driver advocacy
302.23 group identified in the notice must be an independent, not-for-profit organization operating
302.24 without excessive influence from the TNC. The TNC must not have any control or influence
302.25 over the day-to-day operations of the advocacy organization or the organization's staff or
302.26 management or have control or influence over who receives assistance on specific cases or
302.27 how assistance is provided in a case. The organization must have been established and
302.28 operating in Minnesota continuously for at least two years and be capable of providing
302.29 culturally competent driver representation services, outreach, and education.

302.30 (b) The driver advocacy groups must provide, at no cost to the drivers, assistance with:

302.31 (1) deactivation appeals;

303.1 (2) education and outreach to drivers regarding the drivers' rights and remedies available
303.2 to them under the law; and

303.3 (3) other technical or legal assistance on issues related to providing services for the TNC
303.4 and riders.

303.5 **Subd. 5. Request for appeal.** (a) The deactivation policy must provide the driver with
303.6 an opportunity to appeal the deactivation upon receipt of the notice and an opportunity to
303.7 provide information to support the request. An appeal process must provide the driver with
303.8 no less than 30 days from the date the notice was provided to the driver to appeal the
303.9 deactivation and allow the driver to have the support of an advocate or attorney.

303.10 (b) Unless the TNC or the driver requests an additional 15 days, a TNC must review
303.11 and make a final decision on the appeal within 15 days from the receipt of the requested
303.12 appeal and information to support the request. A TNC may use a third party to assist with
303.13 appeals.

303.14 (c) The TNC must consider any information presented by the driver under the appeal
303.15 process. For a deactivation to be upheld, there must be evidence under the totality of the
303.16 circumstances to find that it is more likely than not that a rule violation subjecting the driver
303.17 to deactivation has occurred.

303.18 (d) This section does not apply to deactivations for economic reasons or during a public
303.19 state of emergency that are not targeted at a particular driver or drivers.

303.20 (e) When an unintentional deactivation of an individual driver occurs due to a purely
303.21 technical issue and is not caused by any action or fault of the driver, the driver, upon request,
303.22 must be provided reasonable compensation for the period of time the driver was not able
303.23 to accept rides through the TNC capped at a maximum of 21 days. For the purposes of this
303.24 paragraph, "reasonable compensation" means compensation for each day the driver was
303.25 deactivated using the driver's daily average in earnings from the TNC for the 90 days prior
303.26 to the deactivation.

303.27 **Subd. 6. Prior deactivations.** Consistent with the deactivation policy created under this
303.28 section, a driver who was deactivated after January 1, 2021, but before November 1, 2024,
303.29 and who has not been reinstated may request an appeal of the deactivation under this section,
303.30 if the driver provides notice of the appeal within 90 days of the date of enactment. The TNC
303.31 may take up to 90 days to issue a final decision.

303.32 **EFFECTIVE DATE.** This section is effective December 1, 2024, and applies to
303.33 deactivations that occur on or after that date except as provided in subdivision 6.

304.1 **Sec. 6. [181C.05] ENFORCEMENT.**

304.2 (a) Except as provided under section 181C.06, the commissioner of labor and industry
304.3 has exclusive enforcement authority and may issue an order under section 177.27, subdivision
304.4 4, requiring a TNC to comply with sections 181C.02 and 181C.03 under section 177.27,
304.5 subdivision 4.

304.6 (b) A provision in a contract between a TNC and a driver that violates this chapter is
304.7 void and unenforceable. Unless a valid arbitration agreement exists under section 181C.08,
304.8 a driver may bring an action in district court seeking injunctive relief and any applicable
304.9 remedies available under the contract if a provision of a contract between a TNC and a
304.10 driver violates this chapter.

304.11 (c) A TNC must not retaliate against or discipline a driver for (1) raising a complaint
304.12 under this chapter, or (2) pursuing enactment or enforcement of this chapter. A TNC must
304.13 not give less favorable or more favorable rides to a driver for making public or private
304.14 comments supporting or opposing working conditions or compensation at a TNC.

304.15 **Sec. 7. [181C.06] DISCRIMINATION PROHIBITED.**

304.16 (a) A TNC must not discriminate against a TNC driver or a qualified applicant to become
304.17 a driver, due to race, national origin, color, creed, religion, sex, disability, sexual orientation,
304.18 marital status, or gender identity as provided under section 363A.11. Nothing in this section
304.19 prohibits providing a reasonable accommodation to a person with a disability, for religious
304.20 reasons, due to pregnancy, or to remedy previous discriminatory behavior.

304.21 (b) A TNC driver injured by a violation of this section is entitled to the remedies under
304.22 sections 363A.28 to 363A.35.

304.23 **Sec. 8. [181C.07] COLLECTIVE BARGAINING; EMPLOYMENT STATUS.**

304.24 Notwithstanding any law to the contrary, nothing in this chapter prohibits collective
304.25 bargaining or shall be construed to determine whether a TNC driver is an employee.

304.26 **Sec. 9. [181C.08] ARBITRATION; REQUIREMENTS.**

304.27 (a) A TNC must provide a driver with the option to opt out of arbitration. Upon a driver's
304.28 written election to pursue remedies through arbitration, the driver must not seek remedies
304.29 through district court based on the same alleged violation.

304.30 (b) The rights and remedies established in this chapter must be the governing law in an
304.31 arbitration between a driver operating in Minnesota and a TNC. The application of the rights

305.1 and remedies available under chapter 181C cannot be waived by a driver prior to or at the
305.2 initiation of an arbitration between a driver and a TNC. To the extent possible, a TNC shall
305.3 use Minnesota as the venue for arbitration with a Minnesota driver. If an arbitration cannot
305.4 take place in the state of Minnesota, the driver must be allowed to appear via phone or other
305.5 electronic means and apply the rights and remedies available under chapter 181C. Arbitrators
305.6 must be jointly selected by the TNC and the driver using the roster of qualified neutrals
305.7 provided by the Minnesota supreme court for alternative dispute resolution. Consistent with
305.8 the rules and guidelines provided by the American Arbitrators Association, if the parties
305.9 are unable to agree on an arbitrator through the joint selection process, the case manager
305.10 may administratively appoint the arbitrator or arbitrators.

305.11 (c) Contracts that have already been executed must have an addendum provided to each
305.12 driver that includes a copy of this chapter and notice that a driver may elect to pursue the
305.13 remedies provided in this chapter.

305.14 **Sec. 10. [181C.09] REVOCATION OF LICENSE.**

305.15 A local unit of government may refuse to issue a license or may revoke a license and
305.16 right to operate issued to a TNC by the local unit of government for a TNC's failure to
305.17 comply with the requirements of this chapter. Notwithstanding section 13.39, the
305.18 commissioner of labor and industry may provide data collected related to a compliance
305.19 order issued under section 177.27, subdivision 4, to a local unit of government for purposes
305.20 of a revocation under this section.

305.21 **Sec. 11. [181C.10] STATEWIDE REGULATIONS.**

305.22 Notwithstanding any other provision of law and except as provided in section 181C.09
305.23 no local governmental unit of this state may enact or enforce any ordinance, local law, or
305.24 regulation that: (1) regulates any matter relating to transportation network companies or
305.25 transportation network company drivers addressed in section 65B.472 or chapter 181C; or
305.26 (2) requires the provision of data related to section 65B.472 or chapter 181C.

305.27 **EFFECTIVE DATE.** This section is effective the day following final enactment. An
305.28 ordinance, local law, or regulation existing on that date that is prohibited under this section
305.29 is void and unenforceable as of that date.

305.30 **Sec. 12. APPROPRIATION.**

305.31 \$173,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
305.32 of labor and industry for the purposes of enforcement, education, and outreach of Minnesota

306.1 Statutes, sections 181C.02 and 181C.03. Beginning in fiscal year 2026, the base amount is
306.2 \$123,000 each fiscal year.

306.3

ARTICLE 18

306.4

TRANSFER CARE SPECIALISTS

306.5 Section 1. Minnesota Statutes 2022, section 149A.01, subdivision 3, is amended to read:

306.6 Subd. 3. **Exceptions to licensure.** (a) Except as otherwise provided in this chapter,
306.7 nothing in this chapter shall in any way interfere with the duties of:

306.8 (1) an anatomical bequest program located within an accredited school of medicine or
306.9 an accredited college of mortuary science;

306.10 (2) a person engaged in the performance of duties prescribed by law relating to the
306.11 conditions under which unclaimed dead human bodies are held subject to anatomical study;

306.12 (3) authorized personnel from a licensed ambulance service in the performance of their
306.13 duties;

306.14 (4) licensed medical personnel in the performance of their duties; or

306.15 (5) the coroner or medical examiner in the performance of the duties of their offices.

306.16 (b) This chapter does not apply to or interfere with the recognized customs or rites of
306.17 any culture or recognized religion in the ceremonial washing, dressing, casketing, and public
306.18 transportation of their dead, to the extent that all other provisions of this chapter are complied
306.19 with.

306.20 (c) Noncompensated persons with the right to control the dead human body, under section
306.21 149A.80, subdivision 2, may remove a body from the place of death; transport the body;
306.22 prepare the body for disposition, except embalming; or arrange for final disposition of the
306.23 body, provided that all actions are in compliance with this chapter.

306.24 (d) Persons serving internships pursuant to section 149A.20, subdivision 6~~, or~~; students
306.25 officially registered for a practicum or clinical through a program of mortuary science
306.26 accredited by the American Board of Funeral Service Education; or transfer care specialists
306.27 registered pursuant to section 149A.47 are not required to be licensed, provided that the
306.28 persons ~~or~~ students, or transfer care specialists are registered with the commissioner and
306.29 act under the direct and exclusive supervision of a person holding a current license to practice
306.30 mortuary science in Minnesota.

307.1 (e) Notwithstanding this subdivision, nothing in this section shall be construed to prohibit
307.2 an institution or entity from establishing, implementing, or enforcing a policy that permits
307.3 only persons licensed by the commissioner to remove or cause to be removed a dead body
307.4 or body part from the institution or entity.

307.5 (f) An unlicensed person may arrange for and direct or supervise a memorial service if
307.6 that person or that person's employer does not have charge of the dead human body. An
307.7 unlicensed person may not take charge of the dead human body, unless that person has the
307.8 right to control the dead human body under section 149A.80, subdivision 2, or is that person's
307.9 noncompensated designee.

307.10 Sec. 2. Minnesota Statutes 2022, section 149A.02, subdivision 13a, is amended to read:

307.11 Subd. 13a. **Direct supervision.** "Direct supervision" means overseeing the performance
307.12 of an individual. For the purpose of a clinical, practicum, or internship, direct supervision
307.13 means that the supervisor is available to observe and correct, as needed, the performance
307.14 of the trainee. For the purpose of a transfer care specialist, direct supervision means that
307.15 the supervisor is available by being physically present or by telephone to advise and correct,
307.16 as needed, the performance of the transfer care specialist. The supervising mortician
307.17 ~~supervisor~~ is accountable for the actions of the clinical student, practicum student, or intern
307.18 throughout the course of the training. The supervising mortician is accountable for any
307.19 violations of law or rule, in the performance of their duties, by the clinical student, practicum
307.20 student, ~~or intern,~~ or transfer care specialist.

307.21 Sec. 3. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to
307.22 read:

307.23 Subd. 37d. **Transfer care specialist.** "Transfer care specialist" means an individual who
307.24 is registered with the commissioner in accordance with section 149A.47 and is authorized
307.25 to perform the removal of a dead human body from the place of death under the direct
307.26 supervision of a licensed mortician.

307.27 Sec. 4. Minnesota Statutes 2022, section 149A.03, is amended to read:

307.28 **149A.03 DUTIES OF COMMISSIONER.**

307.29 The commissioner shall:

307.30 (1) enforce all laws and adopt and enforce rules relating to the:

- 308.1 (i) removal, preparation, transportation, arrangements for disposition, and final disposition
308.2 of dead human bodies;
- 308.3 (ii) licensure, registration, and professional conduct of funeral directors, morticians,
308.4 interns, practicum students, ~~and~~ clinical students, and transfer care specialists;
- 308.5 (iii) licensing and operation of a funeral establishment;
- 308.6 (iv) licensing and operation of an alkaline hydrolysis facility; and
- 308.7 (v) licensing and operation of a crematory;
- 308.8 (2) provide copies of the requirements for licensure, registration, and permits to all
308.9 applicants;
- 308.10 (3) administer examinations and issue licenses, registrations, and permits to qualified
308.11 persons and other legal entities;
- 308.12 (4) maintain a record of the name and location of all current licensees ~~and~~, interns, and
308.13 transfer care specialists;
- 308.14 (5) perform periodic compliance reviews and premise inspections of licensees;
- 308.15 (6) accept and investigate complaints relating to conduct governed by this chapter;
- 308.16 (7) maintain a record of all current preneed arrangement trust accounts;
- 308.17 (8) maintain a schedule of application, examination, permit, registration, and licensure
308.18 fees, initial and renewal, sufficient to cover all necessary operating expenses;
- 308.19 (9) educate the public about the existence and content of the laws and rules for mortuary
308.20 science licensing and the removal, preparation, transportation, arrangements for disposition,
308.21 and final disposition of dead human bodies to enable consumers to file complaints against
308.22 licensees and others who may have violated those laws or rules;
- 308.23 (10) evaluate the laws, rules, and procedures regulating the practice of mortuary science
308.24 in order to refine the standards for licensing and to improve the regulatory and enforcement
308.25 methods used; and
- 308.26 (11) initiate proceedings to address and remedy deficiencies and inconsistencies in the
308.27 laws, rules, or procedures governing the practice of mortuary science and the removal,
308.28 preparation, transportation, arrangements for disposition, and final disposition of dead
308.29 human bodies.

309.1 Sec. 5. Minnesota Statutes 2022, section 149A.09, is amended to read:

309.2 **149A.09 DENIAL; REFUSAL TO REISSUE; REVOCATION; SUSPENSION;**
309.3 **LIMITATION OF LICENSE, REGISTRATION, OR PERMIT.**

309.4 Subdivision 1. **Denial; refusal to renew; revocation; and suspension.** The regulatory
309.5 agency may deny, refuse to renew, revoke, or suspend any license, registration, or permit
309.6 applied for or issued pursuant to this chapter when the person subject to regulation under
309.7 this chapter:

309.8 (1) does not meet or fails to maintain the minimum qualification for holding a license,
309.9 registration, or permit under this chapter;

309.10 (2) submits false or misleading material information to the regulatory agency in
309.11 connection with a license, registration, or permit issued by the regulatory agency or the
309.12 application for a license, registration, or permit;

309.13 (3) violates any law, rule, order, stipulation agreement, settlement, compliance agreement,
309.14 license, registration, or permit that regulates the removal, preparation, transportation,
309.15 arrangements for disposition, or final disposition of dead human bodies in Minnesota or
309.16 any other state in the United States;

309.17 (4) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt,
309.18 or a no contest plea in any court in Minnesota or any other jurisdiction in the United States.
309.19 "Conviction," as used in this subdivision, includes a conviction for an offense which, if
309.20 committed in this state, would be deemed a felony or gross misdemeanor without regard to
309.21 its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is
309.22 made or returned, but the adjudication of guilt is either withheld or not entered;

309.23 (5) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt,
309.24 or a no contest plea in any court in Minnesota or any other jurisdiction in the United States
309.25 that the regulatory agency determines is reasonably related to the removal, preparation,
309.26 transportation, arrangements for disposition or final disposition of dead human bodies, or
309.27 the practice of mortuary science;

309.28 (6) is adjudicated as mentally incompetent, mentally ill, developmentally disabled, or
309.29 mentally ill and dangerous to the public;

309.30 (7) has a conservator or guardian appointed;

309.31 (8) fails to comply with an order issued by the regulatory agency or fails to pay an
309.32 administrative penalty imposed by the regulatory agency;

310.1 (9) owes uncontested delinquent taxes in the amount of \$500 or more to the Minnesota
310.2 Department of Revenue, or any other governmental agency authorized to collect taxes
310.3 anywhere in the United States;

310.4 (10) is in arrears on any court ordered family or child support obligations; or

310.5 (11) engages in any conduct that, in the determination of the regulatory agency, is
310.6 unprofessional as prescribed in section 149A.70, subdivision 7, or renders the person unfit
310.7 to practice mortuary science or to operate a funeral establishment or crematory.

310.8 Subd. 2. **Hearings related to refusal to renew, suspension, or revocation of license,**
310.9 **registration, or permit.** If the regulatory agency proposes to deny renewal, suspend, or
310.10 revoke a license, registration, or permit issued under this chapter, the regulatory agency
310.11 must first notify, in writing, the person against whom the action is proposed to be taken and
310.12 provide an opportunity to request a hearing under the contested case provisions of sections
310.13 14.57 to 14.62. If the subject of the proposed action does not request a hearing by notifying
310.14 the regulatory agency, by mail, within 20 calendar days after the receipt of the notice of
310.15 proposed action, the regulatory agency may proceed with the action without a hearing and
310.16 the action will be the final order of the regulatory agency.

310.17 Subd. 3. **Review of final order.** A judicial review of the final order issued by the
310.18 regulatory agency may be requested in the manner prescribed in sections 14.63 to 14.69.
310.19 Failure to request a hearing pursuant to subdivision 2 shall constitute a waiver of the right
310.20 to further agency or judicial review of the final order.

310.21 Subd. 4. **Limitations or qualifications placed on license, registration, or permit.** The
310.22 regulatory agency may, where the facts support such action, place reasonable limitations
310.23 or qualifications on the right to practice mortuary science ~~or~~, to operate a funeral
310.24 establishment or crematory, or to perform activities or actions permitted under this chapter.

310.25 Subd. 5. **Restoring license, registration, or permit.** The regulatory agency may, where
310.26 there is sufficient reason, restore a license, registration, or permit that has been revoked,
310.27 reduce a period of suspension, or remove limitations or qualifications.

310.28 Sec. 6. Minnesota Statutes 2022, section 149A.11, is amended to read:

310.29 **149A.11 PUBLICATION OF DISCIPLINARY ACTIONS.**

310.30 The regulatory agencies shall report all disciplinary measures or actions taken to the
310.31 commissioner. At least annually, the commissioner shall publish and make available to the
310.32 public a description of all disciplinary measures or actions taken by the regulatory agencies.
310.33 The publication shall include, for each disciplinary measure or action taken, the name and

311.1 business address of the licensee or, intern, or transfer care specialist; the nature of the
311.2 misconduct; and the measure or action taken by the regulatory agency.

311.3 **Sec. 7. [149A.47] TRANSFER CARE SPECIALIST.**

311.4 **Subdivision 1. General.** A transfer care specialist may remove a dead human body from
311.5 the place of death under the direct supervision of a licensed mortician if the transfer care
311.6 specialist is registered with the commissioner in accordance with this section. A transfer
311.7 care specialist is not licensed to engage in the practice of mortuary science and shall not
311.8 engage in the practice of mortuary science except as provided in this section. A transfer
311.9 care specialist must be an employee of a licensed funeral establishment.

311.10 **Subd. 2. Registration.** (a) To be eligible for registration as a transfer care specialist, an
311.11 applicant must submit to the commissioner:

311.12 (1) a completed application on a form provided by the commissioner that includes at a
311.13 minimum:

311.14 (i) the applicant's name, home address and telephone number, business name, business
311.15 address and telephone number, and email address; and

311.16 (ii) the name, license number, business name, and business address and telephone number
311.17 of the supervising licensed mortician;

311.18 (2) proof of completion of a training program that meets the requirements specified in
311.19 subdivision 4; and

311.20 (3) the appropriate fee specified in section 149A.65.

311.21 (b) All transfer care specialist registrations are valid for one calendar year, beginning
311.22 on January 1 and ending on December 31 regardless of the date of issuance. Fees shall not
311.23 be prorated.

311.24 **Subd. 3. Duties.** (a) A transfer care specialist registered under this section is authorized
311.25 to perform the removal of a dead human body from the place of death in accordance with
311.26 this chapter to a licensed funeral establishment. A transfer care specialist must comply with
311.27 the universal precaution requirements in section 149A.91, subdivision 1, when handling a
311.28 dead human body.

311.29 (b) A transfer care specialist must work under the direct supervision of a licensed
311.30 mortician. The supervising mortician is responsible for the work performed by the transfer
311.31 care specialist. A licensed mortician may supervise up to four transfer care specialists at
311.32 any one time.

312.1 Subd. 4. Training program and continuing education. (a) Each transfer care specialist
312.2 must complete a training program prior to initial registration. A training program must be
312.3 at least seven hours long and must cover, at a minimum, the following:

312.4 (1) ethical care and transportation procedures for a deceased person;

312.5 (2) health and safety concerns to the public and the individual performing the transfer
312.6 of the deceased person, and the use of universal precautions and other reasonable precautions
312.7 to minimize the risk for transmitting communicable diseases; and

312.8 (3) all relevant state and federal laws and regulations related to the transfer and
312.9 transportation of deceased persons.

312.10 (b) A transfer care specialist must complete three hours of continuing education annually
312.11 on content described in paragraph (a), clauses (1) to (3), and submit evidence of completion
312.12 with the individual's registration renewal.

312.13 Subd. 5. Renewal. (a) A registration issued under this section expires on December 31
312.14 of the calendar year in which the registration was issued and must be renewed to remain
312.15 valid.

312.16 (b) To renew a registration, a transfer care specialist must submit to the commissioner
312.17 a completed renewal application as provided by the commissioner and the appropriate fee
312.18 specified in section 149A.65. The renewal application must include proof of completion of
312.19 the continuing education requirements in subdivision 4.

312.20 Sec. 8. Minnesota Statutes 2022, section 149A.60, is amended to read:

312.21 **149A.60 PROHIBITED CONDUCT.**

312.22 The regulatory agency may impose disciplinary measures or take disciplinary action
312.23 against a person whose conduct is subject to regulation under this chapter for failure to
312.24 comply with any provision of this chapter or laws, rules, orders, stipulation agreements,
312.25 settlements, compliance agreements, licenses, registrations, and permits adopted, or issued
312.26 for the regulation of the removal, preparation, transportation, arrangements for disposition
312.27 or final disposition of dead human bodies, or for the regulation of the practice of mortuary
312.28 science.

312.29 Sec. 9. Minnesota Statutes 2022, section 149A.61, subdivision 4, is amended to read:

312.30 Subd. 4. **Licensees and, interns, and transfer care specialists.** A licensee ~~or~~, intern,
312.31 or transfer care specialist regulated under this chapter may report to the commissioner any

313.1 conduct that the licensee ~~or~~ intern, or transfer care specialist has personal knowledge of,
313.2 and reasonably believes constitutes grounds for, disciplinary action under this chapter.

313.3 Sec. 10. Minnesota Statutes 2022, section 149A.61, subdivision 5, is amended to read:

313.4 Subd. 5. **Courts.** The court administrator of district court or any court of competent
313.5 jurisdiction shall report to the commissioner any judgment or other determination of the
313.6 court that adjudges or includes a finding that a licensee ~~or~~ intern, or transfer care specialist
313.7 is a person who is mentally ill, mentally incompetent, guilty of a felony or gross
313.8 misdemeanor, guilty of violations of federal or state narcotics laws or controlled substances
313.9 acts; appoints a guardian or conservator for the licensee ~~or~~ intern, or transfer care specialist;
313.10 or commits a licensee ~~or~~ intern, or transfer care specialist.

313.11 Sec. 11. Minnesota Statutes 2022, section 149A.62, is amended to read:

313.12 **149A.62 IMMUNITY; REPORTING.**

313.13 Any person, private agency, organization, society, association, licensee, ~~or~~ intern, or
313.14 transfer care specialist who, in good faith, submits information to a regulatory agency under
313.15 section 149A.61 or otherwise reports violations or alleged violations of this chapter, is
313.16 immune from civil liability or criminal prosecution. This section does not prohibit disciplinary
313.17 action taken by the commissioner against any licensee ~~or~~ intern, or transfer care specialist
313.18 pursuant to a self report of a violation.

313.19 Sec. 12. Minnesota Statutes 2022, section 149A.63, is amended to read:

313.20 **149A.63 PROFESSIONAL COOPERATION.**

313.21 A licensee, clinical student, practicum student, intern, transfer care specialist, or applicant
313.22 for licensure under this chapter that is the subject of or part of an inspection or investigation
313.23 by the commissioner or the commissioner's designee shall cooperate fully with the inspection
313.24 or investigation. Failure to cooperate constitutes grounds for disciplinary action under this
313.25 chapter.

313.26 Sec. 13. Minnesota Statutes 2022, section 149A.65, subdivision 2, is amended to read:

313.27 Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

313.28 (1) \$75 for the initial and renewal registration of a mortuary science intern;

313.29 (2) \$125 for the mortuary science examination;

313.30 (3) \$200 for issuance of initial and renewal mortuary science licenses;

314.1 (4) \$100 late fee charge for a license renewal; ~~and~~

314.2 (5) \$250 for issuing a mortuary science license by endorsement; and

314.3 (6) \$226 for the initial and renewal registration of a transfer care specialist.

314.4 Sec. 14. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

314.5 Subd. 3. **Advertising.** No licensee, clinical student, practicum student, ~~or~~ intern, or
314.6 transfer care specialist shall publish or disseminate false, misleading, or deceptive advertising.

314.7 False, misleading, or deceptive advertising includes, but is not limited to:

314.8 (1) identifying, by using the names or pictures of, persons who are not licensed to practice
314.9 mortuary science in a way that leads the public to believe that those persons will provide
314.10 mortuary science services;

314.11 (2) using any name other than the names under which the funeral establishment, alkaline
314.12 hydrolysis facility, or crematory is known to or licensed by the commissioner;

314.13 (3) using a surname not directly, actively, or presently associated with a licensed funeral
314.14 establishment, alkaline hydrolysis facility, or crematory, unless the surname had been
314.15 previously and continuously used by the licensed funeral establishment, alkaline hydrolysis
314.16 facility, or crematory; and

314.17 (4) using a founding or establishing date or total years of service not directly or
314.18 continuously related to a name under which the funeral establishment, alkaline hydrolysis
314.19 facility, or crematory is currently or was previously licensed.

314.20 Any advertising or other printed material that contains the names or pictures of persons
314.21 affiliated with a funeral establishment, alkaline hydrolysis facility, or crematory shall state
314.22 the position held by the persons and shall identify each person who is licensed or unlicensed
314.23 under this chapter.

314.24 Sec. 15. Minnesota Statutes 2022, section 149A.70, subdivision 4, is amended to read:

314.25 Subd. 4. **Solicitation of business.** No licensee shall directly or indirectly pay or cause
314.26 to be paid any sum of money or other valuable consideration for the securing of business
314.27 or for obtaining the authority to dispose of any dead human body.

314.28 For purposes of this subdivision, licensee includes a registered intern, transfer care
314.29 specialist, or any agent, representative, employee, or person acting on behalf of the licensee.

315.1 Sec. 16. Minnesota Statutes 2022, section 149A.70, subdivision 5, is amended to read:

315.2 Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student,
315.3 ~~or intern, or transfer care specialist~~ shall offer, solicit, or accept a commission, fee, bonus,
315.4 rebate, or other reimbursement in consideration for recommending or causing a dead human
315.5 body to be disposed of by a specific body donation program, funeral establishment, alkaline
315.6 hydrolysis facility, crematory, mausoleum, or cemetery.

315.7 Sec. 17. Minnesota Statutes 2022, section 149A.70, subdivision 7, is amended to read:

315.8 Subd. 7. **Unprofessional conduct.** No licensee ~~or intern, or transfer care specialist~~ shall
315.9 engage in or permit others under the licensee's ~~or intern's, or transfer care specialist's~~
315.10 supervision or employment to engage in unprofessional conduct. Unprofessional conduct
315.11 includes, but is not limited to:

315.12 (1) harassing, abusing, or intimidating a customer, employee, or any other person
315.13 encountered while within the scope of practice, employment, or business;

315.14 (2) using profane, indecent, or obscene language within the immediate hearing of the
315.15 family or relatives of the deceased;

315.16 (3) failure to treat with dignity and respect the body of the deceased, any member of the
315.17 family or relatives of the deceased, any employee, or any other person encountered while
315.18 within the scope of practice, employment, or business;

315.19 (4) the habitual overindulgence in the use of or dependence on intoxicating liquors,
315.20 prescription drugs, over-the-counter drugs, illegal drugs, or any other mood altering
315.21 substances that substantially impair a person's work-related judgment or performance;

315.22 (5) revealing personally identifiable facts, data, or information about a decedent, customer,
315.23 member of the decedent's family, or employee acquired in the practice or business without
315.24 the prior consent of the individual, except as authorized by law;

315.25 (6) intentionally misleading or deceiving any customer in the sale of any goods or services
315.26 provided by the licensee;

315.27 (7) knowingly making a false statement in the procuring, preparation, or filing of any
315.28 required permit or document; or

315.29 (8) knowingly making a false statement on a record of death.

316.1 Sec. 18. Minnesota Statutes 2022, section 149A.90, subdivision 2, is amended to read:

316.2 Subd. 2. **Removal from place of death.** No person subject to regulation under this
316.3 chapter shall remove or cause to be removed any dead human body from the place of death
316.4 without being licensed or registered by the commissioner. Every dead human body shall be
316.5 removed from the place of death by a licensed mortician or funeral director, except as
316.6 provided in section 149A.01, subdivision 3.

316.7 Sec. 19. Minnesota Statutes 2022, section 149A.90, subdivision 4, is amended to read:

316.8 Subd. 4. **Certificate of removal.** No dead human body shall be removed from the place
316.9 of death by a mortician ~~or~~, funeral director, or transfer care specialist or by a noncompensated
316.10 person with the right to control the dead human body without the completion of a certificate
316.11 of removal and, where possible, presentation of a copy of that certificate to the person or a
316.12 representative of the legal entity with physical or legal custody of the body at the death site.
316.13 The certificate of removal shall be in the format provided by the commissioner that contains,
316.14 at least, the following information:

316.15 (1) the name of the deceased, if known;

316.16 (2) the date and time of removal;

316.17 (3) a brief listing of the type and condition of any personal property removed with the
316.18 body;

316.19 (4) the location to which the body is being taken;

316.20 (5) the name, business address, and license number of the individual making the removal;
316.21 and

316.22 (6) the signatures of the individual making the removal and, where possible, the individual
316.23 or representative of the legal entity with physical or legal custody of the body at the death
316.24 site.

316.25 Sec. 20. Minnesota Statutes 2022, section 149A.90, subdivision 5, is amended to read:

316.26 Subd. 5. **Retention of certificate of removal.** A copy of the certificate of removal shall
316.27 be given, where possible, to the person or representative of the legal entity having physical
316.28 or legal custody of the body at the death site. The original certificate of removal shall be
316.29 retained by the individual making the removal and shall be kept on file, at the funeral
316.30 establishment to which the body was taken, for a period of three calendar years following
316.31 the date of the removal. If the removal was performed by a transfer care specialist not

317.1 employed by the funeral establishment to which the body was taken, the transfer care
317.2 specialist must retain a copy of the certificate of removal at the transfer care specialist's
317.3 business address as registered with the commissioner for a period of three calendar years
317.4 following the date of removal. Following this period, and subject to any other laws requiring
317.5 retention of records, the funeral establishment may then place the records in storage or
317.6 reduce them to microfilm, microfiche, laser disc, or any other method that can produce an
317.7 accurate reproduction of the original record, for retention for a period of ten calendar years
317.8 from the date of the removal of the body. At the end of this period and subject to any other
317.9 laws requiring retention of records, the funeral establishment may destroy the records by
317.10 shredding, incineration, or any other manner that protects the privacy of the individuals
317.11 identified in the records.

317.12 **ARTICLE 19**

317.13 **BEHAVIOR ANALYST LICENSURE**

317.14 Section 1. **[148.9981] DEFINITIONS.**

317.15 Subdivision 1. **Scope.** For the purposes of sections 148.9981 to 148.9995, the terms in
317.16 this section have the meanings given.

317.17 Subd. 2. **Accredited school or educational program.** "Accredited school or educational
317.18 program" means a school, university, college, or other postsecondary education program
317.19 that, at the time the student completes the program, is accredited by a regional accrediting
317.20 association whose standards are substantially equivalent to those of the North Central
317.21 Association of Colleges and Postsecondary Education Institutions or an accrediting
317.22 association that evaluates schools of behavior analysis, psychology, or education for inclusion
317.23 of the education, practicum, and core function standards.

317.24 Subd. 3. **Advisory council.** "Advisory council" means the Behavior Analyst Advisory
317.25 Council established in section 148.9994.

317.26 Subd. 4. **Board.** "Board" means the Board of Psychology established in section 148.90.

317.27 Subd. 5. **Certifying entity.** "Certifying entity" means the Behavior Analyst Certification
317.28 Board, Inc., or a successor organization or other organization approved by the board in
317.29 consultation with the advisory council.

317.30 Subd. 6. **Client.** "Client" means an individual who is the recipient of behavior analysis
317.31 services. Client also means "patient" as defined in section 144.291, subdivision 2, paragraph
317.32 (g).

318.1 Subd. 7. **Licensed behavior analyst.** "Licensed behavior analyst" or "behavior analyst"
318.2 means an individual who holds a valid license issued under sections 148.9981 to 148.9995
318.3 to engage in the practice of applied behavior analysis.

318.4 Subd. 8. **Licensee.** "Licensee" means an individual who holds a valid license issued
318.5 under sections 148.9981 to 148.9995.

318.6 Subd. 9. **Practice of applied behavior analysis.** (a) "Practice of applied behavior
318.7 analysis" means the design, implementation, and evaluation of social, instructional, and
318.8 environmental modifications to produce socially significant improvements in human behavior.
318.9 The practice of applied behavior analysis includes the empirical identification of functional
318.10 relations between behavior and environmental factors, known as functional behavioral
318.11 assessment and analysis. Applied behavior analysis interventions are based on scientific
318.12 research, direct and indirect observation, and measurement of behavior and environment
318.13 and utilize contextual factors, motivating operations, antecedent stimuli, positive
318.14 reinforcement, and other procedures to help individuals develop new behaviors, increase
318.15 or decrease existing behaviors, and emit behaviors under specific social, instructional, and
318.16 environmental conditions.

318.17 (b) The practice of applied behavior analysis does not include the diagnosis of psychiatric
318.18 or mental health disorders, psychological testing, neuropsychology, psychotherapy, cognitive
318.19 therapy, sex therapy, hypnotherapy, psychoanalysis, or psychological counseling.

318.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

318.21 Sec. 2. **[148.9982] DUTIES OF THE BOARD OF PSYCHOLOGY.**

318.22 Subdivision 1. **General.** The board, in consultation with the advisory council, must:

318.23 (1) adopt and enforce standards for licensure, licensure renewal, and the regulation of
318.24 behavior analysts;

318.25 (2) issue licenses to qualified individuals under sections 148.9981 to 148.9995;

318.26 (3) carry out disciplinary actions against licensed behavior analysts;

318.27 (4) educate the public about the existence and content of the regulations for behavior
318.28 analyst licensing to enable consumers to file complaints against licensees who may have
318.29 violated laws or rules the board is empowered to enforce; and

318.30 (5) collect license fees for behavior analysts as specified under section 148.9995.

318.31 Subd. 2. **Rulemaking.** The board, in consultation with the advisory council, may adopt
318.32 rules necessary to carry out the provisions of sections 148.9981 to 148.9995.

319.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

319.2 Sec. 3. **[148.9983] REQUIREMENTS FOR LICENSURE.**

319.3 Subdivision 1. **General.** An individual seeking licensure as a behavior analyst must
319.4 complete and submit a written application on forms provided by the board together with
319.5 the appropriate fee as specified under section 148.9995.

319.6 Subd. 2. **Requirements for licensure.** An applicant for licensure as a behavior analyst
319.7 must submit evidence satisfactory to the board that the applicant:

319.8 (1) has a current and active national certification as a board-certified behavior analyst
319.9 issued by the certifying entity; or

319.10 (2) has completed the equivalent requirements for certification by the certifying entity,
319.11 including satisfactorily passing a psychometrically valid examination administered by a
319.12 nationally accredited credentialing organization.

319.13 Subd. 3. **Background investigation.** The applicant must complete a background check
319.14 pursuant to section 214.075.

319.15 **EFFECTIVE DATE.** This section is effective July 1, 2024.

319.16 Sec. 4. **[148.9984] LICENSE RENEWAL REQUIREMENTS.**

319.17 Subdivision 1. **Biennial renewal.** A license must be renewed every two years.

319.18 Subd. 2. **License renewal notice.** At least 60 calendar days before the renewal deadline
319.19 date, the board must mail a renewal notice to the licensee's last known address on file with
319.20 the board. The notice must include instructions for accessing an online application for license
319.21 renewal, the renewal deadline, and notice of fees required for renewal. The licensee's failure
319.22 to receive notice does not relieve the licensee of the obligation to meet the renewal deadline
319.23 and other requirements for license renewal.

319.24 Subd. 3. **Renewal requirements.** (a) To renew a license, a licensee must submit to the
319.25 board:

319.26 (1) a completed and signed application for license renewal;

319.27 (2) the license renewal fee as specified under section 148.9995; and

319.28 (3) evidence satisfactory to the board that the licensee holds a current and active national
319.29 certification as a behavior analyst from the certifying entity or otherwise meets renewal
319.30 requirements as established by the board, in consultation with the advisory council.

320.1 (b) The application for license renewal and fee must be postmarked or received by the
320.2 board by the end of the day on which the license expires or the following business day if
320.3 the expiration date falls on a Saturday, Sunday, or holiday. A renewal application that is
320.4 not completed and signed, or that is not accompanied by the correct fee, is void and must
320.5 be returned to the licensee.

320.6 Subd. 4. **Pending renewal.** If a licensee's application for license renewal is postmarked
320.7 or received by the board by the end of the business day on the expiration date of the license
320.8 or the following business day if the expiration date falls on a Saturday, Sunday, or holiday,
320.9 the licensee may continue to practice after the expiration date while the application for
320.10 license renewal is pending with the board.

320.11 Subd. 5. **Late renewal fee.** If the application for license renewal is postmarked or
320.12 received after the expiration date of the license or the following business day if the expiration
320.13 date falls on a Saturday, Sunday, or holiday, the licensee must pay a biennial renewal late
320.14 fee as specified by section 148.9995, in addition to the renewal fee, before the licensee's
320.15 application for license renewal will be considered by the board.

320.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

320.17 Sec. 5. **[148.9985] EXPIRED LICENSE.**

320.18 (a) Within 30 days after the renewal date, a licensee who has not renewed their license
320.19 must be notified by letter, sent to the last known address of the licensee in the board's file,
320.20 that the renewal is overdue and that failure to pay the current fee and current biennial renewal
320.21 late fee within 60 days after the renewal date will result in termination of the license.

320.22 (b) The board must terminate the license of a licensee whose license renewal is at least
320.23 60 days overdue and to whom notification has been sent as provided in paragraph (a). Failure
320.24 of a licensee to receive notification is not grounds for later challenge of the termination.
320.25 The former licensee must be notified of the termination by letter within seven days after
320.26 board action, in the same manner as provided in paragraph (a).

320.27 (c) Notwithstanding paragraph (b), the board retains jurisdiction over a former licensee
320.28 for complaints received after termination of a license regarding conduct that occurred during
320.29 licensure.

320.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

321.1 Sec. 6. **[148.9986] PROHIBITED PRACTICE OR USE OF TITLES; PENALTY.**

321.2 Subdivision 1. Practice. Effective January 1, 2025, an individual must not engage in
321.3 the practice of applied behavior analysis unless the individual is licensed under sections
321.4 148.9981 to 148.9995 as a behavior analyst or is exempt under section 148.9987. A
321.5 psychologist licensed under sections 148.88 to 148.981 who practices behavior analysis is
321.6 not required to obtain a license as a behavior analyst under sections 148.9981 to 148.9995.

321.7 Subd. 2. Use of titles. (a) An individual must not use a title incorporating the words
321.8 "licensed behavior analyst," or "behavior analyst," or use any other title or description stating
321.9 or implying that they are licensed or otherwise qualified to practice applied behavior analysis,
321.10 unless that person holds a valid license under sections 148.9981 to 148.9995.

321.11 (b) Notwithstanding paragraph (a), a licensed psychologist who practices applied behavior
321.12 analysis within the psychologist's scope of practice may use the title "behavior analyst," but
321.13 must not use the title "licensed behavior analyst" unless the licensed psychologist holds a
321.14 valid license as a behavior analyst issued under sections 148.9981 to 148.9995.

321.15 Subd. 3. Penalty. An individual who violates this section is guilty of a misdemeanor.

321.16 EFFECTIVE DATE. This section is effective July 1, 2024.

321.17 Sec. 7. **[148.9987] EXCEPTIONS TO LICENSE REQUIREMENT.**

321.18 (a) Sections 148.9981 to 148.9995 must not be construed to prohibit or restrict:

321.19 (1) the practice of an individual who is licensed to practice psychology in the state or
321.20 an individual who is providing psychological services under the supervision of a licensed
321.21 psychologist in accordance with section 148.925;

321.22 (2) the practice of any other profession or occupation licensed, certified, or registered
321.23 by the state by an individual duly licensed, certified, or registered to practice the profession
321.24 or occupation or to perform any act that falls within the scope of practice of the profession
321.25 or occupation;

321.26 (3) an individual who is employed by a school district from providing behavior analysis
321.27 services as part of the individual's employment with the school district, so long as the
321.28 individual does not provide behavior analysis services to any person or entity other than as
321.29 an employee of the school district or accept remuneration for the provision of behavior
321.30 analysis services outside of the individual's employment with the school district;

321.31 (4) an employee of a program licensed under chapter 245D from providing the services
321.32 described in section 245D.091, subdivision 1;

322.1 (5) teaching behavior analysis or conducting behavior analysis research if the teaching
322.2 or research does not involve the direct delivery of behavior analysis services;

322.3 (6) providing behavior analysis services by an unlicensed supervisee or trainee under
322.4 the authority and direction of a licensed behavior analyst and in compliance with the licensure
322.5 and supervision standards required by law or rule;

322.6 (7) a family member or guardian of the recipient of behavior analysis services from
322.7 performing behavior analysis services under the authority and direction of a licensed behavior
322.8 analyst; or

322.9 (8) students or interns enrolled in an accredited school or educational program, or
322.10 participating in a behavior analysis practicum, from engaging in the practice of applied
322.11 behavior analysis while supervised by a licensed behavior analyst or instructor of an
322.12 accredited school or educational program. These individuals must be designated as a behavior
322.13 analyst student or intern.

322.14 (b) Notwithstanding paragraph (a), a licensed psychologist may supervise an unlicensed
322.15 supervisee, trainee, student, or intern who is engaged in the practice of behavior analysis if
322.16 the supervision is authorized under the Minnesota Psychology Practice Act.

322.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

322.18 Sec. 8. **[148.9988] NONTRANSFERABILITY OF LICENSES.**

322.19 A behavior analyst license is not transferable.

322.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

322.21 Sec. 9. **[148.9989] DUTY TO MAINTAIN CURRENT INFORMATION.**

322.22 All licensees and applicants for licensure must notify the board within 30 days of the
322.23 occurrence of:

322.24 (1) a change of name, address, place of employment, or home or business telephone
322.25 number; or

322.26 (2) a change in any other application information.

322.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

322.28 Sec. 10. **[148.999] DISCIPLINE; REPORTING.**

322.29 For purposes of sections 148.9981 to 148.9995, behavior analysts are subject to the
322.30 provisions of sections 148.941, 148.952 to 148.965, and 148.98.

323.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

323.2 Sec. 11. **[148.9991] COMPETENT PROVISION OF SERVICES.**

323.3 **Subdivision 1. Limits on practice.** Behavior analysts must limit practice to the client
323.4 populations and services for which the behavior analysts have competence or for which the
323.5 behavior analysts are developing competence.

323.6 **Subd. 2. Developing competence.** When a behavior analyst is developing competence
323.7 in a service, method, or procedure, or is developing competence to treat a specific client
323.8 population, the behavior analyst must obtain professional education, training, continuing
323.9 education, consultation, supervision or experience, or a combination thereof, necessary to
323.10 demonstrate competence.

323.11 **Subd. 3. Limitations.** A behavior analyst must recognize the limitations to the scope of
323.12 practice of applied behavior analysis. When the needs of a client appear to be outside the
323.13 behavior analyst's scope of practice, the behavior analyst must inform the client that there
323.14 may be other professional, technical, community, and administrative resources available to
323.15 the client. A behavior analyst must assist with identifying resources when it is in the best
323.16 interest of a client to be provided with alternative or complementary services.

323.17 **Subd. 4. Burden of proof.** Whenever a complaint is submitted to the board involving
323.18 a violation of this section, the burden of proof is on the behavior analyst to demonstrate that
323.19 the elements of competence have been reasonably met.

323.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

323.21 Sec. 12. **[148.9992] DUTY TO WARN; LIMITATION ON LIABILITY; VIOLENT**
323.22 **BEHAVIOR OF PATIENT.**

323.23 **Subdivision 1. Definitions.** (a) For the purposes of this section, the terms in this
323.24 subdivision have the meanings given.

323.25 (b) "Other person" means an immediate family member or someone who personally
323.26 knows the client and has reason to believe the client is capable of and will carry out a serious,
323.27 specific threat of harm to a specific, clearly identified or identifiable victim.

323.28 (c) "Reasonable efforts" means communicating a serious, specific threat to the potential
323.29 victim and, if unable to make contact with the potential victim, communicating the serious,
323.30 specific threat to the law enforcement agency closest to the potential victim or the client.

324.1 (d) "Licensee" has the meaning given in section 148.9981 and includes behavior analysis
324.2 students, interns, and unlicensed supervisees who are participating in a behavior analysis
324.3 practicum or enrolled in an accredited school or educational program.

324.4 Subd. 2. **Duty to warn.** The duty to predict, warn of, or take reasonable precautions to
324.5 provide protection from violent behavior arises only when a client or other person has
324.6 communicated to the licensee a specific, serious threat of physical violence against a specific,
324.7 clearly identified or identifiable potential victim. If a duty to warn arises, the duty is
324.8 discharged by the licensee if reasonable efforts are made to communicate the threat.

324.9 Subd. 3. **Liability standard.** If no duty to warn exists under subdivision 2, then no
324.10 monetary liability and no cause of action may arise against a licensee for failure to predict,
324.11 warn of, or take reasonable precautions to provide protection from a client's violent behavior.

324.12 Subd. 4. **Disclosure of confidences.** Good faith compliance with the duty to warn must
324.13 not constitute a breach of confidence and must not result in monetary liability or a cause of
324.14 action against the licensee.

324.15 Subd. 5. **Continuity of care.** Subdivision 2 must not be construed to authorize a licensee
324.16 to terminate treatment of a client as a direct result of a client's violent behavior or threat of
324.17 physical violence unless the client is referred to another practitioner or appropriate health
324.18 care facility.

324.19 Subd. 6. **Exception.** This section does not apply to a threat to commit suicide or other
324.20 threats by a client to harm the client, or to a threat by a client who is adjudicated as a person
324.21 who has a mental illness and is dangerous to the public under chapter 253B.

324.22 Subd. 7. **Optional disclosure.** This section must not be construed to prohibit a licensee
324.23 from disclosing confidences to third parties in a good faith effort to warn or take precautions
324.24 against a client's violent behavior or threat to commit suicide for which a duty to warn does
324.25 not arise.

324.26 Subd. 8. **Limitation on liability.** No monetary liability and no cause of action or
324.27 disciplinary action by the board may arise against a licensee for disclosure of confidences
324.28 to third parties, for failure to disclose confidences to third parties, or for erroneous disclosure
324.29 of confidences to third parties in a good faith effort to warn against or take precautions
324.30 against a client's violent behavior or threat of suicide for which a duty to warn does not
324.31 arise.

324.32 **EFFECTIVE DATE.** This section is effective July 1, 2024.

325.1 **Sec. 13. [148.9993] INFORMED CONSENT.**

325.2 **Subdivision 1. Obtaining informed consent for services.** A behavior analyst must
325.3 obtain informed consent from the client or the client's legal guardian before initiating
325.4 services. The informed consent must be in writing, signed by the client, and include, at a
325.5 minimum, the following:

325.6 (1) consent for the behavior analyst to engage in activities that directly affect the client;

325.7 (2) the goals, purposes, and procedures of the proposed services;

325.8 (3) the factors that may impact the duration of the proposed services;

325.9 (4) the applicable fee schedule for the proposed services;

325.10 (5) the significant risks and benefits of the proposed services;

325.11 (6) the behavior analyst's limits under section 148.9991, including, if applicable,
325.12 information that the behavior analyst is developing competence in the proposed service,
325.13 method, or procedure, and alternatives to the proposed service, if any; and

325.14 (7) the behavior analyst's responsibilities if the client terminates the service.

325.15 **Subd. 2. Updating informed consent.** If there is a substantial change in the nature or
325.16 purpose of a service, the behavior analyst must obtain a new informed consent from the
325.17 client.

325.18 **Subd. 3. Emergency or crisis services.** Informed consent is not required when a behavior
325.19 analyst is providing emergency or crisis services. If services continue after the emergency
325.20 or crisis has abated, informed consent must be obtained.

325.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

325.22 **Sec. 14. [148.9994] BEHAVIOR ANALYST ADVISORY COUNCIL.**

325.23 **Subdivision 1. Membership.** The Behavior Analyst Advisory Council is created and
325.24 composed of five members appointed by the board. The advisory council consists of:

325.25 (1) one public member as defined in section 214.02;

325.26 (2) three members who are licensed behavior analysts; and

325.27 (3) one member who is a licensed psychologist and, to the extent practicable, who
325.28 practices applied behavior analysis.

325.29 **Subd. 2. Administration.** The advisory council is established and administered under
325.30 section 15.059, except that the advisory council does not expire.

326.1 Subd. 3. **Duties.** The advisory council must:

326.2 (1) advise the board regarding standards for behavior analysts;

326.3 (2) assist with the distribution of information regarding behavior analyst standards;

326.4 (3) advise the board on enforcement of sections 148.9981 to 148.9995;

326.5 (4) review license applications and license renewal applications and make

326.6 recommendations to the board;

326.7 (5) review complaints and complaint investigation reports and make recommendations

326.8 to the board on whether disciplinary action should be taken and, if applicable, what type;

326.9 (6) advise the board regarding evaluation and treatment protocols; and

326.10 (7) perform other duties authorized for advisory councils under chapter 214 as directed

326.11 by the board to ensure effective oversight of behavior analysts.

326.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

326.13 **Sec. 15. [148.9995] FEES.**

326.14 Subdivision 1. **Fees.** All applicants and licensees must pay fees as follows:

326.15 (1) application fee, \$225;

326.16 (2) license renewal fee, \$225;

326.17 (3) inactive license renewal fee, \$125;

326.18 (4) biennial renewal late fee, \$100;

326.19 (5) inactive license renewal late fee, \$100; and

326.20 (6) supervisor application processing fee, \$225.

326.21 Subd. 2. **Nonrefundable fees.** All fees in this section are nonrefundable.

326.22 Subd. 3. **Deposit of fees.** Fees collected by the board under this section must be deposited

326.23 in the state government special revenue fund.

326.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

326.25 **Sec. 16. INITIAL BEHAVIOR ANALYST ADVISORY COUNCIL.**

326.26 The Board of Psychology must make the first appointments to the Behavior Analyst

326.27 Advisory Council authorized under Minnesota Statutes, section 148.9994, by September 1,

326.28 2024. The initial behavior analysts appointed to the advisory council need not be licensed

327.1 under Minnesota Statutes, sections 148.9981 to 148.9995, but must hold a current and active
327.2 national certification as a board certified behavior analyst. The chair of the Board of
327.3 Psychology must convene the first meeting of the council by September 1, 2024, and must
327.4 convene subsequent meetings of the council until an advisory chair is elected. The council
327.5 must elect a chair from its members by the third meeting of the council.

327.6 **EFFECTIVE DATE.** This section is effective July 1, 2024.

327.7

ARTICLE 20

327.8

BOARD OF VETERINARY MEDICINE

327.9 Section 1. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision
327.10 to read:

327.11 Subd. 5a. **Direct supervision.** "Direct supervision" means:

327.12 (1) when a supervising veterinarian or licensed veterinary technician is in the immediate
327.13 area and within audible or visual range of an animal and the unlicensed veterinary employee
327.14 treating the animal;

327.15 (2) the supervising veterinarian has met the requirements of a veterinarian-client-patient
327.16 relationship under section 156.16, subdivision 12; and

327.17 (3) the supervising veterinarian assumes responsibility for the professional care given
327.18 to an animal by a person working under the veterinarian's direction.

327.19 **EFFECTIVE DATE.** This section is effective July 1, 2026.

327.20 Sec. 2. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to
327.21 read:

327.22 Subd. 7a. **Licensed veterinary technician.** "Licensed veterinary technician" means a
327.23 person licensed by the board under section 156.077.

327.24 **EFFECTIVE DATE.** This section is effective July 1, 2026.

327.25 Sec. 3. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to
327.26 read:

327.27 Subd. 10b. **Remote supervision.** "Remote supervision" means:

327.28 (1) a veterinarian is not on the premises but is acquainted with the keeping and care of
327.29 an animal by virtue of an examination of the animal or medically appropriate and timely
327.30 visits to the premises where the animal is kept;

328.1 (2) the veterinarian has given written or oral instructions to a licensed veterinary
328.2 technician for ongoing care of an animal and is available by telephone or other form of
328.3 immediate communication; and

328.4 (3) the employee treating the animal timely enters into the animal's medical record
328.5 documentation of the treatment provided and the documentation is reviewed by the
328.6 veterinarian.

328.7 **EFFECTIVE DATE.** This section is effective July 1, 2026.

328.8 Sec. 4. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to
328.9 read:

328.10 Subd. 12. **Veterinary technology.** "Veterinary technology" means the science and
328.11 practice of providing professional support to veterinarians, including the direct supervision
328.12 of unlicensed veterinary employees. Veterinary technology does not include veterinary
328.13 diagnosis, prognosis, surgery, or medication prescription.

328.14 **EFFECTIVE DATE.** This section is effective July 1, 2026.

328.15 Sec. 5. Minnesota Statutes 2022, section 156.07, is amended to read:

328.16 **156.07 LICENSE RENEWAL.**

328.17 Persons licensed under this chapter shall conspicuously display their license in their
328.18 principal place of business.

328.19 Persons now ~~qualified to practice veterinary medicine~~ licensed in this state, or who shall
328.20 hereafter be licensed by the Board of Veterinary Medicine ~~to engage in the practice as~~
328.21 veterinarians or veterinary technicians, shall periodically renew their license in a manner
328.22 prescribed by the board. The board shall establish license renewal fees and continuing
328.23 education requirements. The board may establish, by rule, an inactive license category, at
328.24 a lower fee, for licensees not actively engaged in the practice of veterinary medicine or
328.25 veterinary technology within the state of Minnesota. The board may assess a charge for
328.26 delinquent payment of a renewal fee.

328.27 Any person who is licensed to practice veterinary medicine or veterinary technology in
328.28 this state pursuant to this chapter, shall be entitled to receive a license to continue to practice
328.29 upon making application to the board and complying with the terms of this section and rules
328.30 of the board.

328.31 **EFFECTIVE DATE.** This section is effective July 1, 2026.

329.1 Sec. 6. [156.0721] INSTITUTIONAL LICENSURE.

329.2 Subdivision 1. Application and eligibility. (a) Any person who seeks to practice
329.3 veterinary medicine while employed by the University of Minnesota and who is not eligible
329.4 for a regular license shall make a written application to the board for an institutional license
329.5 using forms provided for that purpose or in a format accepted by the board. The board shall
329.6 issue an institutional license to practice veterinary medicine to an applicant who:

329.7 (1) has obtained the degree of doctor of veterinary medicine or its equivalent from a
329.8 nonaccredited college of veterinary medicine. A graduate from an accredited college and
329.9 an applicant who has earned ECFVG or PAVE certificates should apply for a regular license
329.10 to practice veterinary medicine;

329.11 (2) has passed the Minnesota Veterinary Jurisprudence Examination;

329.12 (3) is a person of good moral character, as attested by five notarized reference letters
329.13 from adults not related to the applicant, at least two of whom are licensed veterinarians in
329.14 the jurisdiction where the applicant is currently practicing or familiar with the applicant's
329.15 clinical abilities as evidenced in clinical rotations;

329.16 (4) has paid the license application fee;

329.17 (5) provides proof of employment by the University of Minnesota;

329.18 (6) certifies that the applicant understands and agrees that the institutional license is
329.19 valid only for the practice of veterinary medicine associated with the applicant's employment
329.20 as a faculty member, intern, resident, or locum of the University of Minnesota College of
329.21 Veterinary Medicine or other unit of the University of Minnesota;

329.22 (7) provides proof of graduation from a veterinary college;

329.23 (8) completed a criminal background check as defined in section 214.075; and

329.24 (9) provides other information and proof as the board may require by rules and
329.25 regulations.

329.26 (b) The University of Minnesota may submit the applications of its employees who seek
329.27 an institutional license in a compiled format acceptable to the board, with any license
329.28 application fees in a single form of payment.

329.29 (c) The fee for a license issued under this subdivision is the same as for a regular license
329.30 to practice veterinary medicine in the state. License payment and renewal deadlines, late
329.31 payment fees, and other license requirements are also the same as for a regular license to
329.32 practice veterinary medicine.

330.1 (d) The University of Minnesota may be responsible for timely payment of renewal fees
330.2 and submission of renewal forms.

330.3 Subd. 2. **Scope of practice.** (a) An institutional license holder may practice veterinary
330.4 medicine only as related to the license holder's regular function at the University of
330.5 Minnesota. A person holding only an institutional license in this state must be remunerated
330.6 for the practice of veterinary medicine in the state solely from state, federal, or institutional
330.7 funds and not from the patient-owner beneficiary of the license holder's practice efforts.

330.8 (b) A license issued under this section must be canceled by the board upon receipt of
330.9 information from the University of Minnesota that the holder of the license has left or is
330.10 otherwise no longer employed at the University of Minnesota in this state.

330.11 (c) An institutional license holder must abide by all laws governing the practice of
330.12 veterinary medicine in the state and is subject to the same disciplinary action as any other
330.13 veterinarian licensed in the state.

330.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

330.15 Sec. 7. **[156.076] DIRECT SUPERVISION; UNLICENSED VETERINARY**
330.16 **EMPLOYEES.**

330.17 (a) An unlicensed veterinary employee may only administer medication or render
330.18 auxiliary or supporting assistance under the direct supervision of a licensed veterinarian or
330.19 licensed veterinary technician.

330.20 (b) This section does not prohibit:

330.21 (1) the performance of generalized nursing tasks ordered by the veterinarian and
330.22 performed by an unlicensed employee on inpatient animals during the hours when a
330.23 veterinarian is not on the premises; or

330.24 (2) under emergency conditions, an unlicensed employee from rendering lifesaving aid
330.25 and treatment to an animal in the absence of a veterinarian if the animal is in a life-threatening
330.26 condition and requires immediate treatment to sustain life or prevent further injury.

330.27 **EFFECTIVE DATE.** This section is effective July 1, 2026.

330.28 Sec. 8. **[156.077] LICENSED VETERINARY TECHNICIANS.**

330.29 Subdivision 1. **Licensure; practice.** (a) The board shall issue a license to practice as a
330.30 veterinary technician to an applicant who satisfies the requirements in this section and those
330.31 imposed by the board in rule. A licensed veterinary technician may practice veterinary

331.1 technology. A person may not use the title "veterinary technician" or the abbreviation "LVT"
331.2 unless licensed by the board.

331.3 (b) The board may adopt by rule additional or temporary alternative licensure
331.4 requirements or definitions for veterinary technician titles.

331.5 Subd. 2. **Applicants; qualifications.** Application for a license to practice veterinary
331.6 technology in this state shall be made to the board on a form furnished by the board and
331.7 accompanied by evidence satisfactory to the board that the applicant is at least 18 years of
331.8 age, is of good moral character, and has:

331.9 (1) graduated from a veterinary technology program accredited or approved by the
331.10 American Veterinary Medical Association or Canadian Veterinary Medical Association;

331.11 (2) received a passing score for the Veterinary Technician National Examination;

331.12 (3) received a passing score for the Minnesota Veterinary Technician Jurisprudence
331.13 Examination; and

331.14 (4) completed a criminal background check.

331.15 Subd. 3. **Required with application.** A completed application must contain the following
331.16 information and material:

331.17 (1) the application fee set by the board, which is not refundable if permission to take the
331.18 jurisprudence examination is denied for good cause;

331.19 (2) proof of graduation from a veterinary technology program accredited or approved
331.20 by the American Veterinary Medical Association or Canadian Veterinary Medical
331.21 Association;

331.22 (3) affidavits from at least two licensed veterinarians and three adults who are not related
331.23 to the applicant that establish how long, when, and under what circumstances the references
331.24 have known the applicant and any other facts that may enable the board to determine the
331.25 applicant's qualifications; and

331.26 (4) if the applicant has served in the armed forces, a copy of the applicant's discharge
331.27 papers.

331.28 Subd. 4. **Temporary alternative qualifications.** (a) The board shall consider an
331.29 application for licensure submitted by a person before July 1, 2031, if the person provides
331.30 evidence satisfactory to the board that the person:

331.31 (1) is a certified veterinary technician in good standing with the Minnesota Veterinary
331.32 Medical Association; or

332.1 (2) has at least 4,160 hours actively engaged in the practice of veterinary technology
332.2 within the previous five years.

332.3 (b) Each applicant under this subdivision must also submit to the board affidavits from
332.4 at least two licensed veterinarians and three adults who are not related to the applicant that
332.5 establish how long, when, and under what circumstances the references have known the
332.6 applicant and any other facts that may enable the board to determine the applicant's
332.7 qualifications.

332.8 **EFFECTIVE DATE.** This section is effective July 1, 2026.

332.9 **Sec. 9. [156.078] NONRESIDENTS; LICENSED VETERINARY TECHNICIANS.**

332.10 A credentialed veterinary technician duly admitted to practice in any state,
332.11 commonwealth, territory, or district of the United States or province of Canada who desires
332.12 permission to practice veterinary technology in this state shall submit an application to the
332.13 board on a form furnished by the board. The board shall review an application for transfer
332.14 if the applicant submits:

332.15 (1) a copy of a diploma from an accredited or approved college of veterinary technology
332.16 or certification from the dean, registrar, or secretary of an accredited or approved college
332.17 of veterinary technology or a certificate of satisfactory completion of the PAVE program;

332.18 (2) if requesting waiver of examination, evidence of meeting licensure requirements in
332.19 the state of the applicant's original licensure;

332.20 (3) affidavits of two licensed practicing doctors of veterinary medicine or veterinary
332.21 technicians residing in the United States or Canadian licensing jurisdiction in which the
332.22 applicant is or was most recently practicing, attesting that they are well acquainted with the
332.23 applicant, that the applicant is a person of good moral character, and that the applicant has
332.24 been actively engaged in practicing or teaching in such jurisdiction;

332.25 (4) a certificate from the agency that regulates the conduct of practice of veterinary
332.26 technology in the jurisdiction in which the applicant is or was most recently practicing,
332.27 stating that the applicant is in good standing and is not the subject of disciplinary action or
332.28 pending disciplinary action;

332.29 (5) a certificate from all other jurisdictions in which the applicant holds a currently active
332.30 license or held a license within the past ten years, stating that the applicant is and was in
332.31 good standing and has not been subject to disciplinary action;

333.1 (6) in lieu of the certificates in clauses (4) and (5), certification from the Veterinary
333.2 Information Verification Agency that the applicant's licensure is in good standing;

333.3 (7) a fee as set by the board in form of check or money order payable to the board, no
333.4 part of which shall be refunded should the application be denied;

333.5 (8) score reports on previously taken national examinations in veterinary technology,
333.6 certified by the Veterinary Information Verification Agency or evidence of employment as
333.7 a veterinary technician for at least three years;

333.8 (9) proof that the applicant received a passing score for the Minnesota Veterinary
333.9 Technician Jurisprudence Examination; and

333.10 (10) proof of a completed criminal background check.

333.11 **EFFECTIVE DATE.** This section is effective July 1, 2026.

333.12 Sec. 10. Minnesota Statutes 2022, section 156.12, subdivision 2, is amended to read:

333.13 Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

333.14 (a) a person from rendering necessary gratuitous assistance in the treatment of any animal
333.15 when the assistance does not amount to prescribing, testing for, or diagnosing, operating,
333.16 or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

333.17 (b) a person who is a regular student in an accredited or approved college of veterinary
333.18 medicine from performing duties or actions assigned by instructors or preceptors or working
333.19 under the direct supervision of a licensed veterinarian;

333.20 (c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed
333.21 veterinarian in this state;

333.22 (d) the owner of an animal and the owner's regular employee from caring for and
333.23 administering to the animal belonging to the owner, except where the ownership of the
333.24 animal was transferred for purposes of circumventing this chapter;

333.25 (e) veterinarians who are in compliance with ~~subdivision 6~~ section 156.0721 and who
333.26 are employed by the University of Minnesota from performing their duties with the College
333.27 of Veterinary Medicine, ~~College of Agriculture,~~ Veterinary Diagnostic Laboratory,
333.28 Agricultural Experiment Station, Agricultural Extension Service, Medical School, School
333.29 of Public Health, School of Nursing, or other unit within the university; or a person from
333.30 lecturing or giving instructions or demonstrations at the university or in connection with a
333.31 continuing education course or seminar to veterinarians ~~or pathologists at the University of~~
333.32 ~~Minnesota Veterinary Diagnostic Laboratory;~~

334.1 (f) any person from selling or applying any pesticide, insecticide or herbicide;

334.2 (g) any person from engaging in bona fide scientific research or investigations which
334.3 reasonably requires experimentation involving animals;

334.4 (h) any employee of a licensed veterinarian from performing duties other than diagnosis,
334.5 prescription or surgical correction under the direction and supervision of the veterinarian,
334.6 who shall be responsible for the performance of the employee;

334.7 (i) a graduate of a foreign college of veterinary medicine from working under the direct
334.8 personal instruction, control, or supervision of a veterinarian faculty member of the College
334.9 of Veterinary Medicine, University of Minnesota in order to complete the requirements
334.10 necessary to obtain an ECFVG or PAVE certificate;

334.11 (j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing
334.12 animal chiropractic; or

334.13 (k) a person certified by the Emergency Medical Services Regulatory Board under
334.14 chapter 144E from providing emergency medical care to a police dog wounded in the line
334.15 of duty.

334.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

334.17 Sec. 11. Minnesota Statutes 2022, section 156.12, subdivision 4, is amended to read:

334.18 Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree
334.19 from an accredited or approved college of veterinary medicine, ~~or~~ ECFVG or PAVE
334.20 certification, or an institutional license under section 156.0721 to use any of the following
334.21 titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist,
334.22 animal chiropractor, animal acupuncturist, or any other title, designation, word, letter,
334.23 abbreviation, sign, card, or device tending to indicate that the person is qualified to practice
334.24 veterinary medicine.

334.25 **EFFECTIVE DATE.** This section is effective July 1, 2025.

334.26 Sec. 12. **REPEALER.**

334.27 Minnesota Statutes 2022, section 156.12, subdivision 6, is repealed.

334.28 **EFFECTIVE DATE.** This section is effective July 1, 2025.

ARTICLE 21

BOARD OF DENTISTRY

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Section 1. Minnesota Statutes 2022, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant one or more specialty licenses in the specialty areas of dentistry that are recognized by the Commission on Dental Accreditation.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty program accredited by the Commission on Dental Accreditation, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

336.1 (c) The application must include:

336.2 (1) a completed application furnished by the board;

336.3 (2) a nonrefundable fee; and

336.4 (3) a copy of the applicant's government-issued photo identification card.

336.5 (d) A specialty dentist holding one or more specialty licenses is limited to practicing in
336.6 the dentist's designated specialty area or areas. The scope of practice must be defined by
336.7 each national specialty board recognized by the Commission on Dental Accreditation.

336.8 ~~(e) A specialty dentist holding a general dental license is limited to practicing in the~~
336.9 ~~dentist's designated specialty area or areas if the dentist has announced a limitation of~~
336.10 ~~practice. The scope of practice must be defined by each national specialty board recognized~~
336.11 ~~by the Commission on Dental Accreditation.~~

336.12 ~~(f)~~ (e) All specialty dentists who have fulfilled the specialty dentist requirements and
336.13 who intend to limit their practice to a particular specialty area or areas may apply for one
336.14 or more specialty licenses.

336.15 Sec. 2. Minnesota Statutes 2022, section 150A.06, subdivision 8, is amended to read:

336.16 Subd. 8. **Licensure by credentials; dental assistant.** (a) Any dental assistant may, upon
336.17 application and payment of a fee established by the board, apply for licensure based on an
336.18 evaluation of the applicant's education, experience, and performance record in lieu of
336.19 completing a board-approved dental assisting program for expanded functions as defined
336.20 in rule, and may be interviewed by the board to determine if the applicant:

336.21 (1) has graduated from an accredited dental assisting program accredited by the
336.22 Commission on Dental Accreditation ~~and~~ or is currently certified by the Dental Assisting
336.23 National Board;

336.24 (2) is not subject to any pending or final disciplinary action in another state or Canadian
336.25 province, or if not currently certified or registered, previously had a certification or
336.26 registration in another state or Canadian province in good standing that was not subject to
336.27 any final or pending disciplinary action at the time of surrender;

336.28 (3) is of good moral character and abides by professional ethical conduct requirements;

336.29 (4) at board discretion, has passed a board-approved English proficiency test if English
336.30 is not the applicant's primary language; and

337.1 (5) has met all expanded functions curriculum equivalency requirements of a Minnesota
337.2 board-approved dental assisting program.

337.3 (b) The board, at its discretion, may waive specific licensure requirements in paragraph
337.4 (a).

337.5 (c) An applicant who fulfills the conditions of this subdivision and demonstrates the
337.6 minimum knowledge in dental subjects required for licensure under subdivision 2a must
337.7 be licensed to practice the applicant's profession.

337.8 (d) If the applicant does not demonstrate the minimum knowledge in dental subjects
337.9 required for licensure under subdivision 2a, the application must be denied. If licensure is
337.10 denied, the board may notify the applicant of any specific remedy that the applicant could
337.11 take which, when passed, would qualify the applicant for licensure. A denial does not
337.12 prohibit the applicant from applying for licensure under subdivision 2a.

337.13 (e) A candidate whose application has been denied may appeal the decision to the board
337.14 according to subdivision 4a.

337.15

ARTICLE 22

337.16

PHYSICIAN ASSISTANT PRACTICE

337.17 Section 1. **REPEALER.**

337.18 Minnesota Statutes 2022, section 147A.09, subdivision 5, is repealed.

337.19

ARTICLE 23

337.20

BOARD OF SOCIAL WORK

337.21 Section 1. Minnesota Statutes 2022, section 148D.061, subdivision 1, is amended to read:

337.22 Subdivision 1. **Requirements for a provisional license.** An applicant may be issued a
337.23 provisional license if the applicant:

337.24 ~~(1) was born in a foreign country;~~

337.25 ~~(2) communicates in English as a second language;~~

337.26 ~~(3) has taken the applicable examination administered by the Association of Social Work~~
337.27 ~~Boards or similar examination body designated by the board;~~

337.28 ~~(4) (1) has met the requirements of section 148E.055, subdivision 2, paragraph (a),~~

337.29 ~~clauses (1), (3), (4), (5), and (6); or subdivision 3, paragraph (a), clauses (1), (3), (4), (5),~~

338.1 and (6); ~~or~~ subdivision 4, ~~paragraph (a)~~, clauses (1), (2), (4), (5), (6), and (7); or subdivision
338.2 5, paragraph (a), clauses (1), (2), (3), (5), (6), (7), and (8); and
338.3 ~~(5)~~ (2) complies with the requirements of subdivisions 2 to 7.

338.4 **EFFECTIVE DATE.** This section is effective October 1, 2024.

338.5 Sec. 2. Minnesota Statutes 2022, section 148D.061, subdivision 8, is amended to read:

338.6 Subd. 8. **Disciplinary or other action.** A licensee who is issued a provisional license
338.7 is subject to the grounds for disciplinary action under section 148E.190. The board may
338.8 also take action according to sections 148E.260 to 148E.270 if:

338.9 (1) the licensee's supervisor does not submit an evaluation as required by section
338.10 148D.063;

338.11 (2) an evaluation submitted according to section 148D.063 indicates that the licensee
338.12 cannot practice social work competently and ethically; or

338.13 (3) the licensee does not comply with the requirements of subdivisions 1 to 7.

338.14 **EFFECTIVE DATE.** This section is effective October 1, 2024.

338.15 Sec. 3. Minnesota Statutes 2022, section 148D.062, subdivision 3, is amended to read:

338.16 Subd. 3. **Types of supervision.** (a) ~~Twenty-five hours~~ Half of the supervision hours
338.17 required by subdivision 1 must consist of one-on-one in-person supervision. The supervision
338.18 must be provided either in person or via eye-to-eye electronic media while maintaining
338.19 visual contact.

338.20 (b) ~~Twelve and one-half hours~~ Half of the supervision hours must consist of one or more
338.21 of the following types of supervision:

338.22 (1) ~~in-person~~ one-on-one supervision provided in person or via eye-to-eye electronic
338.23 media while maintaining visual contact; or

338.24 (2) ~~in-person~~ group supervision provided in person, by telephone, or via eye-to-eye
338.25 electronic media while maintaining visual contact.

338.26 (c) ~~To qualify as in-person~~ Group supervision, the group must not exceed seven members
338.27 including the supervisor six supervisees.

338.28 (d) Supervision must not be provided by email.

338.29 **EFFECTIVE DATE.** This section is effective October 1, 2024.

339.1 Sec. 4. Minnesota Statutes 2022, section 148D.062, subdivision 4, is amended to read:

339.2 Subd. 4. **Supervisor requirements.** (a) The supervision required by subdivision 1 must
339.3 be provided by a supervisor who meets the requirements in section 148E.120 and has ~~either:~~

339.4 ~~(1) 5,000 hours experience engaged in authorized social work practice; or~~

339.5 ~~(2) completed 30 hours of training in supervision, which may be satisfied by completing~~
339.6 academic coursework in supervision or continuing education courses in supervision as
339.7 defined in section 148E.010, subdivision 18.

339.8 (b) Supervision must be provided:

339.9 (1) if the supervisee is not engaged in clinical practice and the supervisee has a provisional
339.10 license to practice as a licensed social worker, by:

339.11 (i) a licensed social worker who has completed the supervised practice requirements;

339.12 (ii) a licensed graduate social worker who has completed the supervised practice
339.13 requirements;

339.14 (iii) a licensed independent social worker; or

339.15 (iv) a licensed independent clinical social worker;

339.16 (2) if the supervisee is not engaged in clinical practice and the supervisee has a provisional
339.17 license to practice as a licensed graduate social worker, licensed independent social worker,
339.18 or licensed independent clinical social worker, by:

339.19 (i) a licensed graduate social worker who has completed the supervised practice
339.20 requirements;

339.21 (ii) a licensed independent social worker; or

339.22 (iii) a licensed independent clinical social worker;

339.23 (3) if the supervisee is engaged in clinical practice and the supervisee has a provisional
339.24 license to practice as a licensed graduate social worker, licensed independent social worker,
339.25 or licensed independent clinical social worker, by a licensed independent clinical social
339.26 worker; or

339.27 (4) by a supervisor who meets the requirements in section 148E.120, subdivision 2.

339.28 **EFFECTIVE DATE.** This section is effective October 1, 2024.

340.1 Sec. 5. Minnesota Statutes 2022, section 148D.063, subdivision 1, is amended to read:

340.2 Subdivision 1. **Supervision plan.** (a) An applicant granted a provisional license must
340.3 submit, on a form provided by the board, a supervision plan for meeting the supervision
340.4 requirements in section 148D.062.

340.5 (b) The supervision plan must be submitted no later than 30 days after the licensee begins
340.6 a social work practice position.

340.7 ~~(e) The board may revoke a licensee's provisional license for failure to submit the~~
340.8 ~~supervision plan within 30 days after beginning a social work practice position.~~

340.9 ~~(d)~~ (c) The supervision plan must include the following:

340.10 (1) the name of the supervisee, the name of the agency in which the supervisee is being
340.11 supervised, and the supervisee's position title;

340.12 (2) the name and qualifications of the person providing the supervision;

340.13 (3) the number of hours of one-on-one ~~in-person~~ supervision and the number and type
340.14 of additional hours of supervision to be completed by the supervisee;

340.15 (4) the supervisee's position description;

340.16 (5) a brief description of the supervision the supervisee will receive in the following
340.17 content areas:

340.18 (i) clinical practice, if applicable;

340.19 (ii) development of professional social work knowledge, skills, and values;

340.20 (iii) practice methods;

340.21 (iv) authorized scope of practice;

340.22 (v) ensuring continuing competence; and

340.23 (vi) ethical standards of practice; and

340.24 (6) if applicable, a detailed description of the supervisee's clinical social work practice,
340.25 addressing:

340.26 (i) the client population, the range of presenting issues, and the diagnoses;

340.27 (ii) the clinical modalities that were utilized; and

340.28 (iii) the process utilized for determining clinical diagnoses, including the diagnostic
340.29 instruments used and the role of the supervisee in the diagnostic process.

341.1 ~~(e)~~ (d) The board must receive a revised supervision plan within 30 days of any of the
341.2 following changes:

341.3 (1) the supervisee has a new supervisor;

341.4 (2) the supervisee begins a new social work position;

341.5 (3) the scope or content of the supervisee's social work practice changes substantially;

341.6 (4) the number of practice or supervision hours changes substantially; or

341.7 (5) the type of supervision changes as supervision is described in section 148D.062.

341.8 ~~(f) The board may revoke a licensee's provisional license for failure to submit a revised
341.9 supervision plan as required in paragraph (e).~~

341.10 ~~(g)~~ (e) The board must approve the supervisor and the supervision plan.

341.11 **EFFECTIVE DATE.** This section is effective October 1, 2024.

341.12 Sec. 6. Minnesota Statutes 2022, section 148D.063, subdivision 2, is amended to read:

341.13 Subd. 2. **Evaluation.** (a) When a licensee's supervisor submits an evaluation to the board
341.14 according to section 148D.061, subdivision 6, the supervisee and supervisor must provide
341.15 the following information on a form provided by the board:

341.16 (1) the name of the supervisee, the name of the agency in which the supervisee is being
341.17 supervised, and the supervisee's position title;

341.18 (2) the name and qualifications of the supervisor;

341.19 (3) the number of hours and dates of each type of supervision completed;

341.20 (4) the supervisee's position description;

341.21 (5) a declaration that the supervisee has not engaged in conduct in violation of the
341.22 standards of practice in sections 148E.195 to 148E.240;

341.23 (6) a declaration that the supervisee has practiced competently and ethically according
341.24 to professional social work knowledge, skills, and values; and

341.25 (7) on a form provided by the board, an evaluation of the licensee's practice in the
341.26 following areas:

341.27 (i) development of professional social work knowledge, skills, and values;

341.28 (ii) practice methods;

341.29 (iii) authorized scope of practice;

342.1 ~~(iv) ensuring continuing competence;~~

342.2 ~~(v)~~ (iv) ethical standards of practice; and

342.3 ~~(vi)~~ (v) clinical practice, if applicable.

342.4 (b) The supervisor must attest to the satisfaction of the board that the supervisee has met
342.5 or has made progress on meeting the applicable supervised practice requirements.

342.6 **EFFECTIVE DATE.** This section is effective October 1, 2024.

342.7 Sec. 7. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision
342.8 to read:

342.9 **Subd. 2b. Qualifications for licensure by completion of provisional license**
342.10 **requirements as a licensed social worker (LSW).** To be licensed as a licensed social
342.11 worker, an applicant for licensure by completion of provisional license requirements must
342.12 provide evidence satisfactory to the board that the applicant:

342.13 (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

342.14 (2) continues to meet the requirements of subdivision 2, clauses (1) and (3) to (6).

342.15 **EFFECTIVE DATE.** This section is effective October 1, 2024.

342.16 Sec. 8. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision
342.17 to read:

342.18 **Subd. 3b. Qualifications for licensure by completion of provisional license**
342.19 **requirements as a licensed graduate social worker (LGSW).** To be licensed as a licensed
342.20 graduate social worker, an applicant for licensure by completion of provisional license
342.21 requirements must provide evidence satisfactory to the board that the applicant:

342.22 (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

342.23 (2) continues to meet the requirements of subdivision 3, clauses (1) and (3) to (6).

342.24 **EFFECTIVE DATE.** This section is effective October 1, 2024.

342.25 Sec. 9. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision
342.26 to read:

342.27 **Subd. 4b. Qualifications for licensure by completion of provisional license**
342.28 **requirements as a licensed independent social worker (LISW).** To be licensed as a

343.1 licensed independent social worker, an applicant for licensure by completion of provisional
 343.2 license requirements must provide evidence satisfactory to the board that the applicant:

343.3 (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

343.4 (2) continues to meet the requirements of subdivision 4, clauses (1), (2), and (4) to (7).

343.5 **EFFECTIVE DATE.** This section is effective October 1, 2024.

343.6 Sec. 10. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision
 343.7 to read:

343.8 **Subd. 5b. Qualifications for licensure by completion of provisional license**
 343.9 **requirements as a licensed independent clinical social worker (LICSW).** To be licensed
 343.10 as a licensed independent clinical social worker, an applicant for licensure by completion
 343.11 of provisional license requirements must provide evidence satisfactory to the board that the
 343.12 applicant:

343.13 (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and

343.14 (2) continues to meet the requirements of subdivision 5, paragraph (a), clauses (1) to (3)
 343.15 and (5) to (8).

343.16 **EFFECTIVE DATE.** This section is effective October 1, 2024.

343.17 Sec. 11. **REVISOR INSTRUCTION.**

343.18 The revisor of statutes shall renumber each section of Minnesota Statutes listed in column
 343.19 A with the number listed in column B. The revisor of statutes shall also make necessary
 343.20 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the
 343.21 renumbering.

	<u>Column A</u>	<u>Column B</u>
343.22	<u>148D.061</u>	<u>148E.0551</u>
343.23	<u>148D.062</u>	<u>148E.116</u>
343.24	<u>148D.063</u>	<u>148E.126</u>

343.26 **EFFECTIVE DATE.** This section is effective October 1, 2024.

343.27 Sec. 12. **REPEALER.**

343.28 Minnesota Statutes 2022, section 148D.061, subdivision 9, is repealed.

343.29 **EFFECTIVE DATE.** This section is effective October 1, 2024.

ARTICLE 24

BOARD OF MARRIAGE AND FAMILY THERAPY

Section 1. [148B.331] GUEST LICENSURE.

Subdivision 1. Generally. (a) A nonresident of the state of Minnesota who is not seeking licensure in Minnesota and intends to practice marriage and family therapy in Minnesota must apply to the board for guest licensure. An applicant must apply for guest licensure at least 30 days prior to the expected date of practice in Minnesota and is subject to approval by the board or its designee.

(b) To be eligible for licensure under this section, the applicant must:

(1) have a license, certification, or registration in good standing to practice marriage and family therapy from another jurisdiction;

(2) have a graduate degree in marriage and family therapy from a regionally accredited institution or a degree in a related field from a regionally accredited institution with completed coursework meeting the educational requirements provided in Minnesota Rules, part 5300.0140, subpart 2;

(3) be of good moral character;

(4) have no pending complaints or active disciplinary or corrective actions in any jurisdiction;

(5) submit the required fee and complete the criminal background check according to section 214.075; and

(6) pay a fee to the board in the amount set forth in section 148B.392.

(c) A license issued under this section is valid for one year from the date of issuance and allows practice by the nonresident for a maximum of five months. The months in which the nonresident may practice under the license must be consecutive. A guest license is not renewable, but the nonresident may reapply for guest licensure, subject to continued eligibility under paragraph (b), following expiration of a guest license.

Subd. 2. Other professional activity. Notwithstanding subdivision 1, a nonresident of the state of Minnesota who is not seeking licensure in Minnesota may serve as an expert witness, organizational consultant, presenter, or educator without obtaining guest licensure, provided the nonresident is appropriately trained or educated, or has been issued a license, certificate, or registration by another jurisdiction.

345.1 Subd. 3. Prohibitions and sanctions. A person's privilege to practice under this section
345.2 is subject to the prohibitions and sanctions for unprofessional or unethical conduct contained
345.3 in Minnesota laws and rules for marriage and family therapy under this chapter.

345.4 EFFECTIVE DATE. This section is effective October 1, 2024.

345.5 Sec. 2. Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2, is amended
345.6 to read:

345.7 Subd. 2. **Licensure and application fees.** Licensure and application fees established
345.8 by the board shall not exceed the following amounts:

345.9 (1) application fee for national examination is \$150;

345.10 (2) application fee for Licensed Marriage and Family Therapist (LMFT) ~~state examination~~
345.11 license is \$150;

345.12 (3) initial LMFT license fee is prorated, but cannot exceed \$225;

345.13 (4) annual renewal fee for LMFT license is \$225;

345.14 (5) late fee for LMFT license renewal is \$100;

345.15 (6) application fee for LMFT licensure by reciprocity is \$300;

345.16 (7) application fee for ~~initial~~ Licensed Associate Marriage and Family Therapist (LAMFT)
345.17 license is \$100;

345.18 (8) annual renewal fee for LAMFT license is \$100;

345.19 (9) late fee for LAMFT license renewal is \$50;

345.20 (10) fee for reinstatement of LMFT or LAMFT license is \$150;

345.21 (11) fee for LMFT emeritus license status is \$225; ~~and~~

345.22 (12) fee for temporary license for members of the military is \$100; and

345.23 (13) fee for LMFT guest license is \$150.

345.24 EFFECTIVE DATE. This section is effective October 1, 2024.

ARTICLE 25**SPEECH-LANGUAGE PATHOLOGY ASSISTANT LICENSURE**

346.1
346.2
346.3 Section 1. Minnesota Statutes 2022, section 144.0572, subdivision 1, is amended to read:

346.4 Subdivision 1. **Criminal history background check requirements.** (a) Beginning
346.5 January 1, 2018, an applicant for initial licensure, temporary licensure, or relicensure after
346.6 a lapse in licensure as an audiologist or speech-language pathologist, a speech-language
346.7 pathology assistant, or an applicant for initial certification as a hearing instrument dispenser,
346.8 must submit to a criminal history records check of state data completed by the Bureau of
346.9 Criminal Apprehension (BCA) and a national criminal history records check, including a
346.10 search of the records of the Federal Bureau of Investigation (FBI).

346.11 (b) Beginning January 1, 2020, an applicant for a renewal license or certificate as an
346.12 audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed
346.13 or obtained a certificate before January 1, 2018, must submit to a criminal history records
346.14 check of state data completed by the BCA and a national criminal history records check,
346.15 including a search of the records of the FBI.

346.16 (c) An applicant must submit to a background study under chapter 245C.

346.17 (d) The criminal history records check must be structured so that any new crimes that
346.18 an applicant or licensee or certificate holder commits after the initial background check are
346.19 flagged in the BCA's or FBI's database and reported back to the commissioner of human
346.20 services.

346.21 **EFFECTIVE DATE.** This section is effective July 1, 2025.

346.22 Sec. 2. Minnesota Statutes 2022, section 148.511, is amended to read:

148.511 SCOPE.

346.24 Sections 148.511 to 148.5198 apply to persons who are applicants for licensure, who
346.25 use protected titles, who represent that they are licensed, or who engage in the practice of
346.26 speech-language pathology or audiology or practice as a speech-language pathology assistant.
346.27 Sections 148.511 to 148.5198 do not apply to school personnel licensed by the Professional
346.28 Educator Licensing and Standards Board and practicing within the scope of their school
346.29 license under Minnesota Rules, part 8710.6000, or the paraprofessionals who assist these
346.30 individuals.

346.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

347.1 Sec. 3. Minnesota Statutes 2022, section 148.512, subdivision 17a, is amended to read:

347.2 Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant"
347.3 means a person who meets the qualifications under section 148.5181 and provides
347.4 speech-language pathology services under the supervision of a licensed speech-language
347.5 pathologist in accordance with section 148.5192.

347.6 **EFFECTIVE DATE.** This section is effective July 1, 2025.

347.7 Sec. 4. Minnesota Statutes 2022, section 148.513, subdivision 1, is amended to read:

347.8 Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice
347.9 of speech-language pathology or audiology or practice as a speech-language pathology
347.10 assistant unless the person is licensed as a speech-language pathologist or an audiologist,
347.11 or a speech-language pathology assistant under sections 148.511 to 148.5198 ~~or is practicing~~
347.12 ~~as a speech-language pathology assistant in accordance with section 148.5192.~~ For purposes
347.13 of this subdivision, a speech-language pathology assistant's duties are limited to the duties
347.14 described in accordance with section 148.5192, subdivision 2.

347.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

347.16 Sec. 5. Minnesota Statutes 2022, section 148.513, subdivision 2, is amended to read:

347.17 Subd. 2. **Protected titles and restrictions on use; speech-language pathologists and**
347.18 **audiologists.** (a) Notwithstanding paragraph ~~(b)~~ (c), the use of the following terms or initials
347.19 which represent the following terms, alone or in combination with any word or words, by
347.20 any person to form an occupational title is prohibited unless that person is licensed as a
347.21 speech-language pathologist or audiologist under sections 148.511 to 148.5198:

347.22 (1) speech-language;

347.23 (2) speech-language pathologist, S, SP, or SLP;

347.24 (3) speech pathologist;

347.25 (4) language pathologist;

347.26 (5) audiologist, A, or AUD;

347.27 (6) speech therapist;

347.28 (7) speech clinician;

347.29 (8) speech correctionist;

347.30 (9) language therapist;

- 348.1 (10) voice therapist;
- 348.2 (11) voice pathologist;
- 348.3 (12) logopedist;
- 348.4 (13) communicologist;
- 348.5 (14) aphasiologist;
- 348.6 (15) phoniatriest;
- 348.7 (16) audiometrist;
- 348.8 (17) audioprosthologist;
- 348.9 (18) hearing therapist;
- 348.10 (19) hearing clinician; or
- 348.11 (20) hearing aid audiologist.

348.12 (b) Use of the term "Minnesota licensed" in conjunction with the titles protected under
348.13 ~~this~~ paragraph (a) by any person is prohibited unless that person is licensed as a
348.14 speech-language pathologist or audiologist under sections 148.511 to 148.5198.

348.15 ~~(b)~~ (c) A speech-language pathology assistant practicing under ~~section 148.5192~~ sections
348.16 148.511 to 148.5198 must not represent, indicate, or imply to the public that the assistant
348.17 is a licensed speech-language pathologist and shall only utilize ~~one of the following titles:~~
348.18 ~~"speech-language pathology assistant," "SLP assistant," or "SLP asst."~~ the titles provided
348.19 in subdivision 2b.

348.20 **EFFECTIVE DATE.** This section is effective July 1, 2025.

348.21 Sec. 6. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision to
348.22 read:

348.23 **Subd. 2b. Protected titles and restrictions on use; speech-language pathology**
348.24 **assistant.** (a) The use of the following terms or initials which represent the following terms,
348.25 alone or in combination with any word or words, by any person to form an occupational
348.26 title is prohibited unless that person is licensed under section 148.5181:

- 348.27 (1) speech-language pathology assistant;
- 348.28 (2) SLP assistant; or
- 348.29 (3) SLP asst.

349.1 (b) Use of the term "Minnesota licensed" in conjunction with the titles protected under
349.2 this subdivision by any person is prohibited unless that person is licensed under section
349.3 148.5181.

349.4 (c) A speech-language pathology assistant practicing under section 148.5192 must not
349.5 represent, indicate, or imply to the public that the assistant is a licensed speech-language
349.6 pathologist and must only utilize the title provided in paragraph (a).

349.7 **EFFECTIVE DATE.** This section is effective July 1, 2025.

349.8 Sec. 7. Minnesota Statutes 2022, section 148.513, subdivision 3, is amended to read:

349.9 Subd. 3. **Exemption.** (a) Nothing in sections 148.511 to 148.5198 prohibits the practice
349.10 of any profession or occupation licensed, certified, or registered by the state by any person
349.11 duly licensed, certified, or registered to practice the profession or occupation or to perform
349.12 any act that falls within the scope of practice of the profession or occupation.

349.13 (b) Subdivision 1 does not apply to a student participating in supervised field work or
349.14 supervised course work that is necessary to meet the requirements of ~~section~~ sections
349.15 148.515, subdivision 2 or 3, or 148.5181, subdivision 2, if the person is designated by a
349.16 title which clearly indicates the person's status as a student trainee.

349.17 (c) Subdivisions 1 ~~and 2~~, 2, and 2a do not apply to a person visiting and then leaving the
349.18 state and using titles restricted under this section while in the state, if the titles are used no
349.19 more than 30 days in a calendar year as part of a professional activity that is limited in scope
349.20 and duration and is in association with an audiologist or speech-language pathologist licensed
349.21 under sections 148.511 to 148.5198.

349.22 **EFFECTIVE DATE.** This section is effective July 1, 2025.

349.23 Sec. 8. Minnesota Statutes 2022, section 148.514, subdivision 2, is amended to read:

349.24 Subd. 2. **General licensure qualifications.** An applicant for licensure must possess the
349.25 qualifications required in one of the following clauses:

349.26 (1) a person who applies for licensure and does not meet the requirements in clause (2)
349.27 or (3), must meet the requirements in section 148.515 or 148.5181, subdivision 2;

349.28 (2) a person who applies for licensure and who has a current certificate of clinical
349.29 competence issued by the American Speech-Language-Hearing Association, or board
349.30 certification by the American Board of Audiology, must meet the requirements of section
349.31 148.516; or

350.1 (3) a person who applies for licensure by reciprocity must meet the requirements under
350.2 section 148.517 or 148.5181, subdivision 3.

350.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

350.4 Sec. 9. Minnesota Statutes 2022, section 148.515, subdivision 1, is amended to read:

350.5 Subdivision 1. **Applicability.** Except as provided in section 148.516 or 148.517, an
350.6 applicant for speech-language pathology or audiology must meet the requirements in this
350.7 section.

350.8 **EFFECTIVE DATE.** This section is effective July 1, 2025.

350.9 Sec. 10. Minnesota Statutes 2022, section 148.518, is amended to read:

350.10 **148.518 LICENSURE FOLLOWING LAPSE OF LICENSURE STATUS.**

350.11 **Subdivision 1. Speech-language pathology or audiology lapse.** ~~For~~ An applicant whose
350.12 licensure status has lapsed, ~~the applicant~~ and who is applying for a speech-language pathology
350.13 or audiology license must:

350.14 (1) apply for licensure renewal according to section 148.5191 and document compliance
350.15 with the continuing education requirements of section 148.5193 since the applicant's license
350.16 lapsed;

350.17 (2) fulfill the requirements of section 148.517;

350.18 (3) apply for renewal according to section 148.5191, provide evidence to the
350.19 commissioner that the applicant holds a current and unrestricted credential for the practice
350.20 of speech-language pathology from the Professional Educator Licensing and Standards
350.21 Board or for the practice of speech-language pathology or audiology in another jurisdiction
350.22 that has requirements equivalent to or higher than those in effect for Minnesota, and provide
350.23 evidence of compliance with Professional Educator Licensing and Standards Board or that
350.24 jurisdiction's continuing education requirements;

350.25 (4) apply for renewal according to section 148.5191 and submit verified documentation
350.26 of successful completion of 160 hours of supervised practice approved by the commissioner.
350.27 To participate in a supervised practice, the applicant shall first apply and obtain temporary
350.28 licensing according to section 148.5161; or

350.29 (5) apply for renewal according to section 148.5191 and provide documentation of
350.30 obtaining a qualifying score on the examination described in section 148.515, subdivision
350.31 4, within one year of the application date for license renewal.

351.1 Subd. 2. **Speech-language pathology assistant licensure lapse.** An applicant applying
351.2 for speech-language pathology assistant licensure and whose licensure status has lapsed
351.3 must:

351.4 (1) apply for renewal according to section 148.5191, and provide evidence to the
351.5 commissioner that the applicant has an associate's degree from a speech-language pathology
351.6 assistant program that is accredited by the Higher Learning Commission of the North Central
351.7 Association of Colleges;

351.8 (2) apply for renewal according to section 148.5191 and provide evidence to the
351.9 commissioner that the applicant has a bachelor's degree in the discipline of communication
351.10 sciences or disorders and a speech-language pathology assistant certificate program, including
351.11 relevant coursework and supervised field experience according to section 148.5181; or

351.12 (3) apply for licensure renewal according to section 148.5191 and document compliance
351.13 with the continuing education requirements of section 148.5193 since the applicant's license
351.14 lapsed.

351.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

351.16 Sec. 11. **[148.5181] LICENSURE; SPEECH-LANGUAGE PATHOLOGY**
351.17 **ASSISTANTS.**

351.18 Subdivision 1. **Applicability.** Except as provided in subdivisions 3 and 4, an applicant
351.19 for licensure as a speech-language pathology assistant must meet the requirements of this
351.20 section.

351.21 Subd. 2. **Educational requirements.** (a) To be eligible for speech-language pathology
351.22 assistant licensure, an applicant must submit to the commissioner a transcript from an
351.23 educational institution documenting satisfactory completion of either:

351.24 (1) an associate's degree from a speech-language pathology assistant program that is
351.25 accredited by the Higher Learning Commission of the North Central Association of Colleges
351.26 or its equivalent as approved by the commissioner and that includes at least 100 hours of
351.27 supervised field work experience in speech-language pathology assisting; or

351.28 (2) a bachelor's degree in the discipline of communication sciences or disorders and a
351.29 speech-language pathology assistant certificate program that includes:

351.30 (i) coursework in an introduction to speech-language pathology assisting, adult
351.31 communication disorders and treatment, speech sound disorders, and language disorders at
351.32 a speech-language pathology assistant level; and

352.1 (ii) at least 100 hours of supervised field work experience in speech-language pathology
352.2 assisting.

352.3 (b) Within one month following expiration of a license, an applicant for licensure renewal
352.4 as a speech-language pathology assistant must provide, on a form provided by the
352.5 commissioner, evidence to the commissioner of a minimum of 20 contact hours of continuing
352.6 education obtained within the two years immediately preceding licensure expiration. A
352.7 minimum of 13 contact hours of continuing education must be directly related to the licensee's
352.8 area of licensure. Seven contact hours of continuing education may be in areas generally
352.9 related to the licensee's area of licensure. Licensees who are issued licenses for a period of
352.10 less than two years must prorate the number of contact hours required for licensure renewal
352.11 based on the number of months licensed during the biennial licensure period. Licensees
352.12 must receive contact hours for continuing education activities only for the biennial licensure
352.13 period in which the continuing education activity was performed.

352.14 Subd. 3. **Licensure by reciprocity.** The commissioner shall issue a speech-language
352.15 pathology assistant license to a person who holds a current speech-language pathology
352.16 assistant license in another state if the following conditions are met:

352.17 (1) payment of the commissioner's current fee for licensure; and

352.18 (2) submission of evidence of licensure in good standing from another state that maintains
352.19 a system and standard of examinations for speech-language pathology assistants which
352.20 meets or exceeds the current requirements for licensure in Minnesota.

352.21 **EFFECTIVE DATE.** This section is effective July 1, 2025.

352.22 Sec. 12. Minnesota Statutes 2022, section 148.519, subdivision 1, is amended to read:

352.23 Subdivision 1. **Applications for licensure; speech-language pathologists and**
352.24 **audiologists.** (a) An applicant for licensure as a speech-language pathologist or audiologist
352.25 must:

352.26 (1) submit a completed application for licensure on forms provided by the commissioner.
352.27 The application must include the applicant's name, certification number under chapter 153A,
352.28 if applicable, business address and telephone number, or home address and telephone number
352.29 if the applicant practices speech-language pathology or audiology out of the home, and a
352.30 description of the applicant's education, training, and experience, including previous work
352.31 history for the five years immediately preceding the date of application. The commissioner
352.32 may ask the applicant to provide additional information necessary to clarify information
352.33 submitted in the application; and

353.1 (2) submit documentation of the certificate of clinical competence issued by the American
353.2 Speech-Language-Hearing Association, board certification by the American Board of
353.3 Audiology, or satisfy the following requirements:

353.4 (i) submit a transcript showing the completion of a master's or doctoral degree or its
353.5 equivalent meeting the requirements of section 148.515, subdivision 2;

353.6 (ii) submit documentation of the required hours of supervised clinical training;

353.7 (iii) submit documentation of the postgraduate clinical or doctoral clinical experience
353.8 meeting the requirements of section 148.515, subdivision 4; and

353.9 (iv) submit documentation of receiving a qualifying score on an examination meeting
353.10 the requirements of section 148.515, subdivision 6.

353.11 (b) In addition, an applicant must:

353.12 (1) sign a statement that the information in the application is true and correct to the best
353.13 of the applicant's knowledge and belief;

353.14 (2) submit with the application all fees required by section 148.5194;

353.15 (3) sign a waiver authorizing the commissioner to obtain access to the applicant's records
353.16 in this or any other state in which the applicant has engaged in the practice of speech-language
353.17 pathology or audiology; and

353.18 (4) consent to a fingerprint-based criminal history background check as required under
353.19 section 144.0572, pay all required fees, and cooperate with all requests for information. An
353.20 applicant must complete a new criminal history background check if more than one year
353.21 has elapsed since the applicant last applied for a license.

353.22 **EFFECTIVE DATE.** This section is effective July 1, 2025.

353.23 Sec. 13. Minnesota Statutes 2022, section 148.519, is amended by adding a subdivision
353.24 to read:

353.25 **Subd. 1a. Applications for licensure; speech-language pathology assistants.** An
353.26 applicant for licensure as a speech-language pathology assistant must:

353.27 (1) submit a completed application on forms provided by the commissioner. The
353.28 application must include the applicant's name, business address and telephone number,
353.29 home address and telephone number, and a description of the applicant's education, training,
353.30 and experience, including previous work history for the five years immediately preceding

354.1 the application date. The commissioner may ask the applicant to provide additional
354.2 information needed to clarify information submitted in the application;

354.3 (2) submit a transcript showing the completion of the requirements set forth in section
354.4 148.5181;

354.5 (3) submit a signed statement that the information in the application is true and correct
354.6 to the best of the applicant's knowledge and belief;

354.7 (4) submit all fees required under section 148.5194;

354.8 (5) submit a signed waiver authorizing the commissioner to obtain access to the applicant's
354.9 records in this or any other state in which the applicant has worked as a speech-language
354.10 pathology assistant; and

354.11 (6) consent to a fingerprint-based criminal history background check as required under
354.12 section 144.0572, pay all required fees, and cooperate with all requests for information. An
354.13 applicant must complete a new criminal history background check if more than one year
354.14 has lapsed since the applicant last applied for a license.

354.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

354.16 Sec. 14. Minnesota Statutes 2022, section 148.5191, subdivision 1, is amended to read:

354.17 Subdivision 1. **Renewal requirements.** To renew licensure, an applicant for license
354.18 renewal as a speech-language pathologist or audiologist must:

354.19 (1) biennially complete a renewal application on a form provided by the commissioner
354.20 and submit the biennial renewal fee;

354.21 (2) meet the continuing education requirements of section 148.5193 and submit evidence
354.22 of attending continuing education courses, as required in section 148.5193, subdivision 6;
354.23 and

354.24 (3) submit additional information if requested by the commissioner to clarify information
354.25 presented in the renewal application. The information must be submitted within 30 days
354.26 after the commissioner's request.

354.27 **EFFECTIVE DATE.** This section is effective July 1, 2025.

355.1 Sec. 15. Minnesota Statutes 2022, section 148.5191, is amended by adding a subdivision
355.2 to read:

355.3 Subd. 1a. **Renewal requirements; speech-language pathology assistant.** To renew
355.4 licensure, an applicant for license renewal as a speech-language pathology assistant must:

355.5 (1) biennially complete a renewal application on a form provided by the commissioner
355.6 and submit the biennial renewal fee;

355.7 (2) meet the continuing education requirements of section 148.5193, subdivision 1a,
355.8 and submit evidence of attending continuing education courses, as required in section
355.9 148.5193, subdivision 1a; and

355.10 (3) submit additional information if requested by the commissioner to clarify information
355.11 presented in the renewal application. The information must be submitted within 30 days
355.12 after the commissioner's request.

355.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

355.14 Sec. 16. Minnesota Statutes 2022, section 148.5192, subdivision 1, is amended to read:

355.15 Subdivision 1. **Delegation requirements.** A licensed speech-language pathologist may
355.16 delegate duties to a licensed speech-language pathology assistant in accordance with this
355.17 section following an initial introduction to a client with the speech-language pathologist
355.18 and speech-language pathology assistant present. ~~Duties may only be delegated to an~~
355.19 individual who has ~~documented with a transcript from an educational institution satisfactory~~
355.20 completion of either:

355.21 ~~(1) an associate degree from a speech-language pathology assistant program that is~~
355.22 ~~accredited by the Higher Learning Commission of the North Central Association of Colleges~~
355.23 ~~or its equivalent as approved by the commissioner; or~~

355.24 ~~(2) a bachelor's degree in the discipline of communication sciences or disorders with~~
355.25 ~~additional transcript credit in the area of instruction in assistant-level service delivery~~
355.26 ~~practices and completion of at least 100 hours of supervised field work experience as a~~
355.27 ~~speech-language pathology assistant student.~~

355.28 **EFFECTIVE DATE.** This section is effective July 1, 2025.

355.29 Sec. 17. Minnesota Statutes 2022, section 148.5192, subdivision 2, is amended to read:

355.30 Subd. 2. **Delegated duties; prohibitions.** (a) A speech-language pathology assistant
355.31 may perform only those duties delegated by a licensed speech-language pathologist and

356.1 must be limited to duties within the training and experience of the speech-language pathology
356.2 assistant.

356.3 (b) Duties may include the following as delegated by the supervising speech-language
356.4 pathologist:

356.5 (1) assist with speech language and hearing screenings;

356.6 (2) implement documented treatment plans or protocols developed by the supervising
356.7 speech-language pathologist;

356.8 (3) document client performance, including writing progress notes;

356.9 (4) assist with assessments of clients;

356.10 (5) assist with preparing materials and scheduling activities as directed;

356.11 (6) perform checks and maintenance of equipment;

356.12 (7) support the supervising speech-language pathologist in research projects, in-service
356.13 training, and public relations programs; and

356.14 (8) collect data for quality improvement.

356.15 (c) A speech-language pathology assistant may not:

356.16 (1) perform standardized or nonstandardized diagnostic tests, perform formal or informal
356.17 evaluations, or interpret test results;

356.18 ~~(2) screen or diagnose clients for feeding or swallowing disorders, including using a~~
356.19 ~~checklist or tabulating results of feeding or swallowing evaluations, or demonstrate~~
356.20 ~~swallowing strategies or precautions to clients or the clients' families~~ demonstrate strategies
356.21 included in the feeding and swallowing plan developed by the speech-language pathologist
356.22 or share such information with students, patients, clients, families, staff, and caregivers;

356.23 (3) participate in parent conferences, case conferences, or ~~any~~ interdisciplinary team
356.24 ~~without the presence of the supervising speech-language pathologist or other licensed~~
356.25 ~~speech-language pathologist as authorized by the supervising speech-language pathologist~~
356.26 meetings without approval from the speech-language pathologist or misrepresent themselves
356.27 as a speech-language pathologist at such a conference or meeting. The speech-language
356.28 pathologist and speech-language pathology assistant are required to meet prior to the parent
356.29 conferences, case conferences, or interdisciplinary team meetings to determine the
356.30 information to be shared;

357.1 (4) provide client or family counseling or consult with the client or the family regarding
357.2 the client status or service;

357.3 (5) write, develop, or modify a client's individualized treatment plan or individualized
357.4 education program;

357.5 (6) select clients for service;

357.6 (7) discharge clients from service;

357.7 (8) disclose ~~clinical or confidential information either orally or in writing to anyone~~
357.8 ~~other than the supervising speech-language pathologist~~ information to other team members
357.9 without permission from the supervising speech-language pathologist; or

357.10 (9) make referrals for additional services.

357.11 (d) A speech-language pathology assistant must ~~not~~ only sign ~~any formal~~ documents,
357.12 including treatment plans, education plans, reimbursement forms, or reports, when cosigned
357.13 by the supervising speech-language pathologist. The speech-language pathology assistant
357.14 must sign or initial all treatment notes written by the assistant, which must then also be
357.15 cosigned by the supervising speech-language pathologist.

357.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

357.17 Sec. 18. Minnesota Statutes 2022, section 148.5192, subdivision 3, is amended to read:

357.18 Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist
357.19 shall authorize and accept full responsibility for the performance, practice, and activity of
357.20 a speech-language pathology assistant. The amount and type of supervision required must
357.21 be based on the skills and experience of the speech-language pathology assistant. A minimum
357.22 of one hour every 30 days of consultative supervision time must be documented for each
357.23 speech-language pathology assistant.

357.24 (b) A supervising speech-language pathologist must:

357.25 (1) be licensed under sections 148.511 to 148.5198;

357.26 (2) hold a certificate of clinical competence from the American Speech-Language-Hearing
357.27 Association or its equivalent as approved by the commissioner; and

357.28 (3) have completed at least ~~one~~ ten hours of continuing education ~~unit~~ in supervision.

357.29 (c) ~~The supervision of a speech-language pathology assistant shall be maintained on the~~
357.30 ~~following schedule:~~

358.1 ~~(1) for the first 90 workdays, within a 40-hour work week, 30 percent of the work~~
358.2 ~~performed by the speech-language pathology assistant must be supervised and at least 20~~
358.3 ~~percent of the work performed must be under direct supervision; and~~

358.4 ~~(2) for the work period after the initial 90-day period, within a 40-hour work week, 20~~
358.5 ~~percent of the work performed must be supervised and at least ten percent of the work~~
358.6 ~~performed must be under direct supervision. Once every 60 days, the supervising~~
358.7 ~~speech-language pathologist must treat or cotreat with the speech-language pathology~~
358.8 ~~assistant each client on the speech-language pathology assistant's caseload.~~

358.9 (d) For purposes of this section, "direct supervision" means ~~on-site, in-view~~ observation
358.10 and guidance by the supervising speech-language pathologist during the performance of a
358.11 delegated duty that occurs either on-site and in-view or through the use of real-time, two-way
358.12 interactive audio and visual communication. The supervision requirements described in this
358.13 section are minimum requirements. Additional supervision requirements may be imposed
358.14 at the discretion of the supervising speech-language pathologist.

358.15 (e) A supervising speech-language pathologist must be available to communicate with
358.16 a speech-language pathology assistant at any time the assistant is in direct contact with a
358.17 client.

358.18 (f) A supervising speech-language pathologist must document activities performed by
358.19 the assistant that are directly supervised by the supervising speech-language pathologist.
358.20 At a minimum, the documentation must include:

358.21 (1) information regarding the quality of the speech-language pathology assistant's
358.22 performance of the delegated duties; and

358.23 (2) verification that any delegated clinical activity was limited to duties authorized to
358.24 be performed by the speech-language pathology assistant under this section.

358.25 (g) A supervising speech-language pathologist must review and cosign all informal
358.26 treatment notes signed or initialed by the speech-language pathology assistant.

358.27 (h) A full-time, speech-language pathologist may supervise no more than ~~one~~ two
358.28 full-time, speech-language pathology ~~assistant~~ assistants or the equivalent of ~~one~~ two
358.29 full-time ~~assistant~~ assistants.

358.30 **EFFECTIVE DATE.** This section is effective July 1, 2025.

359.1 Sec. 19. Minnesota Statutes 2022, section 148.5193, subdivision 1, is amended to read:

359.2 Subdivision 1. **Number of contact hours required; speech-language pathologists**
359.3 **and audiologists.** (a) An applicant for licensure renewal as a speech-language pathologist
359.4 or audiologist must meet the requirements for continuing education stipulated by the
359.5 American Speech-Language-Hearing Association or the American Board of Audiology, or
359.6 satisfy the requirements described in paragraphs (b) to (e).

359.7 (b) Within one month following expiration of a license, an applicant for licensure renewal
359.8 as either a speech-language pathologist or an audiologist must provide evidence to the
359.9 commissioner of a minimum of 30 contact hours of continuing education obtained within
359.10 the two years immediately preceding licensure expiration. A minimum of 20 contact hours
359.11 of continuing education must be directly related to the licensee's area of licensure. Ten
359.12 contact hours of continuing education may be in areas generally related to the licensee's
359.13 area of licensure. Licensees who are issued licenses for a period of less than two years shall
359.14 prorate the number of contact hours required for licensure renewal based on the number of
359.15 months licensed during the biennial licensure period. Licensees shall receive contact hours
359.16 for continuing education activities only for the biennial licensure period in which the
359.17 continuing education activity was performed.

359.18 (c) An applicant for licensure renewal as both a speech-language pathologist and an
359.19 audiologist must attest to and document completion of a minimum of 36 contact hours of
359.20 continuing education offered by a continuing education sponsor within the two years
359.21 immediately preceding licensure renewal. A minimum of 15 contact hours must be received
359.22 in the area of speech-language pathology and a minimum of 15 contact hours must be
359.23 received in the area of audiology. Six contact hours of continuing education may be in areas
359.24 generally related to the licensee's areas of licensure. Licensees who are issued licenses for
359.25 a period of less than two years shall prorate the number of contact hours required for licensure
359.26 renewal based on the number of months licensed during the biennial licensure period.
359.27 Licensees shall receive contact hours for continuing education activities only for the biennial
359.28 licensure period in which the continuing education activity was performed.

359.29 (d) If the licensee is licensed by the Professional Educator Licensing and Standards
359.30 Board:

359.31 (1) activities that are approved in the categories of Minnesota Rules, part 8710.7200,
359.32 subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

359.33 (i) offered by a sponsor of continuing education; and

359.34 (ii) directly related to speech-language pathology;

360.1 (2) activities that are approved in the categories of Minnesota Rules, part 8710.7200,
360.2 subpart 3, shall be considered:

360.3 (i) offered by a sponsor of continuing education; and

360.4 (ii) generally related to speech-language pathology; and

360.5 (3) one clock hour as defined in Minnesota Rules, part 8710.7200, subpart 1, is equivalent
360.6 to 1.0 contact hours of continuing education.

360.7 (e) Contact hours may not be accumulated in advance and transferred to a future
360.8 continuing education period.

360.9 **EFFECTIVE DATE.** This section is effective July 1, 2025.

360.10 Sec. 20. Minnesota Statutes 2022, section 148.5193, is amended by adding a subdivision
360.11 to read:

360.12 **Subd. 1a. Continuing education; speech-language pathology assistants.** An applicant
360.13 for licensure renewal as a speech-language pathology assistant must meet the requirements
360.14 for continuing education established by the American Speech-Language-Hearing Association
360.15 and submit evidence of attending continuing education courses. A licensee must receive
360.16 contact hours for continuing education activities only for the biennial licensure period in
360.17 which the continuing education activity was completed. Continuing education contact hours
360.18 obtained in one licensure period must not be transferred to a future licensure period.

360.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

360.20 Sec. 21. Minnesota Statutes 2022, section 148.5194, is amended by adding a subdivision
360.21 to read:

360.22 **Subd. 3b. Speech-language pathology assistant licensure fees.** The fee for initial
360.23 licensure as a speech-language pathology assistant is \$493. The fee for licensure renewal
360.24 for a speech-language pathology assistant is \$493.

360.25 **EFFECTIVE DATE.** This section is effective July 1, 2025.

360.26 Sec. 22. Minnesota Statutes 2022, section 148.5194, subdivision 8, is amended to read:

360.27 **Subd. 8. Penalty fees.** (a) The penalty fee for practicing speech-language pathology or
360.28 audiology, practicing as a speech-language pathology assistant, or using protected titles
360.29 without a current license after the credential has expired and before it is renewed is the

361.1 amount of the license renewal fee for any part of the first month, plus the license renewal
361.2 fee for any part of any subsequent month up to 36 months.

361.3 (b) The penalty fee for applicants who engage in the unauthorized practice of
361.4 speech-language pathology or audiology, practice as a speech-language pathology assistant,
361.5 or ~~using~~ use of protected titles before being issued a license is the amount of the license
361.6 application fee for any part of the first month, plus the license application fee for any part
361.7 of any subsequent month up to 36 months. This paragraph does not apply to applicants not
361.8 qualifying for a license who engage in the unauthorized practice of speech language
361.9 pathology or audiology or in the unauthorized practice as a speech-language pathology
361.10 assistant.

361.11 (c) The penalty fee for practicing speech-language pathology or audiology and failing
361.12 to submit a continuing education report by the due date with the correct number or type of
361.13 hours in the correct time period is \$100 plus \$20 for each missing clock hour. The penalty
361.14 fee for a licensed speech-language pathology assistant who fails to submit a continuing
361.15 education report by the due date with the correct number or type of hours in the correct time
361.16 period is \$100 plus \$20 for each missing clock hour. "Missing" means not obtained between
361.17 the effective and expiration dates of the certificate, the one-month period following the
361.18 certificate expiration date, or the 30 days following notice of a penalty fee for failing to
361.19 report all continuing education hours. The licensee must obtain the missing number of
361.20 continuing education hours by the next reporting due date.

361.21 (d) Civil penalties and discipline incurred by licensees prior to August 1, 2005, for
361.22 conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty
361.23 fees. For conduct described in paragraph (a) or (b) occurring after August 1, 2005, and
361.24 exceeding six months, payment of a penalty fee does not preclude any disciplinary action
361.25 reasonably justified by the individual case.

361.26 **EFFECTIVE DATE.** This section is effective July 1, 2025.

361.27 Sec. 23. Minnesota Statutes 2023 Supplement, section 148.5195, subdivision 3, is amended
361.28 to read:

361.29 Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may
361.30 take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

361.31 (1) intentionally submitted false or misleading information to the commissioner or the
361.32 advisory council;

- 362.1 (2) failed, within 30 days, to provide information in response to a written request by the
362.2 commissioner or advisory council;
- 362.3 (3) performed services of a speech-language pathologist ~~or~~, audiologist, or
362.4 speech-language pathology assistant in an incompetent or negligent manner;
- 362.5 (4) violated sections 148.511 to 148.5198;
- 362.6 (5) failed to perform services with reasonable judgment, skill, or safety due to the use
362.7 of alcohol or drugs, or other physical or mental impairment;
- 362.8 (6) violated any state or federal law, rule, or regulation, and the violation is a felony or
362.9 misdemeanor, an essential element of which is dishonesty, or which relates directly or
362.10 indirectly to the practice of speech-language pathology or audiology or to the practice of a
362.11 speech-language pathology assistant. Conviction for violating any state or federal law which
362.12 relates to speech-language pathology ~~or~~, audiology, or to the practice of a speech-language
362.13 pathology assistant is necessarily considered to constitute a violation, except as provided
362.14 in chapter 364;
- 362.15 (7) aided or abetted another person in violating any provision of sections 148.511 to
362.16 148.5198;
- 362.17 (8) been or is being disciplined by another jurisdiction, if any of the grounds for the
362.18 discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;
- 362.19 (9) not cooperated with the commissioner or advisory council in an investigation
362.20 conducted according to subdivision 1;
- 362.21 (10) advertised in a manner that is false or misleading;
- 362.22 (11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated
362.23 a willful or careless disregard for the health, welfare, or safety of a client;
- 362.24 (12) failed to disclose to the consumer any fee splitting or any promise to pay a portion
362.25 of a fee to any other professional other than a fee for services rendered by the other
362.26 professional to the client;
- 362.27 (13) engaged in abusive or fraudulent billing practices, including violations of federal
362.28 Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical
362.29 assistance laws;
- 362.30 (14) obtained money, property, or services from a consumer through the use of undue
362.31 influence, high pressure sales tactics, harassment, duress, deception, or fraud;
- 362.32 (15) performed services for a client who had no possibility of benefiting from the services;

363.1 (16) failed to refer a client for medical evaluation or to other health care professionals
363.2 when appropriate or when a client indicated symptoms associated with diseases that could
363.3 be medically or surgically treated;

363.4 (17) had the certification required by chapter 153A denied, suspended, or revoked
363.5 according to chapter 153A;

363.6 (18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or
363.7 SLPD without having obtained the degree from an institution accredited by the North Central
363.8 Association of Colleges and Secondary Schools, the Council on Academic Accreditation
363.9 in Audiology and Speech-Language Pathology, the United States Department of Education,
363.10 or an equivalent;

363.11 (19) failed to comply with the requirements of section 148.5192 regarding supervision
363.12 of speech-language pathology assistants; or

363.13 (20) if the individual is an audiologist or certified prescription hearing aid dispenser:

363.14 (i) prescribed to a consumer or potential consumer the use of a prescription hearing aid,
363.15 unless the prescription from a physician, an audiologist, or a certified dispenser is in writing,
363.16 is based on an audiogram that is delivered to the consumer or potential consumer when the
363.17 prescription is made, and bears the following information in all capital letters of 12-point
363.18 or larger boldface type: "THIS PRESCRIPTION MAY BE FILLED BY, AND
363.19 PRESCRIPTION HEARING AIDS MAY BE PURCHASED FROM, THE LICENSED
363.20 AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

363.21 (ii) failed to give a copy of the audiogram, upon which the prescription is based, to the
363.22 consumer when the consumer requests a copy;

363.23 (iii) failed to provide the consumer rights brochure required by section 148.5197,
363.24 subdivision 3;

363.25 (iv) failed to comply with restrictions on sales of prescription hearing aids in sections
363.26 148.5197, subdivision 3, and 148.5198;

363.27 (v) failed to return a consumer's prescription hearing aid used as a trade-in or for a
363.28 discount in the price of a new prescription hearing aid when requested by the consumer
363.29 upon cancellation of the purchase agreement;

363.30 (vi) failed to follow Food and Drug Administration or Federal Trade Commission
363.31 regulations relating to dispensing prescription hearing aids;

364.1 (vii) failed to dispense a prescription hearing aid in a competent manner or without
364.2 appropriate training;

364.3 (viii) delegated prescription hearing aid dispensing authority to a person not authorized
364.4 to dispense a prescription hearing aid under this chapter or chapter 153A;

364.5 (ix) failed to comply with the requirements of an employer or supervisor of a prescription
364.6 hearing aid dispenser trainee;

364.7 (x) violated a state or federal court order or judgment, including a conciliation court
364.8 judgment, relating to the activities of the individual's prescription hearing aid dispensing;
364.9 or

364.10 (xi) failed to include on the audiogram the practitioner's printed name, credential type,
364.11 credential number, signature, and date.

364.12 **EFFECTIVE DATE.** This section is effective July 1, 2025.

364.13 Sec. 24. Minnesota Statutes 2022, section 148.5195, subdivision 5, is amended to read:

364.14 Subd. 5. **Consequences of disciplinary actions.** Upon the suspension or revocation of
364.15 licensure, the speech-language pathologist or audiologist, or speech-language pathology
364.16 assistant, shall cease to practice speech-language pathology or audiology, or practice as a
364.17 speech-language pathology assistant, to use titles protected under sections 148.511 to
364.18 148.5198, and to represent to the public that the speech-language pathologist or audiologist,
364.19 or speech-language pathology assistant, is licensed by the commissioner.

364.20 **EFFECTIVE DATE.** This section is effective July 1, 2025.

364.21 Sec. 25. Minnesota Statutes 2022, section 148.5195, subdivision 6, is amended to read:

364.22 Subd. 6. **Reinstatement requirements after disciplinary action.** A speech-language
364.23 pathologist or audiologist, or speech-language pathology assistant, who has had licensure
364.24 suspended may petition on forms provided by the commissioner for reinstatement following
364.25 the period of suspension specified by the commissioner. The requirements of section
364.26 148.5191 for renewing licensure must be met before licensure may be reinstated.

364.27 **EFFECTIVE DATE.** This section is effective July 1, 2025.

365.1 Sec. 26. Minnesota Statutes 2023 Supplement, section 148.5196, subdivision 1, is amended
365.2 to read:

365.3 Subdivision 1. **Membership.** The commissioner shall appoint ~~12~~ 13 persons to a
365.4 Speech-Language Pathologist and Audiologist Advisory Council. The ~~12~~ 13 persons must
365.5 include:

365.6 (1) three public members, as defined in section 214.02. Two of the public members shall
365.7 be either persons receiving services of a speech-language pathologist or audiologist, or
365.8 family members of or caregivers to such persons, and at least one of the public members
365.9 shall be either a hearing aid user or an advocate of one;

365.10 (2) three speech-language pathologists licensed under sections 148.511 to 148.5198,
365.11 one of whom is currently and has been, for the five years immediately preceding the
365.12 appointment, engaged in the practice of speech-language pathology in Minnesota and each
365.13 of whom is employed in a different employment setting including, but not limited to, private
365.14 practice, hospitals, rehabilitation settings, educational settings, and government agencies;

365.15 (3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who
365.16 is currently and has been, for the five years immediately preceding the appointment,
365.17 employed by a Minnesota public school district or a Minnesota public school district
365.18 consortium that is authorized by Minnesota Statutes and who is licensed in speech-language
365.19 pathology by the Professional Educator Licensing and Standards Board;

365.20 (4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are
365.21 currently and have been, for the five years immediately preceding the appointment, engaged
365.22 in the practice of audiology and the dispensing of prescription hearing aids in Minnesota
365.23 and each of whom is employed in a different employment setting including, but not limited
365.24 to, private practice, hospitals, rehabilitation settings, educational settings, industry, and
365.25 government agencies;

365.26 (5) one nonaudiologist prescription hearing aid dispenser recommended by a professional
365.27 association representing prescription hearing aid dispensers; ~~and~~

365.28 (6) one physician licensed under chapter 147 and certified by the American Board of
365.29 Otolaryngology, Head and Neck Surgery; and

365.30 (7) one speech-language pathology assistant licensed under sections 148.511 to 148.5198.

365.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

366.1 Sec. 27. Minnesota Statutes 2022, section 148.5196, subdivision 3, is amended to read:

366.2 Subd. 3. **Duties.** The advisory council shall:

366.3 (1) advise the commissioner regarding speech-language pathologist and audiologist
366.4 licensure standards;

366.5 (2) advise the commissioner regarding the delegation of duties to, the licensure standards
366.6 for, and the training required for speech-language pathology assistants;

366.7 (3) advise the commissioner on enforcement of sections 148.511 to 148.5198;

366.8 (4) provide for distribution of information regarding speech-language pathologist ~~and~~,
366.9 audiologist, and speech-language pathology assistant licensure standards;

366.10 (5) review applications and make recommendations to the commissioner on granting or
366.11 denying licensure or licensure renewal;

366.12 (6) review reports of investigations relating to individuals and make recommendations
366.13 to the commissioner as to whether licensure should be denied or disciplinary action taken
366.14 against the individual;

366.15 (7) advise the commissioner regarding approval of continuing education activities
366.16 provided by sponsors using the criteria in section 148.5193, subdivision 2; and

366.17 (8) perform other duties authorized for advisory councils under chapter 214, or as directed
366.18 by the commissioner.

366.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

366.20 Sec. 28. Minnesota Statutes 2023 Supplement, section 245C.031, subdivision 4, is amended
366.21 to read:

366.22 Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner**
366.23 **of health.** The commissioner shall conduct an alternative background study, including a
366.24 check of state data, and a national criminal history records check of the following individuals.
366.25 For studies under this section, the following persons shall complete a consent form and
366.26 criminal history disclosure form:

366.27 (1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in
366.28 licensure as an audiologist ~~or~~, speech-language pathologist, or speech-language pathologist
366.29 assistant, or an applicant for initial certification as a hearing instrument dispenser who must
366.30 submit to a background study under section 144.0572.

367.1 (2) An applicant for a renewal license or certificate as an audiologist, speech-language
367.2 pathologist, or hearing instrument dispenser who was licensed or obtained a certificate
367.3 before January 1, 2018.

367.4 **EFFECTIVE DATE.** This section is effective July 1, 2025.

367.5 **ARTICLE 26**

367.6 **PHYSICIAN ASSISTANT LICENSURE COMPACT**

367.7 Section 1. **[148.675] PHYSICIAN ASSISTANT LICENSURE COMPACT.**

367.8 The physician assistant (PA) licensure compact is enacted into law and entered into with
367.9 all other jurisdictions legally joining in it in the form substantially specified in this section.

367.10 ARTICLE I

367.11 TITLE

367.12 This statute shall be known and cited as the physician assistant licensure compact.

367.13 ARTICLE II

367.14 DEFINITIONS

367.15 As used in this compact, and except as otherwise provided, the following terms have
367.16 the meanings given them.

367.17 (a) "Adverse action" means any administrative, civil, equitable, or criminal action
367.18 permitted by a state's laws that is imposed by a licensing board or other authority against a
367.19 PA license, license application, or compact privilege such as license denial, censure,
367.20 revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's
367.21 practice.

367.22 (b) "Charter participating states" means the states that enacted the compact prior to the
367.23 commission convening.

367.24 (c) "Compact privilege" means the authorization granted by a remote state to allow a
367.25 licensee from another participating state to practice as a PA to provide medical services or
367.26 other licensed activities to a patient located in the remote state under the remote state's laws
367.27 and regulations.

367.28 (d) "Conviction" means a finding by a court that an individual is guilty of a felony or
367.29 misdemeanor offense through adjudication or entry of a plea of guilt or no contest to the
367.30 charge by the offender.

368.1 (e) "Criminal background check" means the submission of fingerprints or other
368.2 biometric-based information for a license applicant for the purpose of obtaining that
368.3 applicant's criminal history record information, as defined in Code of Federal Regulations,
368.4 title 28, part 20, subpart 20.3, clause (d), from the state's criminal history record repository,
368.5 as defined in Code of Federal Regulations, title 28, part 20, subpart 20.3, clause (f).

368.6 (f) "Data system" means the repository of information about licensees, including but not
368.7 limited to license status and adverse action, that is created and administered under the terms
368.8 of this compact.

368.9 (g) "Executive committee" means a group of directors and ex officio individuals elected
368.10 or appointed pursuant to article VII, paragraph (f), clause (2).

368.11 (h) "Impaired practitioner" means a PA whose practice is adversely affected by a
368.12 health-related condition that impacts the PA's ability to practice.

368.13 (i) "Investigative information" means information, records, and documents received or
368.14 generated by a licensing board pursuant to an investigation.

368.15 (j) "Jurisprudence requirement" means the assessment of an individual's knowledge of
368.16 the laws and rules governing the practice of a PA in a state.

368.17 (k) "License" means current authorization by a state, other than authorization pursuant
368.18 to a compact privilege, for a PA to provide medical services, which would be unlawful
368.19 without current authorization.

368.20 (l) "Licensee" means an individual who holds a license from a state to provide medical
368.21 services as a PA.

368.22 (m) "Licensing board" means any state entity authorized to license and otherwise regulate
368.23 PAs.

368.24 (n) "Medical services" means health care services provided for the diagnosis, prevention,
368.25 treatment, cure, or relief of a health condition, injury, or disease, as defined by a state's laws
368.26 and regulations.

368.27 (o) "Model compact" means the model for the PA licensure compact on file with the
368.28 Council of State Governments or other entity as designated by the commission.

368.29 (p) "Participating state" means a state that has enacted this compact.

368.30 (q) "PA" means an individual who is licensed as a physician assistant in a state. For
368.31 purposes of this compact, any other title or status adopted by a state to replace the term
368.32 "physician assistant" shall be deemed synonymous with "physician assistant" and shall

369.1 confer the same rights and responsibilities to the licensee under the provisions of this compact
369.2 at the time of its enactment.

369.3 (r) "PA Licensure Compact Commission" or "compact commission" or "commission"
369.4 means the national administrative body created pursuant to article VII, paragraph (a).

369.5 (s) "Qualifying license" means an unrestricted license issued by a participating state to
369.6 provide medical services as a PA.

369.7 (t) "Remote state" means a participating state where a licensee who is not licensed as a
369.8 PA is exercising or seeking to exercise the compact privilege.

369.9 (u) "Rule" means a regulation promulgated by an entity that has the force and effect of
369.10 law.

369.11 (v) "Significant investigative information" means investigative information that a
369.12 licensing board, after an inquiry or investigation that includes notification and an opportunity
369.13 for the PA to respond if required by state law, has reason to believe is not groundless and,
369.14 if proven true, would indicate more than a minor infraction.

369.15 (w) "State" means any state, commonwealth, district, or territory of the United States.

369.16 ARTICLE III

369.17 STATE PARTICIPATION IN THE COMPACT

369.18 (a) To participate in this compact, a participating state must:

369.19 (1) license PAs;

369.20 (2) participate in the commission's data system;

369.21 (3) have a mechanism in place for receiving and investigating complaints against licensees
369.22 and license applicants;

369.23 (4) notify the commission, in compliance with the terms of this compact and commission
369.24 rules, of any adverse action against the licensee or license applicant and the existence of
369.25 significant investigative information regarding a licensee or license applicant;

369.26 (5) fully implement a criminal background check requirement, within a time frame
369.27 established by commission rule, by its licensing board receiving the results of a criminal
369.28 background check and reporting to the commission whether the license applicant has been
369.29 granted a license;

369.30 (6) fully comply with the rules of the compact commission;

370.1 (7) utilize a recognized national examination such as the National Commission on
370.2 Certification of Physician Assistants (NCCPA) physician assistant national certifying
370.3 examination as a requirement for PA licensure; and

370.4 (8) grant the compact privilege to a holder of a qualifying license in a participating state.

370.5 (b) Nothing in this compact prohibits a participating state from charging a fee for granting
370.6 the compact privilege.

370.7 ARTICLE IV

370.8 COMPACT PRIVILEGE

370.9 (a) To exercise the compact privilege, a licensee must:

370.10 (1) have graduated from a PA program accredited by the Accreditation Review
370.11 Commission on Education for the Physician Assistant, Inc. or other programs authorized
370.12 by commission rule;

370.13 (2) hold current NCCPA certification;

370.14 (3) have no felony or misdemeanor convictions;

370.15 (4) have never had a controlled substance license, permit, or registration suspended or
370.16 revoked by a state or by the United States Drug Enforcement Administration;

370.17 (5) have a unique identifier as determined by commission rule;

370.18 (6) hold a qualifying license;

370.19 (7) have had no revocation of a license or limitation or restriction due to an adverse
370.20 action on any currently held license;

370.21 (8) if a licensee has had a limitation or restriction on a license or compact privilege due
370.22 to an adverse action, two years must have elapsed from the date on which the license or
370.23 compact privilege is no longer limited or restricted due to the adverse action;

370.24 (9) if a compact privilege has been revoked or is limited or restricted in a participating
370.25 state for conduct that would not be a basis for disciplinary action in a participating state in
370.26 which the licensee is practicing or applying to practice under a compact privilege, that
370.27 participating state shall have the discretion not to consider such action as an adverse action
370.28 requiring the denial or removal of a compact privilege in that state;

370.29 (10) notify the compact commission that the licensee is seeking the compact privilege
370.30 in a remote state;

371.1 (11) meet any jurisprudence requirement of a remote state in which the licensee is seeking
371.2 to practice under the compact privilege and pay any fees applicable to satisfying the
371.3 jurisprudence requirement; and

371.4 (12) report to the commission any adverse action taken by any nonparticipating state
371.5 within 30 days after the date the action is taken.

371.6 (b) The compact privilege is valid until the expiration or revocation of the qualifying
371.7 license unless terminated pursuant to an adverse action. The licensee must also comply with
371.8 all of the requirements of paragraph (a) to maintain the compact privilege in a remote state.
371.9 If the participating state takes adverse action against a qualifying license, the licensee shall
371.10 lose the compact privilege in any remote state in which the licensee has a compact privilege
371.11 until all of the following occur:

371.12 (1) the license is no longer limited or restricted; and

371.13 (2) two years have elapsed from the date on which the license is no longer limited or
371.14 restricted due to the adverse action.

371.15 (c) Once a restricted or limited license satisfies the requirements of paragraph (b), the
371.16 licensee must meet the requirements of paragraph (a) to obtain a compact privilege in any
371.17 remote state.

371.18 (d) For each remote state in which a PA seeks authority to prescribe controlled substances,
371.19 the PA shall satisfy all requirements imposed by such state in granting or renewing such
371.20 authority.

371.21 ARTICLE V

371.22 DESIGNATION OF THE STATE FROM WHICH LICENSEE IS APPLYING FOR
371.23 COMPACT PRIVILEGE

371.24 Upon a licensee's application for a compact privilege, the licensee must identify to the
371.25 commission the participating state from which the licensee is applying, in accordance with
371.26 applicable rules adopted by the commission, and subject to the following requirements:

371.27 (1) the licensee must provide the commission with the address of the licensee's primary
371.28 residence and thereafter shall immediately report to the commission any change in the
371.29 address of the licensee's primary residence; and

371.30 (2) the licensee must consent to accept service of process by mail at the licensee's primary
371.31 residence on file with the commission with respect to any action brought against the licensee

372.1 by the commission or a participating state, including a subpoena, with respect to any action
372.2 brought or investigation conducted by the commission or a participating state.

372.3 ARTICLE VI

372.4 ADVERSE ACTIONS

372.5 (a) A participating state in which a licensee is licensed shall have exclusive power to
372.6 impose adverse action against the qualifying license issued by that participating state.

372.7 (b) In addition to the other powers conferred by state law, a remote state shall have the
372.8 authority, in accordance with existing state due process law, to do the following:

372.9 (1) take adverse action against a PA's compact privilege in the state to remove a licensee's
372.10 compact privilege or take other action necessary under applicable law to protect the health
372.11 and safety of its citizens; and

372.12 (2) issue subpoenas for both hearings and investigations that require the attendance and
372.13 testimony of witnesses and the production of evidence. Subpoenas issued by a licensing
372.14 board in a participating state for the attendance and testimony of witnesses or the production
372.15 of evidence from another participating state shall be enforced in the latter state by any court
372.16 of competent jurisdiction, according to the practice and procedure of that court applicable
372.17 to subpoenas issued in proceedings pending before it. The issuing authority shall pay any
372.18 witness fees, travel expenses, mileage, and other fees required by the service statutes of the
372.19 state in which the witnesses or evidence are located.

372.20 (c) Notwithstanding paragraph (b), clause (1), subpoenas may not be issued by a
372.21 participating state to gather evidence of conduct in another state that is lawful in that other
372.22 state, for the purpose of taking adverse action against a licensee's compact privilege or
372.23 application for a compact privilege in that participating state.

372.24 (d) Nothing in this compact authorizes a participating state to impose discipline against
372.25 a PA's compact privilege or to deny an application for a compact privilege in that participating
372.26 state for the individual's otherwise lawful practice in another state.

372.27 (e) For purposes of taking adverse action, the participating state which issued the
372.28 qualifying license shall give the same priority and effect to reported conduct received from
372.29 any other participating state as it would if the conduct had occurred within the participating
372.30 state which issued the qualifying license. In so doing, that participating state shall apply its
372.31 own state laws to determine appropriate action.

373.1 (f) A participating state, if otherwise permitted by state law, may recover from the
373.2 affected PA the costs of investigations and disposition of cases resulting from any adverse
373.3 action taken against that PA.

373.4 (g) A participating state may take adverse action based on the factual findings of a remote
373.5 state, provided that the participating state follows its own procedures for taking the adverse
373.6 action.

373.7 (h) Joint investigations:

373.8 (1) in addition to the authority granted to a participating state by its respective state PA
373.9 laws and regulations or other applicable state law, any participating state may participate
373.10 with other participating states in joint investigations of licensees; and

373.11 (2) participating states shall share any investigative, litigation, or compliance materials
373.12 in furtherance of any joint or individual investigation initiated under this compact.

373.13 (i) If an adverse action is taken against a PA's qualifying license, the PA's compact
373.14 privilege in all remote states shall be deactivated until two years have elapsed after all
373.15 restrictions have been removed from the state license. All disciplinary orders by the
373.16 participating state which issued the qualifying license that impose adverse action against a
373.17 PA's license shall include a statement that the PA's compact privilege is deactivated in all
373.18 participating states during the pendency of the order.

373.19 (j) If any participating state takes adverse action, it promptly shall notify the administrator
373.20 of the data system.

373.21 ARTICLE VII

373.22 ESTABLISHMENT OF THE PA LICENSURE COMPACT COMMISSION

373.23 (a) The participating states hereby create and establish a joint government agency and
373.24 national administrative body known as the PA Licensure Compact Commission. The
373.25 commission is an instrumentality of the compact states acting jointly, and is not an
373.26 instrumentality of any one state. The commission shall come into existence on or after the
373.27 effective date of the compact as set forth in article XI, paragraph (a).

373.28 (b) Membership, voting, and meetings:

373.29 (1) each participating state shall have and be limited to one delegate selected by that
373.30 participating state's licensing board or, if the state has more than one licensing board, selected
373.31 collectively by the participating state's licensing boards;

373.32 (2) the delegate shall be:

374.1 (i) a current PA, physician, or public member of a licensing board or PA council or
374.2 committee; or

374.3 (ii) an administrator of a licensing board;

374.4 (3) any delegate may be removed or suspended from office as provided by the laws of
374.5 the state from which the delegate is appointed;

374.6 (4) the participating state board shall fill any vacancy occurring in the commission within
374.7 60 days;

374.8 (5) each delegate shall be entitled to one vote on all matters voted on by the commission
374.9 and shall otherwise have an opportunity to participate in the business and affairs of the
374.10 commission;

374.11 (6) a delegate shall vote in person or by such other means as provided in the bylaws.
374.12 The bylaws may provide for delegates' participation in meetings by telecommunications,
374.13 video conference, or other means of communication;

374.14 (7) the commission shall meet at least once during each calendar year. Additional
374.15 meetings shall be held as set forth in this compact and the bylaws; and

374.16 (8) the commission shall establish by rule a term of office for delegates.

374.17 (c) The commission shall have the following powers and duties:

374.18 (1) establish a code of ethics for the commission;

374.19 (2) establish the fiscal year of the commission;

374.20 (3) establish fees;

374.21 (4) establish bylaws;

374.22 (5) maintain its financial records in accordance with the bylaws;

374.23 (6) meet and take such actions as are consistent with the provisions of this compact and
374.24 the bylaws;

374.25 (7) promulgate rules to facilitate and coordinate implementation and administration of
374.26 this compact. The rules shall have the force and effect of law and shall be binding in all
374.27 participating states;

374.28 (8) bring and prosecute legal proceedings or actions in the name of the commission,
374.29 provided that the standing of any state licensing board to sue or be sued under applicable
374.30 law shall not be affected;

- 375.1 (9) purchase and maintain insurance and bonds;
- 375.2 (10) borrow, accept, or contract for services of personnel, including but not limited to
375.3 employees of a participating state;
- 375.4 (11) hire employees and engage contractors, elect or appoint officers, fix compensation,
375.5 define duties, grant such individuals appropriate authority to carry out the purposes of this
375.6 compact, and establish the commission's personnel policies and programs relating to conflicts
375.7 of interest, qualifications of personnel, and other related personnel matters;
- 375.8 (12) accept any and all appropriate donations and grants of money, equipment, supplies,
375.9 materials, and services, and receive, utilize, and dispose of the same, provided that at all
375.10 times the commission shall avoid any appearance of impropriety or conflict of interest;
- 375.11 (13) lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold,
375.12 improve, or use, any property, real, personal, or mixed, provided that at all times the
375.13 commission shall avoid any appearance of impropriety;
- 375.14 (14) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
375.15 any property real, personal, or mixed;
- 375.16 (15) establish a budget and make expenditures;
- 375.17 (16) borrow money;
- 375.18 (17) appoint committees, including standing committees composed of members, state
375.19 regulators, state legislators or their representatives, and consumer representatives, and such
375.20 other interested persons as may be designated in this compact and the bylaws;
- 375.21 (18) provide and receive information from, and cooperate with, law enforcement agencies;
- 375.22 (19) elect a chair, vice chair, secretary, and treasurer and such other officers of the
375.23 commission as provided in the commission's bylaws;
- 375.24 (20) reserve for itself, in addition to those reserved exclusively to the commission under
375.25 the compact, powers that the executive committee may not exercise;
- 375.26 (21) approve or disapprove a state's participation in the compact based upon its
375.27 determination as to whether the state's compact legislation departs in a material manner
375.28 from the model compact language;
- 375.29 (22) prepare and provide to the participating states an annual report; and
- 375.30 (23) perform such other functions as may be necessary or appropriate to achieve the
375.31 purposes of this compact consistent with the state regulation of PA licensure and practice.

376.1 (d) Meetings of the commission:

376.2 (1) all meetings of the commission that are not closed pursuant to this paragraph shall
376.3 be open to the public. Notice of public meetings shall be posted on the commission's website
376.4 at least 30 days prior to the public meeting;

376.5 (2) notwithstanding clause (1), the commission may convene a public meeting by
376.6 providing at least 24 hours' prior notice on the commission's website, and any other means
376.7 as provided in the commission's rules, for any of the reasons it may dispense with notice of
376.8 proposed rulemaking under article IX, paragraph (1);

376.9 (3) the commission may convene in a closed, nonpublic meeting or nonpublic part of a
376.10 public meeting to receive legal advice or to discuss:

376.11 (i) noncompliance of a participating state with its obligations under this compact;

376.12 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
376.13 related to specific employees, or other matters related to the commission's internal personnel
376.14 practices and procedures;

376.15 (iii) current, threatened, or reasonably anticipated litigation;

376.16 (iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
376.17 estate;

376.18 (v) accusing any person of a crime or formally censuring any person;

376.19 (vi) disclosure of trade secrets or commercial or financial information that is privileged
376.20 or confidential;

376.21 (vii) disclosure of information of a personal nature where disclosure would constitute a
376.22 clearly unwarranted invasion of personal privacy;

376.23 (viii) disclosure of investigative records compiled for law enforcement purposes;

376.24 (ix) disclosure of information related to any investigative reports prepared by or on
376.25 behalf of, or for use of, the commission or other committee charged with responsibility of
376.26 investigation or determination of compliance issues pursuant to this compact;

376.27 (x) legal advice; or

376.28 (xi) matters specifically exempted from disclosure by federal or participating states'
376.29 statutes;

377.1 (4) if a meeting, or portion of a meeting, is closed pursuant to clause (3), the chair of
377.2 the meeting or the chair's designee shall certify that the meeting or portion of the meeting
377.3 may be closed and shall reference each relevant exempting provision; and

377.4 (5) the commission shall keep minutes that fully and clearly describe all matters discussed
377.5 in a meeting and shall provide a full and accurate summary of actions taken, including a
377.6 description of the views expressed. All documents considered in connection with an action
377.7 shall be identified in such minutes. All minutes and documents of a closed meeting shall
377.8 remain under seal, subject to release by a majority vote of the commission or order of a
377.9 court of competent jurisdiction.

377.10 (e) Financing of the commission:

377.11 (1) the commission shall pay, or provide for the payment of, the reasonable expenses of
377.12 its establishment, organization, and ongoing activities;

377.13 (2) the commission may accept any and all appropriate revenue sources, donations, and
377.14 grants of money, equipment, supplies, materials, and services;

377.15 (3) the commission may levy on and collect an annual assessment from each participating
377.16 state and may impose compact privilege fees on licensees of participating states to whom
377.17 a compact privilege is granted, to cover the cost of the operations and activities of the
377.18 commission and its staff. The cost of the operations and activities of the commission and
377.19 its staff must be in a total amount sufficient to cover its annual budget as approved by the
377.20 commission each year for which revenue is not provided by other sources. The aggregate
377.21 annual assessment amount levied on participating states shall be allocated based upon a
377.22 formula to be determined by commission rule:

377.23 (i) a compact privilege expires when the licensee's qualifying license in the participating
377.24 state from which the licensee applied for the compact privilege expires; and

377.25 (ii) if the licensee terminates the qualifying license through which the licensee applied
377.26 for the compact privilege before its scheduled expiration, and the licensee has a qualifying
377.27 license in another participating state, the licensee shall inform the commission that it is
377.28 changing the participating state through which it applies for a compact privilege to the other
377.29 participating state and pay to the commission any compact privilege fee required by
377.30 commission rule;

377.31 (4) the commission shall not incur obligations of any kind prior to securing the funds
377.32 adequate to meet the same, nor shall the commission pledge the credit of any of the
377.33 participating states, except by and with the authority of the participating state; and

378.1 (5) the commission shall keep accurate accounts of all receipts and disbursements. The
378.2 receipts and disbursements of the commission shall be subject to the financial review and
378.3 accounting procedures established under its bylaws. All receipts and disbursements of funds
378.4 handled by the commission shall be subject to an annual financial review by a certified or
378.5 licensed public accountant, and the report of the financial review shall be included in and
378.6 become part of the annual report of the commission.

378.7 (f) The executive committee:

378.8 (1) the executive committee shall have the power to act on behalf of the commission
378.9 according to the terms of this compact and commission rules;

378.10 (2) the executive committee shall be composed of nine members as follows:

378.11 (i) seven voting members who are elected by the commission from the current
378.12 membership of the commission;

378.13 (ii) one ex officio, nonvoting member from a recognized national PA professional
378.14 association; and

378.15 (iii) one ex officio, nonvoting member from a recognized national PA certification
378.16 organization;

378.17 (3) the ex officio members will be selected by their respective organizations;

378.18 (4) the commission may remove any member of the executive committee as provided
378.19 in its bylaws;

378.20 (5) the executive committee shall meet at least annually;

378.21 (6) the executive committee shall have the following duties and responsibilities:

378.22 (i) recommend to the entire commission changes to the commission's rules or bylaws,
378.23 changes to this compact legislation, fees paid by compact participating states such as annual
378.24 dues, and any commission compact fee charged to licensees for the compact privilege;

378.25 (ii) ensure compact administration services are appropriately provided, contractual or
378.26 otherwise;

378.27 (iii) prepare and recommend the budget;

378.28 (iv) maintain financial records on behalf of the commission;

378.29 (v) monitor compact compliance of participating states and provide compliance reports
378.30 to the commission;

378.31 (vi) establish additional committees as necessary;

379.1 (vii) exercise the powers and duties of the commission during the interim between
379.2 commission meetings, except for issuing proposed rulemaking or adopting commission
379.3 rules or bylaws, or exercising any other powers and duties exclusively reserved to the
379.4 commission by the commission's rules; and

379.5 (viii) perform other duties as provided in commission's rules or bylaws;

379.6 (7) all meetings of the executive committee at which it votes or plans to vote on matters
379.7 in exercising the powers and duties of the commission shall be open to the public, and public
379.8 notice of such meetings shall be given as public meetings of the commission are given; and

379.9 (8) the executive committee may convene in a closed, nonpublic meeting for the same
379.10 reasons that the commission may convene in a nonpublic meeting as set forth in paragraph
379.11 (d), clause (3), and shall announce the closed meeting as the commission is required to
379.12 under paragraph (d), clause (4), and keep minutes of the closed meeting as the commission
379.13 is required to under paragraph (d), clause (5).

379.14 (g) Qualified immunity, defense, and indemnification:

379.15 (1) the members, officers, executive director, employees, and representatives of the
379.16 commission shall be immune from suit and liability, both personally and in their official
379.17 capacity, for any claim for damage to or loss of property or personal injury or other civil
379.18 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
379.19 or that the person against whom the claim is made had a reasonable basis for believing
379.20 occurred, within the scope of commission employment, duties, or responsibilities, provided
379.21 that nothing in this paragraph shall be construed to protect any such person from suit or
379.22 liability for any damage, loss, injury, or liability caused by the intentional or willful or
379.23 wanton misconduct of that person. The procurement of insurance of any type by the
379.24 commission shall not in any way compromise or limit the immunity granted hereunder;

379.25 (2) the commission shall defend any member, officer, executive director, employee, or
379.26 representative of the commission in any civil action seeking to impose liability arising out
379.27 of any actual or alleged act, error, or omission that occurred within the scope of commission
379.28 employment, duties, or responsibilities, or that the person against whom the claim is made
379.29 had a reasonable basis for believing occurred within the scope of commission employment,
379.30 duties, or responsibilities, provided that nothing herein shall be construed to prohibit that
379.31 person from retaining their own counsel at their own expense, and provided further that the
379.32 actual or alleged act, error, or omission did not result from that person's intentional or willful
379.33 or wanton misconduct;

380.1 (3) the commission shall indemnify and hold harmless any member, officer, executive
380.2 director, employee, or representative of the commission for the amount of any settlement
380.3 or judgment obtained against that person arising out of any actual or alleged act, error, or
380.4 omission that occurred within the scope of commission employment, duties, or
380.5 responsibilities, or that such person had a reasonable basis for believing occurred within
380.6 the scope of commission employment, duties, or responsibilities, provided that the actual
380.7 or alleged act, error, or omission did not result from the intentional or willful or wanton
380.8 misconduct of that person;

380.9 (4) except as provided under paragraph (i), venue is proper and judicial proceedings by
380.10 or against the commission shall be brought solely and exclusively in a court of competent
380.11 jurisdiction where the principal office of the commission is located. The commission may
380.12 waive venue and jurisdictional defenses in any proceedings as authorized by commission
380.13 rules;

380.14 (5) nothing herein shall be construed as a limitation on the liability of any licensee for
380.15 professional malpractice or misconduct, which shall be governed solely by any other
380.16 applicable state laws;

380.17 (6) nothing herein shall be construed to designate the venue or jurisdiction to bring
380.18 actions for alleged acts of malpractice, professional misconduct, negligence, or other such
380.19 civil action pertaining to the practice of a PA. All such matters shall be determined
380.20 exclusively by state law other than this compact;

380.21 (7) nothing in this compact shall be interpreted to waive or otherwise abrogate a
380.22 participating state's state action immunity or state action affirmative defense with respect
380.23 to antitrust claims under the federal Sherman Act, Clayton Act, or any other state or federal
380.24 antitrust or anticompetitive law or regulation; and

380.25 (8) nothing in this compact shall be construed to be a waiver of sovereign immunity by
380.26 the participating states or by the commission.

380.27 (h) Notwithstanding paragraph (g), clause (1), the liability of the executive director,
380.28 employees, or representatives of the interstate commission, acting within the scope of their
380.29 employment or duties, may not exceed the limits of liability set forth under the constitution
380.30 and laws of this state for state officials, employees, and agents. This paragraph expressly
380.31 incorporates section 3.736, and neither expands nor limits the rights and remedies provided
380.32 under that statute.

380.33 (i) Except for a claim alleging a violation of this compact, a claim against the commission,
380.34 its executive director, employees, or representatives alleging a violation of the constitution

381.1 and laws of this state may be brought in any county where the plaintiff resides. Nothing in
381.2 this paragraph creates a private right of action.

381.3 ARTICLE VIII

381.4 DATA SYSTEM

381.5 (a) The commission shall provide for the development, maintenance, and utilization of
381.6 a coordinated database and reporting system containing licensure and adverse action
381.7 information, and the reporting of significant investigative information on all licensed PAs
381.8 and applicants denied a license in participating states.

381.9 (b) Notwithstanding any other state law to the contrary, a participating state shall submit
381.10 a uniform data set to the data system on all PAs to whom this compact is applicable, using
381.11 a unique identifier, as required by the rules of the commission, including:

381.12 (1) identifying information;

381.13 (2) licensure data;

381.14 (3) adverse actions against a license or compact privilege;

381.15 (4) any denial of application for licensure and the reason or reasons for the denial,
381.16 excluding the reporting of any criminal history record information where prohibited by law;

381.17 (5) the existence of significant investigative information; and

381.18 (6) other information that may facilitate the administration of this compact, as determined
381.19 by the rules of the commission.

381.20 (c) Significant investigative information pertaining to a licensee in any participating
381.21 state shall only be available to other participating states.

381.22 (d) The commission shall promptly notify all participating states of any reports it receives
381.23 of any adverse action taken against a licensee or an individual applying for a license. This
381.24 adverse action information shall be available to any other participating state.

381.25 (e) Participating states contributing information to the data system may, in accordance
381.26 with state or federal law, designate information that may not be shared with the public
381.27 without the express permission of the contributing state. Notwithstanding any such
381.28 designation, such information shall be reported to the commission through the data system.

381.29 (f) Any information submitted to the data system that is subsequently expunged by
381.30 federal law or the laws of the participating state contributing the information shall be removed
381.31 from the data system upon reporting of such by the participating state to the commission.

382.1 (g) The records and information provided to a participating state pursuant to this compact
382.2 or through the data system, when certified by the commission or an agent thereof, shall
382.3 constitute the authenticated business records of the commission and shall be entitled to any
382.4 associated hearsay exception in any relevant judicial, quasi-judicial, or administrative
382.5 proceedings in a participating state.

382.6 ARTICLE IX

382.7 RULEMAKING

382.8 (a) The commission shall exercise its rulemaking powers pursuant to the criteria set
382.9 forth in this article and the rules adopted thereunder. Commission rules shall become binding
382.10 as of the date specified by the commission for each rule.

382.11 (b) The commission shall promulgate reasonable rules in order to effectively and
382.12 efficiently implement and administer this compact and achieve its purposes. A commission
382.13 rule shall be invalid and have no force or effect only if a court of competent jurisdiction
382.14 holds that the rule is invalid because the commission exercised its rulemaking authority in
382.15 a manner that is beyond the scope of the purposes of this compact, or the powers granted
382.16 hereunder, or based upon another applicable standard of review.

382.17 (c) The rules of the commission shall have the force of law in each participating state,
382.18 provided however that where the rules of the commission conflict with the laws of the
382.19 participating state that establish the medical services a PA may perform in the participating
382.20 state, as held by a court of competent jurisdiction, the rules of the commission shall be
382.21 ineffective in that state to the extent of the conflict.

382.22 (d) If a majority of the legislatures of the participating states rejects a commission rule,
382.23 by enactment of a statute or resolution in the same manner used to adopt the compact within
382.24 four years of the date of adoption of the rule, then such rule shall have no further force and
382.25 effect in any participating state or in any state applying to participate in the compact.

382.26 (e) Rules or amendments to the rules shall be adopted at a regular or special meeting of
382.27 the commission.

382.28 (f) Prior to promulgation and adoption of a final rule or rules by the commission and at
382.29 least 30 days in advance of the meeting at which the rule will be considered and voted upon,
382.30 the commission shall file a notice of proposed rulemaking:

382.31 (1) on the website of the commission or other publicly accessible platform;

382.32 (2) to persons who have requested notice of the commission's notices of proposed
382.33 rulemaking; and

383.1 (3) in such other ways as the commission may specify by rule.

383.2 (g) The notice of proposed rulemaking shall include:

383.3 (1) the time, date, and location of the public hearing on the proposed rule;

383.4 (2) the time, date, and location of the public hearing in which the proposed rule will be
383.5 considered and voted upon;

383.6 (3) the text of the proposed rule and the reason for the proposed rule;

383.7 (4) a request for comments on the proposed rule from any interested person and the date
383.8 by which written comments must be received; and

383.9 (5) the manner in which interested persons may submit notice to the commission of their
383.10 intention to attend the public hearing and any written comments.

383.11 (h) Prior to adoption of a proposed rule, the commission shall allow persons to submit
383.12 written data, facts, opinions, and arguments, which shall be made available to the public.

383.13 (i) If the hearing is held via electronic means, the commission shall publish the mechanism
383.14 for access to the electronic hearing:

383.15 (1) all persons wishing to be heard at the hearing shall notify the commission of their
383.16 desire to appear and testify at the hearing, not less than five business days before the
383.17 scheduled date of the hearing, as directed in the notice of proposed rulemaking;

383.18 (2) hearings shall be conducted in a manner providing each person who wishes to
383.19 comment a fair and reasonable opportunity to comment orally or in writing;

383.20 (3) all hearings shall be recorded. A copy of the recording and the written comments,
383.21 data, facts, opinions, and arguments received in response to the proposed rulemaking shall
383.22 be made available to a person on request; and

383.23 (4) nothing in this section shall be construed as requiring a separate hearing on each
383.24 rule. Proposed rules may be grouped for the convenience of the commission at hearings
383.25 required by this article.

383.26 (j) Following the public hearing, the commission shall consider all written and oral
383.27 comments timely received.

383.28 (k) The commission shall, by majority vote of all delegates, take final action on the
383.29 proposed rule and shall determine the effective date of the rule, if adopted, based on the
383.30 rulemaking record and the full text of the rule. The commission:

383.31 (1) shall, if adopted, post the rule on the commission's website;

384.1 (2) may adopt changes to the proposed rule provided the changes do not expand the
384.2 original purpose of the proposed rule;

384.3 (3) shall provide on its website an explanation of the reasons for substantive changes
384.4 made to the proposed rule as well as reasons for substantive changes not made that were
384.5 recommended by commenters; and

384.6 (4) shall determine a reasonable effective date for the rule. Except for an emergency as
384.7 provided in paragraph (1), the effective date of the rule shall be no sooner than 30 days after
384.8 the commission issued the notice that it adopted the rule.

384.9 (1) Upon determination that an emergency exists, the commission may consider and
384.10 adopt an emergency rule with 24 hours' prior notice, without the opportunity for comment
384.11 or hearing, provided that the usual rulemaking procedures provided in the compact and in
384.12 this article shall be retroactively applied to the rule as soon as reasonably possible, in no
384.13 event later than 90 days after the effective date of the rule. For the purposes of this provision,
384.14 an emergency rule is one that must be adopted immediately by the commission in order to:

384.15 (1) meet an imminent threat to public health, safety, or welfare;

384.16 (2) prevent a loss of commission or participating state funds;

384.17 (3) meet a deadline for the promulgation of a commission rule that is established by
384.18 federal law or rule; or

384.19 (4) protect public health and safety.

384.20 (m) The commission or an authorized committee of the commission may direct revisions
384.21 to a previously adopted commission rule for purposes of correcting typographical errors,
384.22 errors in format, errors in consistency, or grammatical errors. Public notice of any revisions
384.23 shall be posted on the website of the commission. The revision shall be subject to challenge
384.24 by any person for a period of 30 days after posting. The revision may be challenged only
384.25 on grounds that the revision results in a material change to a rule. A challenge shall be made
384.26 as set forth in the notice of revisions and delivered to the commission prior to the end of
384.27 the notice period. If no challenge is made, the revision will take effect without further action.
384.28 If the revision is challenged, the revision may not take effect without the approval of the
384.29 commission.

384.30 (n) No participating state's rulemaking requirements shall apply under this compact.

384.31 ARTICLE X

384.32 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

385.1 (a) Oversight:

385.2 (1) the executive and judicial branches of state government in each participating state
385.3 shall enforce this compact and take all actions necessary and appropriate to implement the
385.4 compact;

385.5 (2) venue is proper and judicial proceedings by or against the commission shall be
385.6 brought solely and exclusively in a court of competent jurisdiction where the principal office
385.7 of the commission is located. The commission may waive venue and jurisdictional defenses
385.8 to the extent it adopts or consents to participate in alternative dispute resolution proceedings.
385.9 Nothing herein shall affect or limit the selection or propriety of venue in any action against
385.10 a licensee for professional malpractice, misconduct, or any such similar matter; and

385.11 (3) the commission shall be entitled to receive service of process in any such proceeding
385.12 regarding the enforcement or interpretation of the compact or the commission's rules and
385.13 shall have standing to intervene in such a proceeding for all purposes. Failure to provide
385.14 service of process to the commission shall render a judgment or order void as to the
385.15 commission, this compact, or commission rules.

385.16 (b) Default, technical assistance, and termination:

385.17 (1) if the commission determines that a participating state has defaulted in the
385.18 performance of its obligations or responsibilities under this compact or the commission
385.19 rules, the commission shall:

385.20 (i) provide written notice to the defaulting state and other participating states describing
385.21 the default, the proposed means of curing the default, or any other action that the commission
385.22 may take; and

385.23 (ii) offer remedial training and specific technical assistance regarding the default;

385.24 (2) if a state in default fails to cure the default, the defaulting state may be terminated
385.25 from this compact upon an affirmative vote of a majority of the delegates of the participating
385.26 states, and all rights, privileges, and benefits conferred by this compact may be terminated
385.27 on the effective date of termination. A cure of the default does not relieve the offending
385.28 state of obligations or liabilities incurred during the period of default;

385.29 (3) termination of participation in this compact shall be imposed only after all other
385.30 means of securing compliance have been exhausted. Notice of intent to suspend or terminate
385.31 shall be given by the commission to the governor, the majority and minority leaders of the
385.32 defaulting state's legislature, and the licensing board or boards of each of the participating
385.33 states;

386.1 (4) a state that has been terminated is responsible for all assessments, obligations, and
386.2 liabilities incurred through the effective date of termination, including obligations that
386.3 extend beyond the effective date of termination;

386.4 (5) the commission shall not bear any costs related to a state that is found to be in default
386.5 or that has been terminated from this compact, unless agreed upon in writing between the
386.6 commission and the defaulting state;

386.7 (6) the defaulting state may appeal its termination from the compact by the commission
386.8 by petitioning the United States District Court for the District of Columbia or the federal
386.9 district where the commission has its principal offices. The prevailing member shall be
386.10 awarded all costs of such litigation, including reasonable attorney fees; and

386.11 (7) upon the termination of a state's participation in the compact, the state shall
386.12 immediately provide notice to all licensees within that state of such termination:

386.13 (i) licensees who have been granted a compact privilege in that state shall retain the
386.14 compact privilege for 180 days following the effective date of such termination; and

386.15 (ii) licensees who are licensed in that state who have been granted a compact privilege
386.16 in a participating state shall retain the compact privilege for 180 days, unless the licensee
386.17 also has a qualifying license in a participating state or obtains a qualifying license in a
386.18 participating state before the 180-day period ends, in which case the compact privilege shall
386.19 continue.

386.20 (c) Dispute resolution:

386.21 (1) upon request by a participating state, the commission shall attempt to resolve disputes
386.22 related to this compact that arise among participating states and between participating and
386.23 nonparticipating states; and

386.24 (2) the commission shall promulgate a rule providing for both mediation and binding
386.25 dispute resolution for disputes, as appropriate.

386.26 (d) Enforcement:

386.27 (1) the commission, in the reasonable exercise of its discretion, shall enforce the
386.28 provisions of this compact and rules of the commission;

386.29 (2) if compliance is not secured after all means to secure compliance have been exhausted,
386.30 by majority vote, the commission may initiate legal action in the United States District
386.31 Court for the District of Columbia or the federal district where the commission has its
386.32 principal offices against a participating state in default, to enforce compliance with the

387.1 provisions of this compact and the commission's promulgated rules and bylaws. The relief
387.2 sought may include both injunctive relief and damages. In the event judicial enforcement
387.3 is necessary, the prevailing member shall be awarded all costs of such litigation, including
387.4 reasonable attorney fees; and

387.5 (3) the remedies herein shall not be the exclusive remedies of the commission. The
387.6 commission may pursue any other remedies available under federal or state law.

387.7 (e) Legal action against the commission:

387.8 (1) a participating state may initiate legal action against the commission in the United
387.9 States District Court for the District of Columbia or the federal district where the commission
387.10 has its principal offices to enforce compliance with the provisions of the compact and the
387.11 commission's rules. The relief sought may include both injunctive relief and damages. In
387.12 the event judicial enforcement is necessary, the prevailing party shall be awarded all costs
387.13 of such litigation, including reasonable attorney fees; and

387.14 (2) no person other than a participating state shall enforce this compact against the
387.15 commission.

387.16 ARTICLE XI

387.17 DATE OF IMPLEMENTATION OF THE PA LICENSURE COMPACT COMMISSION

387.18 (a) This compact shall come into effect on the date on which the compact statute is
387.19 enacted into law in the seventh participating state.

387.20 (b) On or after the effective date of the compact, the commission shall convene and
387.21 review the enactment of each of the charter participating states to determine if the statute
387.22 enacted by each charter participating state is materially different than the model compact.
387.23 A charter participating state whose enactment is found to be materially different from the
387.24 model compact shall be entitled to the default process set forth in article X, paragraph (b).

387.25 (c) If any participating state later withdraws from the compact or its participation is
387.26 terminated, the commission shall remain in existence and the compact shall remain in effect
387.27 even if the number of participating states should be less than seven. Participating states
387.28 enacting the compact subsequent to the commission convening shall be subject to the process
387.29 set forth in article VII, paragraph (c), clause (21), to determine if their enactments are
387.30 materially different from the model compact and whether they qualify for participation in
387.31 the compact.

387.32 (d) Any participating state enacting the compact subsequent to the seven initial charter
387.33 participating states shall be subject to the process set forth in article VII, paragraph (c),

388.1 clause (21), to determine if the state's enactment is materially different from the model
388.2 compact and whether the state qualifies for participation in the compact.

388.3 (e) All actions taken for the benefit of the commission or in furtherance of the purposes
388.4 of the administration of the compact prior to the effective date of the compact or the
388.5 commission coming into existence shall be considered to be actions of the commission
388.6 unless specifically repudiated by the commission.

388.7 (f) Any state that joins this compact shall be subject to the commission's rules and bylaws
388.8 as they exist on the date on which this compact becomes law in that state. Any rule that has
388.9 been previously adopted by the commission shall have the full force and effect of law on
388.10 the day this compact becomes law in that state.

388.11 (g) Any participating state may withdraw from this compact by enacting a statute
388.12 repealing the same:

388.13 (1) a participating state's withdrawal shall not take effect until 180 days after enactment
388.14 of the repealing statute. During this 180-day period, all compact privileges that were in
388.15 effect in the withdrawing state and were granted to licensees licensed in the withdrawing
388.16 state shall remain in effect. If any licensee licensed in the withdrawing state is also licensed
388.17 in another participating state or obtains a license in another participating state within the
388.18 180 days, the licensee's compact privileges in other participating states shall not be affected
388.19 by the passage of the 180 days;

388.20 (2) withdrawal shall not affect the continuing requirement of the state licensing board
388.21 or boards of the withdrawing state to comply with the investigative and adverse action
388.22 reporting requirements of this compact prior to the effective date of withdrawal; and

388.23 (3) upon the enactment of a statute withdrawing a state from this compact, the state shall
388.24 immediately provide notice of such withdrawal to all licensees within that state. Such
388.25 withdrawing state shall continue to recognize all licenses granted pursuant to this compact
388.26 for a minimum of 180 days after the date of such notice of withdrawal.

388.27 (h) Nothing contained in this compact shall be construed to invalidate or prevent any
388.28 PA licensure agreement or other cooperative arrangement between participating states or a
388.29 participating state and a nonparticipating state that does not conflict with the provisions of
388.30 this compact.

388.31 (i) This compact may be amended by the participating states. No amendment to this
388.32 compact shall become effective and binding upon any participating state until it is enacted

389.1 materially in the same manner into the laws of all participating states, as determined by the
389.2 commission.

389.3 ARTICLE XII

389.4 CONSTRUCTION AND SEVERABILITY

389.5 (a) This compact and the commission's rulemaking authority shall be liberally construed
389.6 so as to effectuate the purposes of the compact and its implementation and administration.
389.7 Provisions of the compact expressly authorizing or requiring the promulgation of rules shall
389.8 not be construed to limit the commission's rulemaking authority solely for those purposes.

389.9 (b) The provisions of this compact shall be severable and if any phrase, clause, sentence,
389.10 or provision of this compact is held by a court of competent jurisdiction to be contrary to
389.11 the constitution of any participating state, of a state seeking participation in the compact,
389.12 or of the United States, or the applicability thereof to any government, agency, person, or
389.13 circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity
389.14 of the remainder of this compact and the applicability thereof to any government, agency,
389.15 person, or circumstance shall not be affected thereby.

389.16 (c) Notwithstanding paragraph (b) or any provision of this article, the commission may
389.17 deny a state's participation in the compact or, in accordance with the requirements of article
389.18 X, paragraph (b), terminate a participating state's participation in the compact, if it determines
389.19 that a constitutional requirement of a participating state is, or would be with respect to a
389.20 state seeking to participate in the compact, a material departure from the compact. Otherwise,
389.21 if this compact shall be held to be contrary to the constitution of any participating state, the
389.22 compact shall remain in full force and effect as to the remaining participating states and in
389.23 full force and effect as to the participating state affected as to all severable matters.

389.24 ARTICLE XIII

389.25 BINDING EFFECT OF THE COMPACT

389.26 (a) Nothing herein prevents the enforcement of any other law of a participating state
389.27 that is not inconsistent with this compact.

389.28 (b) Any laws in a participating state in conflict with this compact are superseded to the
389.29 extent of the conflict.

389.30 (c) All agreements between the commission and the participating states are binding in
389.31 accordance with their terms.

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

390.1 Sec. 2. **DIRECTION TO BOARD OF MEDICAL PRACTICE.**

390.2 The Board of Medical Practice must publish the effective date of the compact in
390.3 Minnesota Statutes, section 148.675, in the State Register and on the board's website.

390.4 **ARTICLE 27**

390.5 **OCCUPATIONAL THERAPY LICENSURE COMPACT**

390.6 Section 1. **[148.645] OCCUPATIONAL THERAPY LICENSURE COMPACT.**

390.7 ARTICLE I

390.8 TITLE

390.9 This statute shall be known and cited as the occupational therapist licensure compact.

390.10 ARTICLE II

390.11 DEFINITIONS

390.12 As used in this compact, and except as otherwise provided, the following definitions
390.13 shall apply:

390.14 (A) "Active duty military" means full-time duty status in the active uniformed service
390.15 of the United States, including members of the National Guard and Reserve on active duty
390.16 orders pursuant to United States Code, title 10, sections 1209 and 1211.

390.17 (B) "Adverse action" means any administrative, civil, equitable, or criminal action
390.18 permitted by a state's laws which is imposed by a licensing board or other authority against
390.19 an occupational therapist or occupational therapy assistant, including actions against an
390.20 individual's license or compact privilege such as censure, revocation, suspension, probation,
390.21 monitoring of the licensee, or restriction on the licensee's practice.

390.22 (C) "Alternative program" means a nondisciplinary monitoring process approved by an
390.23 occupational therapy licensing board.

390.24 (D) "Compact privilege" means the authorization, which is equivalent to a license,
390.25 granted by a remote state to allow a licensee from another member state to practice as an
390.26 occupational therapist or practice as an occupational therapy assistant in the remote state
390.27 under its laws and rules. The practice of occupational therapy occurs in the member state
390.28 where the patient or client is located at the time of the patient or client encounter.

390.29 (E) "Continuing competence" or "continuing education" means a requirement, as a
390.30 condition of license renewal, to provide evidence of participation in, and completion of,
390.31 educational and professional activities relevant to practice or area of work.

391.1 (F) "Current significant investigative information" means investigative information that
391.2 a licensing board, after an inquiry or investigation that includes notification and an
391.3 opportunity for the occupational therapist or occupational therapy assistant to respond, if
391.4 required by state law, has reason to believe is not groundless and, if proven true, would
391.5 indicate more than a minor infraction.

391.6 (G) "Data system" means a repository of information about licensees, including but not
391.7 limited to license status, investigative information, compact privileges, and adverse actions.

391.8 (H) "Encumbered license" means a license in which an adverse action restricts the
391.9 practice of occupational therapy by the licensee or said adverse action has been reported to
391.10 the National Practitioners Data Bank (NPDB).

391.11 (I) "Executive committee" means a group of directors elected or appointed to act on
391.12 behalf of, and within the powers granted to them by, the commission.

391.13 (J) "Home state" means the member state that is the licensee's primary state of residence.

391.14 (K) "Impaired practitioner" means an individual whose professional practice is adversely
391.15 affected by substance abuse, addiction, or other health-related conditions.

391.16 (L) "Investigative information" means information, records, or documents received or
391.17 generated by an occupational therapy licensing board pursuant to an investigation.

391.18 (M) "Jurisprudence requirement" means the assessment of an individual's knowledge
391.19 of the laws and rules governing the practice of occupational therapy in a state.

391.20 (N) "Licensee" means an individual who currently holds an authorization from the state
391.21 to practice as an occupational therapist or as an occupational therapy assistant.

391.22 (O) "Member state" means a state that has enacted the compact.

391.23 (P) "Occupational therapist" means an individual who is licensed by a state to practice
391.24 occupational therapy.

391.25 (Q) "Occupational therapy assistant" means an individual who is licensed by a state to
391.26 assist in the practice of occupational therapy.

391.27 (R) "Occupational therapy," "occupational therapy practice," and "the practice of
391.28 occupational therapy" mean the care and services provided by an occupational therapist or
391.29 an occupational therapy assistant as set forth in the member state's statutes and regulations.

391.30 (S) "Occupational therapy compact commission" or "commission" means the national
391.31 administrative body whose membership consists of all states that have enacted the compact.

392.1 (T) "Occupational therapy licensing board" or "licensing board" means the agency of a
392.2 state that is authorized to license and regulate occupational therapists and occupational
392.3 therapy assistants.

392.4 (U) "Primary state of residence" means the state, also known as the home state, in which
392.5 an occupational therapist or occupational therapy assistant who is not active duty military
392.6 declares a primary residence for legal purposes as verified by driver's license, federal income
392.7 tax return, lease, deed, mortgage, or voter registration or other verifying documentation as
392.8 further defined by commission rules.

392.9 (V) "Remote state" means a member state other than the home state where a licensee is
392.10 exercising or seeking to exercise the compact privilege.

392.11 (W) "Rule" means a regulation promulgated by the commission that has the force of
392.12 law.

392.13 (X) "State" means any state, commonwealth, district, or territory of the United States
392.14 of America that regulates the practice of occupational therapy.

392.15 (Y) "Single-state license" means an occupational therapist or occupational therapy
392.16 assistant license issued by a member state that authorizes practice only within the issuing
392.17 state and does not include a compact privilege in any other member state.

392.18 (Z) "Telehealth" means the application of telecommunication technology to deliver
392.19 occupational therapy services for assessment, intervention, or consultation.

392.20 ARTICLE III

392.21 STATE PARTICIPATION IN THE COMPACT

392.22 (A) To participate in the compact, a member state shall:

392.23 (1) license occupational therapists and occupational therapy assistants;

392.24 (2) participate fully in the commission's data system, including but not limited to using
392.25 the commission's unique identifier as defined in rules of the commission;

392.26 (3) have a mechanism in place for receiving and investigating complaints about licensees;

392.27 (4) notify the commission, in compliance with the terms of the compact and rules, of
392.28 any adverse action or the availability of investigative information regarding a licensee;

392.29 (5) implement or utilize procedures for considering the criminal history records of
392.30 applicants for an initial compact privilege. These procedures shall include the submission
392.31 of fingerprints or other biometric-based information by applicants for the purpose of obtaining

393.1 an applicant's criminal history record information from the Federal Bureau of Investigation
393.2 and the agency responsible for retaining that state's criminal records;

393.3 (i) A member state shall, within a time frame established by the commission, require a
393.4 criminal background check for a licensee seeking or applying for a compact privilege whose
393.5 primary state of residence is that member state by receiving the results of the Federal Bureau
393.6 of Investigation criminal record search, and shall use the results in making licensure
393.7 decisions.

393.8 (ii) Communication between a member state, the commission, and among member states
393.9 regarding the verification of eligibility for licensure through the compact shall not include
393.10 any information received from the Federal Bureau of Investigation relating to a federal
393.11 criminal records check performed by a member state under Public Law 92-544;

393.12 (6) comply with the rules of the commission;

393.13 (7) utilize only a recognized national examination as a requirement for licensure pursuant
393.14 to the rules of the commission; and

393.15 (8) have continuing competence or education requirements as a condition for license
393.16 renewal.

393.17 (B) A member state shall grant the compact privilege to a licensee holding a valid
393.18 unencumbered license in another member state in accordance with the terms of the compact
393.19 and rules.

393.20 (C) Member states may charge a fee for granting a compact privilege.

393.21 (D) A member state shall provide for the state's delegate to attend all occupational therapy
393.22 compact commission meetings.

393.23 (E) Individuals not residing in a member state shall continue to be able to apply for a
393.24 member state's single-state license as provided under the laws of each member state.
393.25 However, the single-state license granted to these individuals shall not be recognized as
393.26 granting the compact privilege in any other member state.

393.27 (F) Nothing in this compact shall affect the requirements established by a member state
393.28 for the issuance of a single-state license.

393.29 ARTICLE IV

393.30 COMPACT PRIVILEGE

393.31 (A) To exercise the compact privilege under the terms and provisions of the compact,
393.32 the licensee shall:

- 394.1 (1) hold a license in the home state;
- 394.2 (2) have a valid United States Social Security number or national practitioner
394.3 identification number;
- 394.4 (3) have no encumbrance on any state license;
- 394.5 (4) be eligible for a compact privilege in any member state in accordance with Article
394.6 IV, (D), (F), (G), and (H);
- 394.7 (5) have paid all fines and completed all requirements resulting from any adverse action
394.8 against any license or compact privilege, and two years have elapsed from the date of such
394.9 completion;
- 394.10 (6) notify the commission that the licensee is seeking the compact privilege within a
394.11 remote state or states;
- 394.12 (7) pay any applicable fees, including any state fee, for the compact privilege;
- 394.13 (8) complete a criminal background check in accordance with Article III, (A)(5). The
394.14 licensee shall be responsible for the payment of any fee associated with the completion of
394.15 a criminal background check;
- 394.16 (9) meet any jurisprudence requirements established by the remote state or states in
394.17 which the licensee is seeking a compact privilege; and
- 394.18 (10) report to the commission adverse action taken by any nonmember state within 30
394.19 days from the date the adverse action is taken.
- 394.20 (B) The compact privilege is valid until the expiration date of the home state license.
394.21 The licensee must comply with the requirements of Article IV, (A), to maintain the compact
394.22 privilege in the remote state.
- 394.23 (C) A licensee providing occupational therapy in a remote state under the compact
394.24 privilege shall function within the laws and regulations of the remote state.
- 394.25 (D) Occupational therapy assistants practicing in a remote state shall be supervised by
394.26 an occupational therapist licensed or holding a compact privilege in that remote state.
- 394.27 (E) A licensee providing occupational therapy in a remote state is subject to that state's
394.28 regulatory authority. A remote state may, in accordance with due process and that state's
394.29 laws, remove a licensee's compact privilege in the remote state for a specific period of time,
394.30 impose fines, or take any other necessary actions to protect the health and safety of its
394.31 citizens. The licensee may be ineligible for a compact privilege in any state until the specific
394.32 time for removal has passed and all fines are paid.

395.1 (F) If a home state license is encumbered, the licensee shall lose the compact privilege
395.2 in any remote state until the following occur:

395.3 (1) the home state license is no longer encumbered; and

395.4 (2) two years have elapsed from the date on which the home state license is no longer
395.5 encumbered in accordance with Article IV, (F)(1).

395.6 (G) Once an encumbered license in the home state is restored to good standing, the
395.7 licensee must meet the requirements of Article IV, (A), to obtain a compact privilege in any
395.8 remote state.

395.9 (H) If a licensee's compact privilege in any remote state is removed, the individual may
395.10 lose the compact privilege in any other remote state until the following occur:

395.11 (1) the specific period of time for which the compact privilege was removed has ended;

395.12 (2) all fines have been paid and all conditions have been met;

395.13 (3) two years have elapsed from the date of completing requirements for Article IV,

395.14 (H)(1) and (2); and

395.15 (4) the compact privileges are reinstated by the commission and the compact data system
395.16 is updated to reflect reinstatement.

395.17 (I) If a licensee's compact privilege in any remote state is removed due to an erroneous
395.18 charge, privileges shall be restored through the compact data system.

395.19 (J) Once the requirements of Article IV, (H), have been met, the licensee must meet the
395.20 requirements in Article IV, (A), to obtain a compact privilege in a remote state.

395.21 ARTICLE V

395.22 OBTAINING A NEW HOME STATE LICENSE BY VIRTUE OF COMPACT PRIVILEGE

395.23 (A) An occupational therapist or occupational therapy assistant may hold a home state
395.24 license, which allows for compact privileges in member states, in only one member state
395.25 at a time.

395.26 (B) If an occupational therapist or occupational therapy assistant changes their primary
395.27 state of residence by moving between two member states:

395.28 (1) the occupational therapist or occupational therapy assistant shall file an application
395.29 for obtaining a new home state license by virtue of a compact privilege, pay all applicable
395.30 fees, and notify the current and new home state in accordance with applicable rules adopted
395.31 by the commission;

396.1 (2) upon receipt of an application for obtaining a new home state license by virtue of
396.2 compact privilege, the new home state shall verify that the occupational therapist or
396.3 occupational therapy assistant meets the pertinent criteria outlined in Article IV via the data
396.4 system, without need for primary source verification except for:

396.5 (i) an FBI fingerprint-based criminal background check if not previously performed or
396.6 updated pursuant to applicable rules adopted by the commission in accordance with Public
396.7 Law 92-544;

396.8 (ii) other criminal background checks as required by the new home state; and

396.9 (iii) submission of any requisite jurisprudence requirements of the new home state;

396.10 (3) the former home state shall convert the former home state license into a compact
396.11 privilege once the new home state has activated the new home state license in accordance
396.12 with applicable rules adopted by the commission;

396.13 (4) notwithstanding any other provision of this compact, if the occupational therapist or
396.14 occupational therapy assistant cannot meet the criteria in Article IV, the new home state
396.15 shall apply its requirements for issuing a new single-state license; and

396.16 (5) the occupational therapist or the occupational therapy assistant shall pay all applicable
396.17 fees to the new home state in order to be issued a new home state license.

396.18 (C) If an occupational therapist or occupational therapy assistant changes their primary
396.19 state of residence by moving from a member state to a nonmember state, or from a
396.20 nonmember state to a member state, the state criteria shall apply for issuance of a single-state
396.21 license in the new state.

396.22 (D) Nothing in this compact shall interfere with a licensee's ability to hold a single-state
396.23 license in multiple states; however, for the purposes of this compact, a licensee shall have
396.24 only one home state license.

396.25 (E) Nothing in this compact shall affect the requirements established by a member state
396.26 for the issuance of a single-state license.

396.27 ARTICLE VI

396.28 ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

396.29 Active duty military personnel, or their spouses, shall designate a home state where the
396.30 individual has a current license in good standing. The individual may retain the home state
396.31 designation during the period the service member is on active duty. Subsequent to designating

397.1 a home state, the individual shall only change their home state through application for
397.2 licensure in the new state or through the process described in Article V.

397.3 ARTICLE VII

397.4 ADVERSE ACTIONS

397.5 (A) A home state shall have exclusive power to impose adverse action against an
397.6 occupational therapist's or occupational therapy assistant's license issued by the home state.

397.7 (B) In addition to the other powers conferred by state law, a remote state shall have the
397.8 authority, in accordance with existing state due process law, to:

397.9 (1) take adverse action against an occupational therapist's or occupational therapy
397.10 assistant's compact privilege within that member state; and

397.11 (2) issue subpoenas for both hearings and investigations that require the attendance and
397.12 testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing
397.13 board in a member state for the attendance and testimony of witnesses or the production of
397.14 evidence from another member state shall be enforced in the latter state by any court of
397.15 competent jurisdiction, according to the practice and procedure of that court applicable to
397.16 subpoenas issued in proceedings pending before that court. The issuing authority shall pay
397.17 any witness fees, travel expenses, mileage, and other fees required by the service statutes
397.18 of the state in which the witnesses or evidence are located.

397.19 (C) For purposes of taking adverse action, the home state shall give the same priority
397.20 and effect to reported conduct received from a member state as it would if the conduct had
397.21 occurred within the home state. In so doing, the home state shall apply its own state laws
397.22 to determine appropriate action.

397.23 (D) The home state shall complete any pending investigations of an occupational therapist
397.24 or occupational therapy assistant who changes their primary state of residence during the
397.25 course of the investigations. The home state, where the investigations were initiated, shall
397.26 also have the authority to take appropriate action and shall promptly report the conclusions
397.27 of the investigations to the compact commission data system. The occupational therapy
397.28 compact commission data system administrator shall promptly notify the new home state
397.29 of any adverse actions.

397.30 (E) A member state, if otherwise permitted by state law, may recover from the affected
397.31 occupational therapist or occupational therapy assistant the costs of investigations and
397.32 disposition of cases resulting from any adverse action taken against that occupational
397.33 therapist or occupational therapy assistant.

398.1 (F) A member state may take adverse action based on the factual findings of the remote
398.2 state, provided that the member state follows its own procedures for taking the adverse
398.3 action.

398.4 (G) Joint Investigations:

398.5 (1) In addition to the authority granted to a member state by its respective state
398.6 occupational therapy laws and regulations or other applicable state law, any member state
398.7 may participate with other member states in joint investigations of licensees.

398.8 (2) Member states shall share any investigative, litigation, or compliance materials in
398.9 furtherance of any joint or individual investigation initiated under the compact.

398.10 (H) If an adverse action is taken by the home state against an occupational therapist's
398.11 or occupational therapy assistant's license, the occupational therapist's or occupational
398.12 therapy assistant's compact privilege in all other member states shall be deactivated until
398.13 all encumbrances have been removed from the state license. All home state disciplinary
398.14 orders that impose adverse action against an occupational therapist's or occupational therapy
398.15 assistant's license shall include a statement that the occupational therapist's or occupational
398.16 therapy assistant's compact privilege is deactivated in all member states during the pendency
398.17 of the order.

398.18 (I) If a member state takes adverse action, the member state shall promptly notify the
398.19 administrator of the data system. The administrator of the data system shall promptly notify
398.20 the home state of any adverse actions by remote states.

398.21 (J) Nothing in this compact shall override a member state's decision that participation
398.22 in an alternative program may be used in lieu of adverse action.

398.23 ARTICLE VIII

398.24 ESTABLISHMENT OF THE OCCUPATIONAL THERAPY COMPACT COMMISSION

398.25 (A) The compact member states hereby create and establish a joint public agency known
398.26 as the occupational therapy compact commission:

398.27 (1) The commission is an instrumentality of the compact states.

398.28 (2) Except as provided under paragraph (I), venue is proper and judicial proceedings by
398.29 or against the commission shall be brought solely and exclusively in a court of competent
398.30 jurisdiction where the principal office of the commission is located. The commission may
398.31 waive venue and jurisdictional defenses to the extent it adopts or consents to participate in
398.32 alternative dispute resolution proceedings.

399.1 (3) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

399.2 (B) Membership, Voting, and Meetings:

399.3 (1) Each member state shall have and be limited to one delegate selected by that member
399.4 state's licensing board.

399.5 (2) The delegate shall be either:

399.6 (i) a current member of the licensing board who is an occupational therapist, occupational
399.7 therapy assistant, or public member; or

399.8 (ii) an administrator of the licensing board.

399.9 (3) Any delegate may be removed or suspended from office as provided by the law of
399.10 the state from which the delegate is appointed.

399.11 (4) The member state board shall fill any vacancy occurring in the commission within
399.12 90 days.

399.13 (5) Each delegate shall be entitled to one vote with regard to the promulgation of rules
399.14 and creation of bylaws and shall otherwise have an opportunity to participate in the business
399.15 and affairs of the commission. A delegate shall vote in person or by such other means as
399.16 provided in the bylaws. The bylaws may provide for delegates' participation in meetings
399.17 by telephone or other means of communication.

399.18 (6) The commission shall meet at least once during each calendar year. Additional
399.19 meetings shall be held as set forth in the bylaws.

399.20 (7) The commission shall establish by rule a term of office for delegates.

399.21 (C) The commission shall have the following powers and duties:

399.22 (1) establish a code of ethics for the commission;

399.23 (2) establish the fiscal year of the commission;

399.24 (3) establish bylaws;

399.25 (4) maintain its financial records in accordance with the bylaws;

399.26 (5) meet and take such actions as are consistent with the provisions of this compact and
399.27 the bylaws;

399.28 (6) promulgate uniform rules to facilitate and coordinate implementation and
399.29 administration of this compact. The rules shall have the force and effect of law and shall
399.30 be binding in all member states;

400.1 (7) bring and prosecute legal proceedings or actions in the name of the commission,
400.2 provided that the standing of any state occupational therapy licensing board to sue or be
400.3 sued under applicable law shall not be affected;

400.4 (8) purchase and maintain insurance and bonds;

400.5 (9) borrow, accept, or contract for services of personnel, including but not limited to
400.6 employees of a member state;

400.7 (10) hire employees, elect or appoint officers, fix compensation, define duties, grant
400.8 such individuals appropriate authority to carry out the purposes of the compact, and establish
400.9 the commission's personnel policies and programs relating to conflicts of interest,
400.10 qualifications of personnel, and other related personnel matters;

400.11 (11) accept any and all appropriate donations and grants of money, equipment, supplies,
400.12 materials, and services, and receive, utilize, and dispose of the same; provided that at all
400.13 times the commission shall avoid any appearance of impropriety or conflict of interest;

400.14 (12) lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold,
400.15 improve, or use any property, real, personal, or mixed; provided that at all times the
400.16 commission shall avoid any appearance of impropriety;

400.17 (13) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
400.18 any property real, personal, or mixed;

400.19 (14) establish a budget and make expenditures;

400.20 (15) borrow money;

400.21 (16) appoint committees, including standing committees composed of members, state
400.22 regulators, state legislators or their representatives, and consumer representatives, and other
400.23 interested persons as may be designated in this compact and the bylaws;

400.24 (17) provide and receive information from, and cooperate with, law enforcement agencies;

400.25 (18) establish and elect an executive committee; and

400.26 (19) perform other functions as may be necessary or appropriate to achieve the purposes
400.27 of this compact consistent with the state regulation of occupational therapy licensure and
400.28 practice.

400.29 (D) The Executive Committee:

400.30 (1) The executive committee shall have the power to act on behalf of the commission
400.31 according to the terms of this compact.

- 401.1 (2) The executive committee shall be composed of nine members:
- 401.2 (i) seven voting members who are elected by the commission from the current
- 401.3 membership of the commission;
- 401.4 (ii) one ex-officio, nonvoting member from a recognized national occupational therapy
- 401.5 professional association; and
- 401.6 (iii) one ex-officio, nonvoting member from a recognized national occupational therapy
- 401.7 certification organization.
- 401.8 (3) The ex-officio members will be selected by their respective organizations.
- 401.9 (4) The commission may remove any member of the executive committee as provided
- 401.10 in the bylaws.
- 401.11 (5) The executive committee shall meet at least annually.
- 401.12 (6) The executive committee shall have the following duties and responsibilities:
- 401.13 (i) recommend to the entire commission changes to the rules or bylaws, changes to this
- 401.14 compact legislation, fees paid by compact member states such as annual dues, and any
- 401.15 commission compact fee charged to licensees for the compact privilege;
- 401.16 (ii) ensure compact administration services are appropriately provided, contractual or
- 401.17 otherwise;
- 401.18 (iii) prepare and recommend the budget;
- 401.19 (iv) maintain financial records on behalf of the commission;
- 401.20 (v) monitor compact compliance of member states and provide compliance reports to
- 401.21 the commission;
- 401.22 (vi) establish additional committees as necessary; and
- 401.23 (vii) perform other duties as provided in rules or bylaws.
- 401.24 (E) Meetings of the Commission:
- 401.25 (1) All meetings shall be open to the public, and public notice of meetings shall be given
- 401.26 in the same manner as required under the rulemaking provisions in Article X.
- 401.27 (2) The commission or the executive committee or other committees of the commission
- 401.28 may convene in a closed, nonpublic meeting if the commission or executive committee or
- 401.29 other committees of the commission must discuss:
- 401.30 (i) noncompliance of a member state with its obligations under the compact;

402.1 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
402.2 related to specific employees or other matters related to the commission's internal personnel
402.3 practices and procedures;

402.4 (iii) current, threatened, or reasonably anticipated litigation;

402.5 (iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
402.6 estate;

402.7 (v) accusing any person of a crime or formally censuring any person;

402.8 (vi) disclosure of trade secrets or commercial or financial information that is privileged
402.9 or confidential;

402.10 (vii) disclosure of information of a personal nature where disclosure would constitute a
402.11 clearly unwarranted invasion of personal privacy;

402.12 (viii) disclosure of investigative records compiled for law enforcement purposes;

402.13 (ix) disclosure of information related to any investigative reports prepared by or on
402.14 behalf of or for use of the commission or other committee charged with responsibility of
402.15 investigation or determination of compliance issues pursuant to the compact; or

402.16 (x) matters specifically exempted from disclosure by federal or member state statute.

402.17 (3) If a meeting, or portion of a meeting, is closed pursuant to this provision, the
402.18 commission's legal counsel or designee shall certify that the meeting may be closed and
402.19 shall reference each relevant exempting provision.

402.20 (4) The commission shall keep minutes that fully and clearly describe all matters
402.21 discussed in a meeting and shall provide a full and accurate summary of actions taken, and
402.22 the reasons therefore, including a description of the views expressed. All documents
402.23 considered in connection with an action shall be identified in such minutes. All minutes and
402.24 documents of a closed meeting shall remain under seal, subject to release by a majority vote
402.25 of the commission or order of a court of competent jurisdiction.

402.26 (F) Financing of the Commission:

402.27 (1) The commission shall pay, or provide for the payment of, the reasonable expenses
402.28 of its establishment, organization, and ongoing activities.

402.29 (2) The commission may accept any and all appropriate revenue sources, donations, and
402.30 grants of money, equipment, supplies, materials, and services.

403.1 (3) The commission may levy on and collect an annual assessment from each member
403.2 state or impose fees on other parties to cover the cost of the operations and activities of the
403.3 commission and its staff, which must be in a total amount sufficient to cover its annual
403.4 budget as approved by the commission each year for which revenue is not provided by other
403.5 sources. The aggregate annual assessment amount shall be allocated based upon a formula
403.6 to be determined by the commission, which shall promulgate a rule binding upon all member
403.7 states.

403.8 (4) The commission shall not incur obligations of any kind prior to securing the funds
403.9 adequate to meet the same; nor shall the commission pledge the credit of any of the member
403.10 states, except by and with the authority of the member state.

403.11 (5) The commission shall keep accurate accounts of all receipts and disbursements. The
403.12 receipts and disbursements of the commission shall be subject to the audit and accounting
403.13 procedures established under its bylaws. However, all receipts and disbursements of funds
403.14 handled by the commission shall be audited yearly by a certified or licensed public
403.15 accountant, and the report of the audit shall be included in and become part of the annual
403.16 report of the commission.

403.17 (G) Qualified Immunity, Defense, and Indemnification:

403.18 (1) The members, officers, executive director, employees, and representatives of the
403.19 commission shall be immune from suit and liability, either personally or in their official
403.20 capacity, for any claim for damage to or loss of property or personal injury or other civil
403.21 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
403.22 or that the person against whom the claim is made had a reasonable basis for believing
403.23 occurred within the scope of commission employment, duties, or responsibilities; provided
403.24 that nothing in this paragraph shall be construed to protect any such person from suit or
403.25 liability for any damage, loss, injury, or liability caused by the intentional or willful or
403.26 wanton misconduct of that person.

403.27 (2) The commission shall defend any member, officer, executive director, employee, or
403.28 representative of the commission in any civil action seeking to impose liability arising out
403.29 of any actual or alleged act, error, or omission that occurred within the scope of commission
403.30 employment, duties, or responsibilities, or that the person against whom the claim is made
403.31 had a reasonable basis for believing occurred within the scope of commission employment,
403.32 duties, or responsibilities; provided that nothing herein shall be construed to prohibit that
403.33 person from retaining their own counsel; and provided further, that the actual or alleged

404.1 act, error, or omission did not result from that person's intentional or willful or wanton
404.2 misconduct.

404.3 (3) The commission shall indemnify and hold harmless any member, officer, executive
404.4 director, employee, or representative of the commission for the amount of any settlement
404.5 or judgment obtained against that person arising out of any actual or alleged act, error, or
404.6 omission that occurred within the scope of commission employment, duties, or
404.7 responsibilities, or that such person had a reasonable basis for believing occurred within
404.8 the scope of commission employment, duties, or responsibilities; provided that the actual
404.9 or alleged act, error, or omission did not result from the intentional or willful or wanton
404.10 misconduct of that person.

404.11 (H) Notwithstanding paragraph (G), clause (1), the liability of the executive director,
404.12 employees, or representatives of the interstate commission, acting within the scope of their
404.13 employment or duties, may not exceed the limits of liability set forth under the constitution
404.14 and laws of this state for state officials, employees, and agents. This paragraph expressly
404.15 incorporates section 3.736, and neither expands nor limits the rights and remedies provided
404.16 under that statute.

404.17 (I) Except for a claim alleging a violation of this compact, a claim against the commission,
404.18 its executive director, employees, or representatives alleging a violation of the constitution
404.19 and laws of this state may be brought in any county where the plaintiff resides. Nothing in
404.20 this paragraph creates a private right of action.

404.21 (J) Nothing in this compact shall be construed as a limitation on the liability of any
404.22 licensee for professional malpractice or misconduct, which shall be governed solely by any
404.23 other applicable state laws.

404.24 ARTICLE IX

404.25 DATA SYSTEM

404.26 (A) The commission shall provide for the development, maintenance, and utilization of
404.27 a coordinated database and reporting system containing licensure, adverse action, and
404.28 investigative information on all licensed individuals in member states.

404.29 (B) A member state shall submit a uniform data set to the data system on all individuals
404.30 to whom this compact is applicable, utilizing a unique identifier, as required by the rules
404.31 of the commission, including:

404.32 (1) identifying information;

404.33 (2) licensure data;

- 405.1 (3) adverse actions against a license or compact privilege;
- 405.2 (4) nonconfidential information related to alternative program participation;
- 405.3 (5) any denial of application for licensure and the reason or reasons for such denial;
- 405.4 (6) other information that may facilitate the administration of this compact, as determined
405.5 by the rules of the commission; and
- 405.6 (7) current significant investigative information.
- 405.7 (C) Current significant investigative information and other investigative information
405.8 pertaining to a licensee in any member state will only be available to other member states.
- 405.9 (D) The commission shall promptly notify all member states of any adverse action taken
405.10 against a licensee or an individual applying for a license. Adverse action information
405.11 pertaining to a licensee in any member state will be available to any other member state.
- 405.12 (E) Member states contributing information to the data system may designate information
405.13 that may not be shared with the public without the express permission of the contributing
405.14 state.
- 405.15 (F) Any information submitted to the data system that is subsequently required to be
405.16 expunged by the laws of the member state contributing the information shall be removed
405.17 from the data system.

405.18 ARTICLE X

405.19 RULEMAKING

- 405.20 (A) The commission shall exercise its rulemaking powers pursuant to the criteria set
405.21 forth in this Article and the rules adopted thereunder. Rules and amendments shall become
405.22 binding as of the date specified in each rule or amendment.
- 405.23 (B) The commission shall promulgate reasonable rules in order to effectively and
405.24 efficiently achieve the purposes of the compact. Notwithstanding the foregoing, in the event
405.25 the commission exercises its rulemaking authority in a manner that is beyond the scope of
405.26 the purposes of the compact, or the powers granted hereunder, then such an action by the
405.27 commission shall be invalid and have no force and effect.
- 405.28 (C) If a majority of the legislatures of the member states rejects a rule, by enactment of
405.29 a statute or resolution in the same manner used to adopt the compact within four years of
405.30 the date of adoption of the rule, then such rule shall have no further force and effect in any
405.31 member state.

406.1 (D) Rules or amendments to the rules shall be adopted at a regular or special meeting
406.2 of the commission.

406.3 (E) Prior to promulgation and adoption of a final rule or rules by the commission, and
406.4 at least 30 days in advance of the meeting at which the rule will be considered and voted
406.5 upon, the commission shall file a notice of proposed rulemaking:

406.6 (1) on the website of the commission or other publicly accessible platform; and

406.7 (2) on the website of each member state occupational therapy licensing board or other
406.8 publicly accessible platform or the publication in which each state would otherwise publish
406.9 proposed rules.

406.10 (F) The notice of proposed rulemaking shall include:

406.11 (1) the proposed time, date, and location of the meeting in which the rule will be
406.12 considered and voted upon;

406.13 (2) the text of the proposed rule or amendment and the reason for the proposed rule;

406.14 (3) a request for comments on the proposed rule from any interested person; and

406.15 (4) the manner in which interested persons may submit notice to the commission of their
406.16 intention to attend the public hearing and any written comments.

406.17 (G) Prior to adoption of a proposed rule, the commission shall allow persons to submit
406.18 written data, facts, opinions, and arguments, which shall be made available to the public.

406.19 (H) The commission shall grant an opportunity for a public hearing before it adopts a
406.20 rule or amendment if a hearing is requested by:

406.21 (1) at least 25 persons;

406.22 (2) a state or federal governmental subdivision or agency; or

406.23 (3) an association or organization having at least 25 members.

406.24 (I) If a hearing is held on the proposed rule or amendment, the commission shall publish
406.25 the place, time, and date of the scheduled public hearing. If the hearing is held via electronic
406.26 means, the commission shall publish the mechanism for access to the electronic hearing:

406.27 (1) All persons wishing to be heard at the hearing shall notify the executive director of
406.28 the commission or other designated member in writing of their desire to appear and testify
406.29 at the hearing not less than five business days before the scheduled date of the hearing.

406.30 (2) Hearings shall be conducted in a manner providing each person who wishes to
406.31 comment a fair and reasonable opportunity to comment orally or in writing.

407.1 (3) All hearings will be recorded. A copy of the recording will be made available on
407.2 request.

407.3 (4) Nothing in this Article shall be construed as requiring a separate hearing on each
407.4 rule. Rules may be grouped for the convenience of the commission at hearings required by
407.5 this Article.

407.6 (J) Following the scheduled hearing date, or by the close of business on the scheduled
407.7 hearing date if the hearing was not held, the commission shall consider all written and oral
407.8 comments received.

407.9 (K) If no written notice of intent to attend the public hearing by interested parties is
407.10 received, the commission may proceed with promulgation of the proposed rule without a
407.11 public hearing.

407.12 (L) The commission shall, by majority vote of all members, take final action on the
407.13 proposed rule and shall determine the effective date of the rule, if any, based on the
407.14 rulemaking record and the full text of the rule.

407.15 (M) Upon determination that an emergency exists, the commission may consider and
407.16 adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided
407.17 that the usual rulemaking procedures provided in the compact and in this Article shall be
407.18 retroactively applied to the rule as soon as reasonably possible, in no event later than 90
407.19 days after the effective date of the rule. For the purposes of this provision, an emergency
407.20 rule is one that must be adopted immediately in order to:

407.21 (1) meet an imminent threat to public health, safety, or welfare;

407.22 (2) prevent a loss of commission or member state funds;

407.23 (3) meet a deadline for the promulgation of an administrative rule that is established by
407.24 federal law or rule; or

407.25 (4) protect public health and safety.

407.26 (N) The commission or an authorized committee of the commission may direct revisions
407.27 to a previously adopted rule or amendment for purposes of correcting typographical errors,
407.28 errors in format, errors in consistency, or grammatical errors. Public notice of any revisions
407.29 shall be posted on the website of the commission. The revision shall be subject to challenge
407.30 by any person for a period of 30 days after posting. The revision may be challenged only
407.31 on grounds that the revision results in a material change to a rule. A challenge shall be made
407.32 in writing and delivered to the chair of the commission prior to the end of the notice period.

408.1 If no challenge is made, the revision will take effect without further action. If the revision
408.2 is challenged, the revision may not take effect without the approval of the commission.

408.3 ARTICLE XI

408.4 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

408.5 (A) Oversight:

408.6 (1) The executive, legislative, and judicial branches of state government in each member
408.7 state shall enforce this compact and take all actions necessary and appropriate to effectuate
408.8 the compact's purposes and intent. The provisions of this compact and the rules promulgated
408.9 hereunder shall have standing as statutory law.

408.10 (2) All courts shall take judicial notice of the compact and the rules in any judicial or
408.11 administrative proceeding in a member state pertaining to the subject matter of this compact
408.12 which may affect the powers, responsibilities, or actions of the commission.

408.13 (3) The commission shall be entitled to receive service of process in any such proceeding,
408.14 and shall have standing to intervene in such a proceeding for all purposes. Failure to provide
408.15 service of process to the commission shall render a judgment or order void as to the
408.16 commission, this compact, or promulgated rules.

408.17 (B) Default, Technical Assistance, and Termination:

408.18 (1) If the commission determines that a member state has defaulted in the performance
408.19 of its obligations or responsibilities under this compact or the promulgated rules, the
408.20 commission shall:

408.21 (i) provide written notice to the defaulting state and other member states of the nature
408.22 of the default, the proposed means of curing the default, or any other action to be taken by
408.23 the commission; and

408.24 (ii) provide remedial training and specific technical assistance regarding the default.

408.25 (2) If a state in default fails to cure the default, the defaulting state may be terminated
408.26 from the compact upon an affirmative vote of a majority of the member states, and all rights,
408.27 privileges, and benefits conferred by this compact may be terminated on the effective date
408.28 of termination. A cure of the default does not relieve the offending state of obligations or
408.29 liabilities incurred during the period of default.

408.30 (3) Termination of membership in the compact shall be imposed only after all other
408.31 means of securing compliance have been exhausted. Notice of intent to suspend or terminate

409.1 shall be given by the commission to the governor, the majority and minority leaders of the
409.2 defaulting state's legislature, and each of the member states.

409.3 (4) A state that has been terminated is responsible for all assessments, obligations, and
409.4 liabilities incurred through the effective date of termination, including obligations that
409.5 extend beyond the effective date of termination.

409.6 (5) The commission shall not bear any costs related to a state that is found to be in default
409.7 or that has been terminated from the compact, unless agreed upon in writing between the
409.8 commission and the defaulting state.

409.9 (6) The defaulting state may appeal the action of the commission by petitioning the
409.10 United States District Court for the District of Columbia or the federal district where the
409.11 commission has its principal offices. The prevailing member shall be awarded all costs of
409.12 such litigation, including reasonable attorney fees.

409.13 (C) Dispute Resolution:

409.14 (1) Upon request by a member state, the commission shall attempt to resolve disputes
409.15 related to the compact that arise among member states and between member and nonmember
409.16 states.

409.17 (2) The commission shall promulgate a rule providing for both mediation and binding
409.18 dispute resolution for disputes as appropriate.

409.19 (D) Enforcement:

409.20 (1) The commission, in the reasonable exercise of its discretion, shall enforce the
409.21 provisions and rules of this compact.

409.22 (2) By majority vote, the commission may initiate legal action in the United States
409.23 District Court for the District of Columbia or the federal district where the commission has
409.24 its principal offices against a member state in default to enforce compliance with the
409.25 provisions of the compact and its promulgated rules and bylaws. The relief sought may
409.26 include both injunctive relief and damages. In the event that judicial enforcement is necessary,
409.27 the prevailing member shall be awarded all costs of such litigation, including reasonable
409.28 attorney fees.

409.29 (3) The remedies herein shall not be the exclusive remedies of the commission. The
409.30 commission may pursue any other remedies available under federal or state law.

409.31

ARTICLE XII

410.1 DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR
410.2 OCCUPATIONAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL,
410.3 AND AMENDMENT

410.4 (A) The compact shall come into effect on the date on which the compact statute is
410.5 enacted into law in the tenth member state. The provisions, which become effective at that
410.6 time, shall be limited to the powers granted to the commission relating to assembly and the
410.7 promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking
410.8 powers necessary to the implementation and administration of the compact.

410.9 (B) Any state that joins the compact subsequent to the commission's initial adoption of
410.10 the rules shall be subject to the rules as they exist on the date on which the compact becomes
410.11 law in that state. Any rule that has been previously adopted by the commission shall have
410.12 the full force and effect of law on the day the compact becomes law in that state.

410.13 (C) Any member state may withdraw from this compact by enacting a statute repealing
410.14 the same:

410.15 (1) A member state's withdrawal shall not take effect until six months after enactment
410.16 of the repealing statute.

410.17 (2) Withdrawal shall not affect the continuing requirement of the withdrawing state's
410.18 occupational therapy licensing board to comply with the investigative and adverse action
410.19 reporting requirements of this compact prior to the effective date of withdrawal.

410.20 (D) Nothing contained in this compact shall be construed to invalidate or prevent any
410.21 occupational therapy licensure agreement or other cooperative arrangement between a
410.22 member state and a nonmember state that does not conflict with the provisions of this
410.23 compact.

410.24 (E) This compact may be amended by the member states. No amendment to this compact
410.25 shall become effective and binding upon any member state until it is enacted into the laws
410.26 of all member states.

410.27 ARTICLE XIII

410.28 CONSTRUCTION AND SEVERABILITY

410.29 This compact shall be liberally construed so as to effectuate the purposes thereof. The
410.30 provisions of this compact shall be severable and if any phrase, clause, sentence, or provision
410.31 of this compact is declared to be contrary to the constitution of any member state or of the
410.32 United States or the applicability thereof to any government, agency, person, or circumstance
410.33 is held invalid, the validity of the remainder of this compact and the applicability thereof

411.1 to any government, agency, person, or circumstance shall not be affected thereby. If this
411.2 compact shall be held contrary to the constitution of any member state, the compact shall
411.3 remain in full force and effect as to the remaining member states and in full force and effect
411.4 as to the member state affected as to all severable matters.

411.5 ARTICLE XIV

411.6 BINDING EFFECT OF COMPACT AND OTHER LAWS

411.7 (A) A licensee providing occupational therapy in a remote state under the compact
411.8 privilege shall function within the laws and regulations of the remote state.

411.9 (B) Nothing herein prevents the enforcement of any other law of a member state that is
411.10 not inconsistent with the compact.

411.11 (C) Any laws in a member state in conflict with the compact are superseded to the extent
411.12 of the conflict.

411.13 (D) Any lawful actions of the commission, including all rules and bylaws promulgated
411.14 by the commission, are binding upon the member states.

411.15 (E) All agreements between the commission and the member states are binding in
411.16 accordance with their terms.

411.17 (F) In the event any provision of the compact exceeds the constitutional limits imposed
411.18 on the legislature of any member state, the provision shall be ineffective to the extent of the
411.19 conflict with the constitutional provision in question in that member state.

411.20 **ARTICLE 28**

411.21 **PHYSICAL THERAPY LICENSURE COMPACT**

411.22 Section 1. **[148.676] PHYSICAL THERAPY LICENSURE COMPACT.**

411.23 The physical therapy licensure compact is enacted into law and entered into with all
411.24 other jurisdictions legally joining in the compact in the form substantially specified in this
411.25 section.

411.26 ARTICLE I

411.27 TITLE

411.28 This statute shall be known and cited as the physical therapy licensure compact.

411.29 ARTICLE II

411.30 DEFINITIONS

412.1 As used in this compact, and except as otherwise provided, the following terms have
412.2 the meanings given them.

412.3 (a) "Active duty military" means full-time duty status in the active uniformed service
412.4 of the United States, including members of the National Guard and Reserve on active duty
412.5 orders pursuant to United States Code, title 10, chapters 1209 and 1211.

412.6 (b) "Adverse action" means disciplinary action taken by a physical therapy licensing
412.7 board based upon misconduct, unacceptable performance, or a combination of both.

412.8 (c) "Alternative program" means a nondisciplinary monitoring or practice remediation
412.9 process approved by a physical therapy licensing board. Alternative program includes but
412.10 is not limited to substance abuse issues.

412.11 (d) "Compact privilege" means the authorization granted by a remote state to allow a
412.12 licensee from another member state to practice as a physical therapist or work as a physical
412.13 therapist assistant in the remote state under its laws and rules. The practice of physical
412.14 therapy occurs in the member state where the patient or client is located at the time of the
412.15 patient or client encounter.

412.16 (e) "Continuing competence" means a requirement, as a condition of license renewal,
412.17 to provide evidence of participation in, or completion of, educational and professional
412.18 activities relevant to practice or area of work.

412.19 (f) "Data system" means a repository of information about licensees, including
412.20 examination, licensure, investigative, compact privilege, and adverse action.

412.21 (g) "Encumbered license" means a license that a physical therapy licensing board has
412.22 limited in any way.

412.23 (h) "Executive board" means a group of directors elected or appointed to act on behalf
412.24 of, and within the powers granted to them by, the commission.

412.25 (i) "Home state" means the member state that is the licensee's primary state of residence.

412.26 (j) "Investigative information" means information, records, and documents received or
412.27 generated by a physical therapy licensing board pursuant to an investigation.

412.28 (k) "Jurisprudence requirement" means the assessment of an individual's knowledge of
412.29 the laws and rules governing the practice of physical therapy in a state.

412.30 (l) "Licensee" means an individual who currently holds an authorization from the state
412.31 to practice as a physical therapist or to work as a physical therapist assistant.

412.32 (m) "Member state" means a state that has enacted the compact.

413.1 (n) "Party state" means any member state in which a licensee holds a current license or
413.2 compact privilege or is applying for a license or compact privilege.

413.3 (o) "Physical therapist" means an individual who is licensed by a state to practice physical
413.4 therapy.

413.5 (p) "Physical therapist assistant" means an individual who is licensed or certified by a
413.6 state and who assists the physical therapist in selected components of physical therapy.

413.7 (q) "Physical therapy," "physical therapy practice," or "the practice of physical therapy"
413.8 means the care and services provided by or under the direction and supervision of a licensed
413.9 physical therapist.

413.10 (r) "Physical Therapy Compact Commission" or "commission" means the national
413.11 administrative body whose membership consists of all states that have enacted the compact.

413.12 (s) "Physical therapy licensing board" or "licensing board" means the agency of a state
413.13 that is responsible for the licensing and regulation of physical therapists and physical therapist
413.14 assistants.

413.15 (t) "Remote state" means a member state other than the home state where a licensee is
413.16 exercising or seeking to exercise the compact privilege.

413.17 (u) "Rule" means a regulation, principle, or directive promulgated by the commission
413.18 that has the force of law.

413.19 (v) "State" means any state, commonwealth, district, or territory of the United States
413.20 that regulates the practice of physical therapy.

413.21 ARTICLE III

413.22 STATE PARTICIPATION IN THE COMPACT

413.23 (a) To participate in the compact, a state must:

413.24 (1) participate fully in the commission's data system, including using the commission's
413.25 unique identifier as defined in rules;

413.26 (2) have a mechanism in place for receiving and investigating complaints about licensees;

413.27 (3) notify the commission, in compliance with the terms of the compact and rules, of
413.28 any adverse action or the availability of investigative information regarding a licensee;

413.29 (4) fully implement a criminal background check requirement, within a time frame
413.30 established by rule, by receiving the results of the Federal Bureau of Investigation record

414.1 search on criminal background checks and use the results in making licensure decisions in
414.2 accordance with paragraph (b);

414.3 (5) comply with the rules of the commission;

414.4 (6) utilize a recognized national examination as a requirement for licensure pursuant to
414.5 the rules of the commission; and

414.6 (7) have continuing competence requirements as a condition for license renewal.

414.7 (b) Upon adoption of this compact, the member state shall have the authority to obtain
414.8 biometric-based information from each physical therapy licensure applicant and submit this
414.9 information to the Federal Bureau of Investigation for a criminal background check in
414.10 accordance with United States Code, title 28, section 534, and United States Code, title 42,
414.11 section 14616.

414.12 (c) A member state shall grant the compact privilege to a licensee holding a valid
414.13 unencumbered license in another member state in accordance with the terms of the compact
414.14 and rules.

414.15 (d) Member states may charge a fee for granting a compact privilege.

414.16 ARTICLE IV

414.17 COMPACT PRIVILEGE

414.18 (a) To exercise the compact privilege under the terms and provisions of the compact,
414.19 the licensee shall:

414.20 (1) hold a license in the home state;

414.21 (2) have no encumbrance on any state license;

414.22 (3) be eligible for a compact privilege in any member state in accordance with paragraphs
414.23 (d), (g), and (h);

414.24 (4) have not had any adverse action against any license or compact privilege within the
414.25 previous two years;

414.26 (5) notify the commission that the licensee is seeking the compact privilege within a
414.27 remote state or states;

414.28 (6) pay any applicable fees, including any state fee, for the compact privilege;

414.29 (7) meet any jurisprudence requirements established by the remote state or states in
414.30 which the licensee is seeking a compact privilege; and

415.1 (8) report to the commission adverse action taken by any nonmember state within 30
415.2 days from the date the adverse action is taken.

415.3 (b) The compact privilege is valid until the expiration date of the home license. The
415.4 licensee must comply with the requirements of paragraph (a) to maintain the compact
415.5 privilege in the remote state.

415.6 (c) A licensee providing physical therapy in a remote state under the compact privilege
415.7 shall function within the laws and regulations of the remote state.

415.8 (d) A licensee providing physical therapy in a remote state is subject to that state's
415.9 regulatory authority. A remote state may, in accordance with due process and that state's
415.10 laws, remove a licensee's compact privilege in the remote state for a specific period of time,
415.11 impose fines, or take any other necessary actions to protect the health and safety of its
415.12 citizens. The licensee is not eligible for a compact privilege in any state until the specific
415.13 time for removal has passed and all fines are paid.

415.14 (e) If a home state license is encumbered, the licensee shall lose the compact privilege
415.15 in any remote state until the following occur:

415.16 (1) the home state license is no longer encumbered; and

415.17 (2) two years have elapsed from the date of the adverse action.

415.18 (f) Once an encumbered license in the home state is restored to good standing, the
415.19 licensee must meet the requirements of paragraph (a) to obtain a compact privilege in any
415.20 remote state.

415.21 (g) If a licensee's compact privilege in any remote state is removed, the individual shall
415.22 lose the compact privilege in any remote state until the following occur:

415.23 (1) the specific period of time for which the compact privilege was removed has ended;

415.24 (2) all fines have been paid; and

415.25 (3) two years have elapsed from the date of the adverse action.

415.26 (h) Once the requirements of paragraph (g) have been met, the licensee must meet the
415.27 requirements in paragraph (a) to obtain a compact privilege in a remote state.

415.28 ARTICLE V

415.29 ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

415.30 A licensee who is active duty military or is the spouse of an individual who is active
415.31 duty military may designate one of the following as the home state:

- 416.1 (1) home of record;
416.2 (2) permanent change of station (PCS) state; or
416.3 (3) state of current residence if different than the PCS state or home of record.

416.4 ARTICLE VI

416.5 ADVERSE ACTIONS

416.6 (a) A home state shall have exclusive power to impose adverse action against a license
416.7 issued by the home state.

416.8 (b) A home state may take adverse action based on the investigative information of a
416.9 remote state, so long as the home state follows its own procedures for imposing adverse
416.10 action.

416.11 (c) Nothing in this compact shall override a member state's decision that participation
416.12 in an alternative program may be used in lieu of adverse action and that such participation
416.13 shall remain nonpublic if required by the member state's laws. Member states must require
416.14 licensees who enter any alternative programs in lieu of discipline to agree not to practice
416.15 in any other member state during the term of the alternative program without prior
416.16 authorization from such other member state.

416.17 (d) Any member state may investigate actual or alleged violations of the statutes and
416.18 rules authorizing the practice of physical therapy in any other member state in which a
416.19 physical therapist or physical therapist assistant holds a license or compact privilege.

416.20 (e) A remote state shall have the authority to:

416.21 (1) take adverse actions as set forth in article IV, paragraph (d), against a licensee's
416.22 compact privilege in the state;

416.23 (2) issue subpoenas for both hearings and investigations that require the attendance and
416.24 testimony of witnesses and the production of evidence. Subpoenas issued by a physical
416.25 therapy licensing board in a party state for the attendance and testimony of witnesses, or
416.26 the production of evidence from another party state, shall be enforced in the latter state by
416.27 any court of competent jurisdiction, according to the practice and procedure of that court
416.28 applicable to subpoenas issued in proceedings pending before it. The issuing authority shall
416.29 pay any witness fees, travel expenses, mileage, and other fees required by the service statutes
416.30 of the state where the witnesses or evidence are located; and

417.1 (3) if otherwise permitted by state law, recover from the licensee the costs of
417.2 investigations and disposition of cases resulting from any adverse action taken against that
417.3 licensee.

417.4 (f) In addition to the authority granted to a member state by its respective physical therapy
417.5 practice act or other applicable state law, a member state may participate with other member
417.6 states in joint investigations of licensees.

417.7 (g) Member states shall share any investigative, litigation, or compliance materials in
417.8 furtherance of any joint or individual investigation initiated under the compact.

417.9 ARTICLE VII

417.10 ESTABLISHMENT OF THE PHYSICAL THERAPY COMPACT COMMISSION

417.11 (a) The compact member states hereby create and establish a joint public agency known
417.12 as the Physical Therapy Compact Commission:

417.13 (1) the commission is an instrumentality of the compact states;

417.14 (2) except as provided under paragraph (h), venue is proper and judicial proceedings by
417.15 or against the commission shall be brought solely and exclusively in a court of competent
417.16 jurisdiction where the principal office of the commission is located. The commission may
417.17 waive venue and jurisdictional defenses to the extent it adopts or consents to participate in
417.18 alternative dispute resolution proceedings; and

417.19 (3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

417.20 (b) Membership, voting, and meetings:

417.21 (1) each member state shall have and be limited to one delegate selected by that member
417.22 state's licensing board;

417.23 (2) the delegate shall be a current member of the licensing board who is a physical
417.24 therapist, physical therapist assistant, public member, or the board administrator;

417.25 (3) each delegate shall be entitled to one vote with regard to the promulgation of rules
417.26 and creation of bylaws and shall otherwise have an opportunity to participate in the business
417.27 and affairs of the commission;

417.28 (4) a delegate shall vote in person or by such other means as provided in the bylaws.
417.29 The bylaws may provide for delegates' participation in meetings by telephone or other means
417.30 of communication;

- 418.1 (5) any delegate may be removed or suspended from office as provided by the laws of
418.2 the state from which the delegate is appointed;
- 418.3 (6) the member state board shall fill any vacancy occurring in the commission;
- 418.4 (7) the commission shall meet at least once during each calendar year. Additional
418.5 meetings shall be held as set forth in the bylaws;
- 418.6 (8) all meetings shall be open to the public and public notice of meetings shall be given
418.7 in the same manner as required under the rulemaking provisions in article IX;
- 418.8 (9) the commission or the executive board or other committees of the commission may
418.9 convene in a closed, nonpublic meeting if the commission or executive board or other
418.10 committees of the commission must discuss:
- 418.11 (i) noncompliance of a member state with its obligations under the compact;
- 418.12 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
418.13 related to specific employees or other matters related to the commission's internal personnel
418.14 practices and procedures;
- 418.15 (iii) current, threatened, or reasonably anticipated litigation;
- 418.16 (iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
418.17 estate;
- 418.18 (v) accusing any person of a crime or formally censuring any person;
- 418.19 (vi) disclosure of trade secrets or commercial or financial information that is privileged
418.20 or confidential;
- 418.21 (vii) disclosure of information of a personal nature where disclosure would constitute a
418.22 clearly unwarranted invasion of personal privacy;
- 418.23 (viii) disclosure of investigative records compiled for law enforcement purposes;
- 418.24 (ix) disclosure of information related to any investigative reports prepared by or on
418.25 behalf of or for use of the commission or other committee charged with responsibility of
418.26 investigation or determination of compliance issues pursuant to the compact; or
- 418.27 (x) matters specifically exempted from disclosure by federal or member state statute;
- 418.28 (10) if a meeting, or portion of a meeting, is closed pursuant to this provision, the
418.29 commission's legal counsel or designee shall certify that the meeting may be closed and
418.30 shall reference each relevant exempting provision; and

419.1 (11) the commission shall keep minutes that fully and clearly describe all matters
419.2 discussed in a meeting and shall provide a full and accurate summary of actions taken and
419.3 the reasons therefore, including a description of the views expressed. All documents
419.4 considered in connection with an action shall be identified in such minutes. All minutes and
419.5 documents of a closed meeting shall remain under seal, subject to release by a majority vote
419.6 of the commission or order of a court of competent jurisdiction.

419.7 (c) The commission shall have the following powers and duties:

419.8 (1) establish the fiscal year of the commission;

419.9 (2) establish bylaws;

419.10 (3) maintain its financial records in accordance with the bylaws;

419.11 (4) meet and take such actions as are consistent with the provisions of this compact and
419.12 the bylaws;

419.13 (5) promulgate uniform rules to facilitate and coordinate implementation and
419.14 administration of this compact. The rules shall have the force and effect of law and shall
419.15 be binding in all member states;

419.16 (6) bring and prosecute legal proceedings or actions in the name of the commission,
419.17 provided that the standing of any state physical therapy licensing board to sue or be sued
419.18 under applicable law shall not be affected;

419.19 (7) purchase and maintain insurance and bonds;

419.20 (8) borrow, accept, or contract for services of personnel, including but not limited to
419.21 employees of a member state;

419.22 (9) hire employees; elect or appoint officers; fix compensation; define duties; grant such
419.23 individuals appropriate authority to carry out the purposes of the compact; and establish the
419.24 commission's personnel policies and programs relating to conflicts of interest, qualifications
419.25 of personnel, and other related personnel matters;

419.26 (10) accept any and all appropriate donations and grants of money, equipment, supplies,
419.27 materials, and services and receive, utilize, and dispose of the same, provided that at all
419.28 times the commission shall avoid any appearance of impropriety or conflict of interest;

419.29 (11) lease; purchase; accept appropriate gifts or donations of; or otherwise to own, hold,
419.30 improve, or use any property, real, personal, or mixed, provided that at all times the
419.31 commission shall avoid any appearance of impropriety;

- 420.1 (12) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
420.2 any property real, personal, or mixed;
- 420.3 (13) establish a budget and make expenditures;
- 420.4 (14) borrow money;
- 420.5 (15) appoint committees, including standing committees composed of members, state
420.6 regulators, state legislators or their representatives, consumer representatives, and such
420.7 other interested persons as may be designated in this compact and the bylaws;
- 420.8 (16) provide and receive information from, and cooperate with, law enforcement agencies;
- 420.9 (17) establish and elect an executive board; and
- 420.10 (18) perform such other functions as may be necessary or appropriate to achieve the
420.11 purposes of this compact consistent with the state regulation of physical therapy licensure
420.12 and practice.
- 420.13 (d) The executive board:
- 420.14 (1) the executive board shall have the power to act on behalf of the commission according
420.15 to the terms of this compact;
- 420.16 (2) the executive board shall be composed of nine members as follows:
- 420.17 (i) seven voting members who are elected by the commission from the current
420.18 membership of the commission;
- 420.19 (ii) one ex officio, nonvoting member from the recognized national physical therapy
420.20 professional association; and
- 420.21 (iii) one ex officio, nonvoting member from the recognized membership organization
420.22 of the physical therapy licensing boards;
- 420.23 (3) the ex officio members must be selected by their respective organizations;
- 420.24 (4) the commission may remove any member of the executive board as provided in the
420.25 bylaws;
- 420.26 (5) the executive board shall meet at least annually; and
- 420.27 (6) the executive board shall have the following duties and responsibilities:
- 420.28 (i) recommend to the entire commission changes to the rules or bylaws, changes to this
420.29 compact legislation, fees paid by compact member states such as annual dues, and any
420.30 commission compact fee charged to licensees for the compact privilege;

421.1 (ii) ensure compact administration services are appropriately provided, contractual or
421.2 otherwise;

421.3 (iii) prepare and recommend the budget;

421.4 (iv) maintain financial records on behalf of the commission;

421.5 (v) monitor compact compliance of member states and provide compliance reports to
421.6 the commission;

421.7 (vi) establish additional committees as necessary; and

421.8 (vii) other duties as provided in rules or bylaws.

421.9 (e) Financing of the commission:

421.10 (1) the commission shall pay, or provide for the payment of, the reasonable expenses of
421.11 the commission's establishment, organization, and ongoing activities;

421.12 (2) the commission may accept any and all appropriate revenue sources, donations, and
421.13 grants of money, equipment, supplies, materials, and services;

421.14 (3) the commission may levy on and collect an annual assessment from each member
421.15 state or impose fees on other parties to cover the cost of the operations and activities of the
421.16 commission and the commission's staff, which must be in a total amount sufficient to cover
421.17 its annual budget as approved each year for which revenue is not provided by other sources.
421.18 The aggregate annual assessment amount shall be allocated based upon a formula to be
421.19 determined by the commission, which shall promulgate a rule binding upon all member
421.20 states;

421.21 (4) the commission shall not incur obligations of any kind prior to securing the funds
421.22 adequate to meet the same; nor shall the commission pledge the credit of any of the member
421.23 states, except by and with the authority of the member state; and

421.24 (5) the commission shall keep accurate accounts of all receipts and disbursements. The
421.25 receipts and disbursements of the commission shall be subject to the audit and accounting
421.26 procedures established under the commission's bylaws. However, all receipts and
421.27 disbursements of funds handled by the commission shall be audited yearly by a certified or
421.28 licensed public accountant and the report of the audit shall be included in and become part
421.29 of the annual report of the commission.

421.30 (f) Qualified immunity, defense, and indemnification:

421.31 (1) the members, officers, executive director, employees, and representatives of the
421.32 commission shall be immune from suit and liability, either personally or in their official

422.1 capacity, for any claim for damage to or loss of property or personal injury or other civil
422.2 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
422.3 or that the person against whom the claim is made had a reasonable basis for believing
422.4 occurred, within the scope of commission employment, duties, or responsibilities, provided
422.5 that nothing in this paragraph shall be construed to protect any such person from suit or
422.6 liability for any damage, loss, injury, or liability caused by the intentional or willful or
422.7 wanton misconduct of that person;

422.8 (2) the commission shall defend any member, officer, executive director, employee, or
422.9 representative of the commission in any civil action seeking to impose liability arising out
422.10 of any actual or alleged act, error, or omission that occurred within the scope of commission
422.11 employment, duties, or responsibilities, or that the person against whom the claim is made
422.12 had a reasonable basis for believing occurred within the scope of commission employment,
422.13 duties, or responsibilities, provided that nothing herein shall be construed to prohibit that
422.14 person from retaining his or her own counsel, and provided further that the actual or alleged
422.15 act, error, or omission did not result from the intentional or willful or wanton misconduct
422.16 of that person; and

422.17 (3) the commission shall indemnify and hold harmless any member, officer, executive
422.18 director, employee, or representative of the commission for the amount of any settlement
422.19 or judgment obtained against that person arising out of any actual or alleged act, error, or
422.20 omission that occurred within the scope of commission employment, duties, or
422.21 responsibilities, or that such person had a reasonable basis for believing occurred within
422.22 the scope of commission employment, duties, or responsibilities, provided that the actual
422.23 or alleged act, error, or omission did not result from the intentional or willful or wanton
422.24 misconduct of that person.

422.25 (g) Notwithstanding paragraph (f), clause (1), the liability of the executive director,
422.26 employees, or representatives of the interstate commission, acting within the scope of their
422.27 employment or duties, may not exceed the limits of liability set forth under the constitution
422.28 and laws of this state for state officials, employees, and agents. This paragraph expressly
422.29 incorporates section 3.736, and neither expands nor limits the rights and remedies provided
422.30 under that statute.

422.31 (h) Except for a claim alleging a violation of this compact, a claim against the
422.32 commission, its executive director, employees, or representatives alleging a violation of the
422.33 constitution and laws of this state may be brought in any county where the plaintiff resides.
422.34 Nothing in this paragraph creates a private right of action.

423.1 (i) Nothing in this compact shall be construed as a limitation on the liability of any
423.2 licensee for professional malpractice or misconduct, which shall be governed solely by any
423.3 other applicable state laws.

423.4 ARTICLE VIII

423.5 DATA SYSTEM

423.6 (a) The commission shall provide for the development, maintenance, and utilization of
423.7 a coordinated database and reporting system containing licensure, adverse action, and
423.8 investigative information on all licensed individuals in member states.

423.9 (b) Notwithstanding any other provision of state law to the contrary, a member state
423.10 shall submit a uniform data set to the data system on all individuals to whom this compact
423.11 is applicable as required by the rules of the commission, including:

423.12 (1) identifying information;

423.13 (2) licensure data;

423.14 (3) adverse actions against a license or compact privilege;

423.15 (4) nonconfidential information related to alternative program participation;

423.16 (5) any denial of application for licensure and the reason or reasons for the denial; and

423.17 (6) other information that may facilitate the administration of this compact, as determined
423.18 by the rules of the commission.

423.19 (c) Investigative information pertaining to a licensee in any member state will only be
423.20 available to other party states.

423.21 (d) The commission shall promptly notify all member states of any adverse action taken
423.22 against a licensee or an individual applying for a license. Adverse action information
423.23 pertaining to a licensee in any member state will be available to any other member state.

423.24 (e) Member states contributing information to the data system may designate information
423.25 that may not be shared with the public without the express permission of the contributing
423.26 state.

423.27 (f) Any information submitted to the data system that is subsequently required to be
423.28 expunged by the laws of the member state contributing the information shall be removed
423.29 from the data system.

423.30 ARTICLE IX

423.31 RULEMAKING

424.1 (a) The commission shall exercise its rulemaking powers pursuant to the criteria set
424.2 forth in this article and the rules adopted thereunder. Rules and amendments shall become
424.3 binding as of the date specified in each rule or amendment.

424.4 (b) If a majority of the legislatures of the member states rejects a rule, by enactment of
424.5 a statute or resolution in the same manner used to adopt the compact within four years of
424.6 the date of adoption of the rule, then such rule shall have no further force and effect in any
424.7 member state.

424.8 (c) Rules or amendments to the rules shall be adopted at a regular or special meeting of
424.9 the commission.

424.10 (d) Prior to promulgation and adoption of a final rule or rules by the commission and at
424.11 least 30 days in advance of the meeting at which the rule will be considered and voted upon,
424.12 the commission shall file a notice of proposed rulemaking:

424.13 (1) on the website of the commission or other publicly accessible platform; and

424.14 (2) on the website of each member state physical therapy licensing board or other publicly
424.15 accessible platform or the publication in which each state would otherwise publish proposed
424.16 rules.

424.17 (e) The notice of proposed rulemaking shall include:

424.18 (1) the proposed time, date, and location of the meeting in which the rule will be
424.19 considered and voted upon;

424.20 (2) the text of the proposed rule or amendment and the reason for the proposed rule;

424.21 (3) a request for comments on the proposed rule from any interested person; and

424.22 (4) the manner in which interested persons may submit notice to the commission of their
424.23 intention to attend the public hearing and any written comments.

424.24 (f) Prior to adoption of a proposed rule, the commission shall allow persons to submit
424.25 written data, facts, opinions, and arguments, which shall be made available to the public.

424.26 (g) The commission shall grant an opportunity for a public hearing before it adopts a
424.27 rule or amendment if a hearing is requested by:

424.28 (1) at least 25 persons;

424.29 (2) a state or federal governmental subdivision or agency; or

424.30 (3) an association having at least 25 members.

425.1 (h) If a hearing is held on the proposed rule or amendment, the commission shall publish
425.2 the place, time, and date of the scheduled public hearing. If the hearing is held via electronic
425.3 means, the commission shall publish the mechanism for access to the electronic hearing:

425.4 (1) all persons wishing to be heard at the hearing shall notify the executive director of
425.5 the commission or other designated member in writing of their desire to appear and testify
425.6 at the hearing not less than five business days before the scheduled date of the hearing;

425.7 (2) hearings shall be conducted in a manner providing each person who wishes to
425.8 comment a fair and reasonable opportunity to comment orally or in writing;

425.9 (3) all hearings will be recorded. A copy of the recording will be made available on
425.10 request; and

425.11 (4) nothing in this section shall be construed as requiring a separate hearing on each
425.12 rule. Rules may be grouped for the convenience of the commission at hearings required by
425.13 this section.

425.14 (i) Following the scheduled hearing date, or by the close of business on the scheduled
425.15 hearing date if the hearing was not held, the commission shall consider all written and oral
425.16 comments received.

425.17 (j) If no written notice of intent to attend the public hearing by interested parties is
425.18 received, the commission may proceed with promulgation of the proposed rule without a
425.19 public hearing.

425.20 (k) The commission shall, by majority vote of all members, take final action on the
425.21 proposed rule and shall determine the effective date of the rule, if any, based on the
425.22 rulemaking record and the full text of the rule.

425.23 (l) Upon determination that an emergency exists, the commission may consider and
425.24 adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided
425.25 that the usual rulemaking procedures provided in the compact and in this section shall be
425.26 retroactively applied to the rule as soon as reasonably possible, in no event later than 90
425.27 days after the effective date of the rule. For the purposes of this provision, an emergency
425.28 rule is one that must be adopted immediately in order to:

425.29 (1) meet an imminent threat to public health, safety, or welfare;

425.30 (2) prevent a loss of commission or member state funds;

425.31 (3) meet a deadline for the promulgation of an administrative rule that is established by
425.32 federal law or rule; or

426.1 (4) protect public health and safety.

426.2 (m) The commission or an authorized committee of the commission may direct revisions
426.3 to a previously adopted rule or amendment for purposes of correcting typographical errors,
426.4 errors in format, errors in consistency, or grammatical errors. Public notice of any revisions
426.5 shall be posted on the website of the commission. The revision shall be subject to challenge
426.6 by any person for a period of 30 days after posting. The revision may be challenged only
426.7 on grounds that the revision results in a material change to a rule. A challenge shall be made
426.8 in writing and delivered to the chair of the commission prior to the end of the notice period.
426.9 If no challenge is made, the revision will take effect without further action. If the revision
426.10 is challenged, the revision may not take effect without the approval of the commission.

426.11 ARTICLE X

426.12 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

426.13 (a) Oversight:

426.14 (1) the executive, legislative, and judicial branches of state government in each member
426.15 state shall enforce this compact and take all actions necessary and appropriate to effectuate
426.16 the compact's purposes and intent. The provisions of this compact and the rules promulgated
426.17 hereunder shall have standing as statutory law;

426.18 (2) all courts shall take judicial notice of the compact and the rules in any judicial or
426.19 administrative proceeding in a member state pertaining to the subject matter of this compact
426.20 which may affect the powers, responsibilities, or actions of the commission; and

426.21 (3) the commission shall be entitled to receive service of process in any such proceeding
426.22 and shall have standing to intervene in such a proceeding for all purposes. Failure to provide
426.23 service of process to the commission shall render a judgment or order void as to the
426.24 commission, this compact, or promulgated rules.

426.25 (b) Default, technical assistance, and termination:

426.26 (1) if the commission determines that a member state has defaulted in the performance
426.27 of its obligations or responsibilities under this compact or the promulgated rules, the
426.28 commission shall:

426.29 (i) provide written notice to the defaulting state and other member states of the nature
426.30 of the default, the proposed means of curing the default, or any other action to be taken by
426.31 the commission; and

426.32 (ii) provide remedial training and specific technical assistance regarding the default;

427.1 (2) if a state in default fails to cure the default, the defaulting state may be terminated
427.2 from the compact upon an affirmative vote of a majority of the member states, and all rights,
427.3 privileges, and benefits conferred by this compact may be terminated on the effective date
427.4 of termination. A cure of the default does not relieve the offending state of obligations or
427.5 liabilities incurred during the period of default;

427.6 (3) termination of membership in the compact shall be imposed only after all other means
427.7 of securing compliance have been exhausted. Notice of intent to suspend or terminate shall
427.8 be given by the commission to the governor, the majority and minority leaders of the
427.9 defaulting state's legislature, and each of the member states;

427.10 (4) a state that has been terminated is responsible for all assessments, obligations, and
427.11 liabilities incurred through the effective date of termination, including obligations that
427.12 extend beyond the effective date of termination;

427.13 (5) the commission shall not bear any costs related to a state that is found to be in default
427.14 or that has been terminated from the compact, unless agreed upon in writing between the
427.15 commission and the defaulting state; and

427.16 (6) the defaulting state may appeal the action of the commission by petitioning the United
427.17 States District Court for the District of Columbia or the federal district where the commission
427.18 has its principal offices. The prevailing member shall be awarded all costs of such litigation,
427.19 including reasonable attorney fees.

427.20 (c) Dispute resolution:

427.21 (1) upon request by a member state, the commission shall attempt to resolve disputes
427.22 related to the compact that arise among member states and between member and nonmember
427.23 states; and

427.24 (2) the commission shall promulgate a rule providing for both mediation and binding
427.25 dispute resolution for disputes as appropriate.

427.26 (d) Enforcement:

427.27 (1) the commission, in the reasonable exercise of its discretion, shall enforce the
427.28 provisions and rules of this compact;

427.29 (2) by majority vote, the commission may initiate legal action in the United States District
427.30 Court for the District of Columbia or the federal district where the commission has its
427.31 principal offices against a member state in default to enforce compliance with the provisions
427.32 of the compact and its promulgated rules and bylaws. The relief sought may include both
427.33 injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing

428.1 member shall be awarded all costs of such litigation, including reasonable attorney fees;
428.2 and

428.3 (3) the remedies herein shall not be the exclusive remedies of the commission. The
428.4 commission may pursue any other remedies available under federal or state law.

428.5 ARTICLE XI

428.6 DATE OF IMPLEMENTATION OF THE INTERSTATE COMPACT FOR PHYSICAL
428.7 THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND
428.8 AMENDMENTS

428.9 (a) The compact shall come into effect on the date on which the compact statute is
428.10 enacted into law in the tenth member state. The provisions, which become effective at that
428.11 time, shall be limited to the powers granted to the commission relating to assembly and the
428.12 promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking
428.13 powers necessary to the implementation and administration of the compact.

428.14 (b) Any state that joins the compact subsequent to the commission's initial adoption of
428.15 the rules shall be subject to the rules as they exist on the date on which the compact becomes
428.16 law in that state. Any rule that has been previously adopted by the commission shall have
428.17 the full force and effect of law on the day the compact becomes law in that state.

428.18 (c) Any member state may withdraw from this compact by enacting a statute repealing
428.19 the same:

428.20 (1) a member state's withdrawal shall not take effect until six months after enactment
428.21 of the repealing statute; and

428.22 (2) withdrawal shall not affect the continuing requirement of the withdrawing state's
428.23 physical therapy licensing board to comply with the investigative and adverse action reporting
428.24 requirements of this compact prior to the effective date of withdrawal.

428.25 (d) Nothing contained in this compact shall be construed to invalidate or prevent any
428.26 physical therapy licensure agreement or other cooperative arrangement between a member
428.27 state and a nonmember state that does not conflict with the provisions of this compact.

428.28 (e) This compact may be amended by the member states. No amendment to this compact
428.29 shall become effective and binding upon any member state until it is enacted into the laws
428.30 of all member states.

428.31 ARTICLE XII

428.32 CONSTRUCTION AND SEVERABILITY

429.1 This compact shall be liberally construed so as to effectuate the purposes thereof. The
429.2 provisions of this compact shall be severable and if any phrase, clause, sentence, or provision
429.3 of this compact is declared to be contrary to the constitution of any party state or of the
429.4 United States or the applicability thereof to any government, agency, person, or circumstance
429.5 is held invalid, the validity of the remainder of this compact and the applicability thereof
429.6 to any government, agency, person, or circumstance shall not be affected thereby. If this
429.7 compact shall be held contrary to the constitution of any party state, the compact shall
429.8 remain in full force and effect as to the remaining party states and in full force and effect
429.9 as to the party state affected as to all severable matters.

429.10 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
429.11 Board of Physical Therapy must publish the effective date of the compact in the State
429.12 Register and on the board's website.

429.13 **ARTICLE 29**

429.14 **LICENSED PROFESSIONAL COUNSELOR COMPACT**

429.15 Section 1. **[148B.75] LICENSED PROFESSIONAL COUNSELOR INTERSTATE**
429.16 **COMPACT.**

429.17 The licensed professional counselor interstate compact is enacted into law and entered
429.18 into with all other jurisdictions legally joining in it, in the form substantially specified in
429.19 this section.

429.20 ARTICLE I

429.21 TITLE

429.22 This statute shall be known and cited as the professional counselors licensure compact.

429.23 ARTICLE II

429.24 DEFINITIONS

429.25 (a) As used in this compact, and except as otherwise provided, the following definitions
429.26 shall apply.

429.27 (b) "Active duty military" means full-time duty status in the active uniformed service
429.28 of the United States, including members of the national guard and reserve on active duty
429.29 orders pursuant to United States Code, title 10, chapters 1209 and 1211.

429.30 (c) "Adverse action" means any administrative, civil, equitable, or criminal action
429.31 permitted by a state's laws which is imposed by a licensing board or other authority against

430.1 a licensed professional counselor, including actions against an individual's license or privilege
430.2 to practice such as revocation, suspension, probation, monitoring of the licensee, limitation
430.3 on the licensee's practice, or any other encumbrance on licensure affecting a licensed
430.4 professional counselor's authorization to practice, including issuance of a cease and desist
430.5 action.

430.6 (d) "Alternative program" means a non-disciplinary monitoring or practice remediation
430.7 process approved by a professional counseling licensing board to address impaired
430.8 practitioners.

430.9 (e) "Continuing competence" and "continuing education" means a requirement, as a
430.10 condition of license renewal, to provide evidence of participation in, or completion of,
430.11 educational and professional activities relevant to practice or area of work.

430.12 (f) "Counseling compact commission" or "commission" means the national administrative
430.13 body whose membership consists of all states that have enacted the compact.

430.14 (g) "Current significant investigative information" means:

430.15 (1) investigative information that a licensing board, after a preliminary inquiry that
430.16 includes notification and an opportunity for the licensed professional counselor to respond,
430.17 if required by state law, has reason to believe is not groundless and, if proved true, would
430.18 indicate more than a minor infraction; or

430.19 (2) investigative information that indicates that the licensed professional counselor
430.20 represents an immediate threat to public health and safety regardless of whether the licensed
430.21 professional counselor has been notified and had an opportunity to respond.

430.22 (h) "Data system" means a repository of information about licensees, including but not
430.23 limited to continuing education, examination, licensure, investigative, privilege to practice,
430.24 and adverse action information.

430.25 (i) "Encumbered license" means a license in which an adverse action restricts the practice
430.26 of licensed professional counseling by the licensee and said adverse action has been reported
430.27 to the National Practitioners Data Bank (NPDB).

430.28 (j) "Encumbrance" means a revocation or suspension of, or any limitation on, the full
430.29 and unrestricted practice of licensed professional counseling by a licensing board.

430.30 (k) "Executive committee" means a group of directors elected or appointed to act on
430.31 behalf of, and within the powers granted to them by, the commission.

430.32 (l) "Home state" means the member state that is the licensee's primary state of residence.

431.1 (m) "Impaired practitioner" means an individual who has a condition that may impair
431.2 their ability to practice as a licensed professional counselor without some type of intervention
431.3 and may include but is not limited to alcohol and drug dependence, mental health impairment,
431.4 and neurological or physical impairment.

431.5 (n) "Investigative information" means information, records, and documents received or
431.6 generated by a professional counseling licensing board pursuant to an investigation.

431.7 (o) "Jurisprudence requirement," if required by a member state, means the assessment
431.8 of an individual's knowledge of the laws and rules governing the practice of professional
431.9 counseling in a state.

431.10 (p) "Licensed professional counselor" means a counselor licensed by a member state,
431.11 regardless of the title used by that state, to independently assess, diagnose, and treat
431.12 behavioral health conditions.

431.13 (q) "Licensee" means an individual who currently holds an authorization from the state
431.14 to practice as a licensed professional counselor.

431.15 (r) "Licensing board" means the agency of a state, or equivalent, that is responsible for
431.16 the licensing and regulation of licensed professional counselors.

431.17 (s) "Member state" means a state that has enacted the compact.

431.18 (t) "Privilege to practice" means a legal authorization, which is equivalent to a license,
431.19 permitting the practice of professional counseling in a remote state.

431.20 (u) "Professional counseling" means the assessment, diagnosis, and treatment of
431.21 behavioral health conditions by a licensed professional counselor.

431.22 (v) "Remote state" means a member state other than the home state, where a licensee is
431.23 exercising or seeking to exercise the privilege to practice.

431.24 (w) "Rule" means a regulation promulgated by the commission that has the force of law.

431.25 (x) "Single state license" means a licensed professional counselor license issued by a
431.26 member state that authorizes practice only within the issuing state and does not include a
431.27 privilege to practice in any other member state.

431.28 (y) "State" means any state, commonwealth, district, or territory of the United States
431.29 that regulates the practice of professional counseling.

431.30 (z) "Telehealth" means the application of telecommunication technology to deliver
431.31 professional counseling services remotely to assess, diagnose, and treat behavioral health
431.32 conditions.

432.1 (aa) "Unencumbered license" means a license that authorizes a licensed professional
432.2 counselor to engage in the full and unrestricted practice of professional counseling.

432.3 ARTICLE III

432.4 STATE PARTICIPATION IN THE COMPACT

432.5 (a) To participate in the compact, a state must currently:

432.6 (1) license and regulate licensed professional counselors;

432.7 (2) require licensees to pass a nationally recognized exam approved by the commission;

432.8 (3) require licensees to have a 60 semester-hour or 90 quarter-hour master's degree in
432.9 counseling or 60 semester-hours or 90 quarter-hours of graduate coursework including the
432.10 following topic areas:

432.11 (i) professional counseling orientation and ethical practice;

432.12 (ii) social and cultural diversity;

432.13 (iii) human growth and development;

432.14 (iv) career development;

432.15 (v) counseling and helping relationships;

432.16 (vi) group counseling and group work;

432.17 (vii) diagnosis and treatment; assessment and testing;

432.18 (viii) research and program evaluation; and

432.19 (ix) other areas as determined by the commission;

432.20 (4) require licensees to complete a supervised postgraduate professional experience as
432.21 defined by the commission; and

432.22 (5) have a mechanism in place for receiving and investigating complaints about licensees.

432.23 (b) A member state shall:

432.24 (1) participate fully in the commission's data system, including using the commission's
432.25 unique identifier as defined in rules;

432.26 (2) notify the commission, in compliance with the terms of the compact and rules, of
432.27 any adverse action or the availability of investigative information regarding a licensee;

432.28 (3) implement or utilize procedures for considering the criminal history records of
432.29 applicants for an initial privilege to practice. These procedures shall include the submission

433.1 of fingerprints or other biometric-based information by applicants for the purpose of obtaining
433.2 an applicant's criminal history record information from the Federal Bureau of Investigation
433.3 and the agency responsible for retaining that state's criminal records;

433.4 (i) a member state must fully implement a criminal background check requirement,
433.5 within a time frame established by rule, by receiving the results of the Federal Bureau of
433.6 Investigation record search and shall use the results in making licensure decisions; and

433.7 (ii) communication between a member state, the commission, and among member states
433.8 regarding the verification of eligibility for licensure through the compact shall not include
433.9 any information received from the Federal Bureau of Investigation relating to a federal
433.10 criminal records check performed by a member state under Public Law 92-544;

433.11 (4) comply with the rules of the commission;

433.12 (5) require an applicant to obtain or retain a license in the home state and meet the home
433.13 state's qualifications for licensure or renewal of licensure, as well as all other applicable
433.14 state laws;

433.15 (6) grant the privilege to practice to a licensee holding a valid unencumbered license in
433.16 another member state in accordance with the terms of the compact and rules; and

433.17 (7) provide for the attendance of the state's commissioner to the counseling compact
433.18 commission meetings.

433.19 (c) Member states may charge a fee for granting the privilege to practice.

433.20 (d) Individuals not residing in a member state shall continue to be able to apply for a
433.21 member state's single state license as provided under the laws of each member state. However,
433.22 the single state license granted to these individuals shall not be recognized as granting a
433.23 privilege to practice professional counseling in any other member state.

433.24 (e) Nothing in this compact shall affect the requirements established by a member state
433.25 for the issuance of a single state license.

433.26 (f) A license issued to a licensed professional counselor by a home state to a resident in
433.27 that state shall be recognized by each member state as authorizing a licensed professional
433.28 counselor to practice professional counseling, under a privilege to practice, in each member
433.29 state.

433.30

ARTICLE IV

433.31

PRIVILEGE TO PRACTICE

434.1 (a) To exercise the privilege to practice under the terms and provisions of the compact,
434.2 the licensee shall:

434.3 (1) hold a license in the home state;

434.4 (2) have a valid United States Social Security number or national practitioner identifier;

434.5 (3) be eligible for a privilege to practice in any member state in accordance with this
434.6 article, paragraphs (d), (g), and (h);

434.7 (4) have not had any encumbrance or restriction against any license or privilege to
434.8 practice within the previous two years;

434.9 (5) notify the commission that the licensee is seeking the privilege to practice within a
434.10 remote state(s);

434.11 (6) pay any applicable fees, including any state fee, for the privilege to practice;

434.12 (7) meet any continuing competence or education requirements established by the home
434.13 state;

434.14 (8) meet any jurisprudence requirements established by the remote state in which the
434.15 licensee is seeking a privilege to practice; and

434.16 (9) report to the commission any adverse action, encumbrance, or restriction on license
434.17 taken by any nonmember state within 30 days from the date the action is taken.

434.18 (b) The privilege to practice is valid until the expiration date of the home state license.
434.19 The licensee must comply with the requirements of this article, paragraph (a), to maintain
434.20 the privilege to practice in the remote state.

434.21 (c) A licensee providing professional counseling in a remote state under the privilege
434.22 to practice shall adhere to the laws and regulations of the remote state.

434.23 (d) A licensee providing professional counseling services in a remote state is subject to
434.24 that state's regulatory authority. A remote state may, in accordance with due process and
434.25 that state's laws, remove a licensee's privilege to practice in the remote state for a specific
434.26 period of time, impose fines, or take any other necessary actions to protect the health and
434.27 safety of its citizens. The licensee may be ineligible for a privilege to practice in any member
434.28 state until the specific time for removal has passed and all fines are paid.

434.29 (e) If a home state license is encumbered, the licensee shall lose the privilege to practice
434.30 in any remote state until the following occur:

434.31 (1) the home state license is no longer encumbered; and

435.1 (2) have not had any encumbrance or restriction against any license or privilege to
435.2 practice within the previous two years.

435.3 (f) Once an encumbered license in the home state is restored to good standing, the
435.4 licensee must meet the requirements of this article, paragraph (a), to obtain a privilege to
435.5 practice in any remote state.

435.6 (g) If a licensee's privilege to practice in any remote state is removed, the individual
435.7 may lose the privilege to practice in all other remote states until the following occur:

435.8 (1) the specific period of time for which the privilege to practice was removed has ended;

435.9 (2) all fines have been paid; and

435.10 (3) have not had any encumbrance or restriction against any license or privilege to
435.11 practice within the previous two years.

435.12 (h) Once the requirements of this article, paragraph (g), have been met, the licensee must
435.13 meet the requirements in this article, paragraph (a), to obtain a privilege to practice in a
435.14 remote state.

435.15 ARTICLE V

435.16 OBTAINING A NEW HOME STATE LICENSE BASED ON A PRIVILEGE TO
435.17 PRACTICE

435.18 (a) A licensed professional counselor may hold a home state license, which allows for
435.19 a privilege to practice in other member states, in only one member state at a time.

435.20 (b) If a licensed professional counselor changes primary state of residence by moving
435.21 between two member states:

435.22 (1) the licensed professional counselor shall file an application for obtaining a new home
435.23 state license based on a privilege to practice, pay all applicable fees, and notify the current
435.24 and new home state in accordance with applicable rules adopted by the commission;

435.25 (2) upon receipt of an application for obtaining a new home state license by virtue of a
435.26 privilege to practice, the new home state shall verify that the licensed professional counselor
435.27 meets the pertinent criteria outlined in article IV via the data system, without need for
435.28 primary source verification, except for:

435.29 (i) a Federal Bureau of Investigation fingerprint-based criminal background check if not
435.30 previously performed or updated pursuant to applicable rules adopted by the commission
435.31 in accordance with Public Law 92-544;

- 436.1 (ii) other criminal background checks as required by the new home state; and
- 436.2 (iii) completion of any requisite jurisprudence requirements of the new home state;
- 436.3 (3) the former home state shall convert the former home state license into a privilege to
- 436.4 practice once the new home state has activated the new home state license in accordance
- 436.5 with applicable rules adopted by the commission;
- 436.6 (4) notwithstanding any other provision of this compact, if the licensed professional
- 436.7 counselor cannot meet the criteria in article VI, the new home state may apply its
- 436.8 requirements for issuing a new single state license; and
- 436.9 (5) the licensed professional counselor shall pay all applicable fees to the new home
- 436.10 state in order to be issued a new home state license.
- 436.11 (c) If a licensed professional counselor changes primary state of residence by moving
- 436.12 from a member state to a nonmember state, or from a nonmember state to a member state,
- 436.13 the state criteria shall apply for issuance of a single state license in the new state.
- 436.14 (d) Nothing in this compact shall interfere with a licensee's ability to hold a single state
- 436.15 license in multiple states, however, for the purposes of this compact, a licensee shall have
- 436.16 only one home state license.
- 436.17 (e) Nothing in this compact shall affect the requirements established by a member state
- 436.18 for the issuance of a single state license.

436.19 ARTICLE VI

436.20 ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

- 436.21 Active duty military personnel, or their spouse, shall designate a home state where the
- 436.22 individual has a current license in good standing. The individual may retain the home state
- 436.23 designation during the period the service member is on active duty. Subsequent to designating
- 436.24 a home state, the individual shall only change their home state through application for
- 436.25 licensure in the new state or through the process outlined in article V.

436.26 ARTICLE VII

436.27 COMPACT PRIVILEGE TO PRACTICE TELEHEALTH

- 436.28 (a) Member states shall recognize the right of a licensed professional counselor, licensed
- 436.29 by a home state in accordance with article III and under rules promulgated by the commission,
- 436.30 to practice professional counseling in any member state via telehealth under a privilege to
- 436.31 practice as provided in the compact and rules promulgated by the commission.

437.1 (b) A licensee providing professional counseling services in a remote state under the
437.2 privilege to practice shall adhere to the laws and regulations of the remote state.

437.3 ARTICLE VIII

437.4 ADVERSE ACTIONS

437.5 (a) In addition to the other powers conferred by state law, a remote state shall have the
437.6 authority, in accordance with existing state due process law, to:

437.7 (1) take adverse action against a licensed professional counselor's privilege to practice
437.8 within that member state; and

437.9 (2) issue subpoenas for both hearings and investigations that require the attendance and
437.10 testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing
437.11 board in a member state for the attendance and testimony of witnesses or the production of
437.12 evidence from another member state shall be enforced in the latter state by any court of
437.13 competent jurisdiction according to the practice and procedure of that court applicable to
437.14 subpoenas issued in proceedings pending before it. The issuing authority shall pay any
437.15 witness fees, travel expenses, mileage, and other fees required by the service statutes of the
437.16 state in which the witnesses or evidence are located.

437.17 (b) Only the home state shall have the power to take adverse action against a licensed
437.18 professional counselor's license issued by the home state.

437.19 (c) For purposes of taking adverse action, the home state shall give the same priority
437.20 and effect to reported conduct received from a member state as it would if the conduct had
437.21 occurred within the home state. In so doing, the home state shall apply its own state laws
437.22 to determine appropriate action.

437.23 (d) The home state shall complete any pending investigations of a licensed professional
437.24 counselor who changes primary state of residence during the course of the investigations.
437.25 The home state shall also have the authority to take appropriate action and shall promptly
437.26 report the conclusions of the investigations to the administrator of the data system. The
437.27 administrator of the coordinated licensure information system shall promptly notify the new
437.28 home state of any adverse actions.

437.29 (e) A member state, if otherwise permitted by state law, may recover from the affected
437.30 licensed professional counselor the costs of investigations and dispositions of cases resulting
437.31 from any adverse action taken against that licensed professional counselor.

438.1 (f) A member state may take adverse action based on the factual findings of the remote
438.2 state, provided that the member state follows its own procedures for taking the adverse
438.3 action.

438.4 (g) Joint investigations:

438.5 (1) in addition to the authority granted to a member state by its respective professional
438.6 counseling practice act or other applicable state law, any member state may participate with
438.7 other member states in joint investigations of licensees; and

438.8 (2) member states shall share any investigative, litigation, or compliance materials in
438.9 furtherance of any joint or individual investigation initiated under the compact.

438.10 (h) If adverse action is taken by the home state against the license of a licensed
438.11 professional counselor, the licensed professional counselor's privilege to practice in all other
438.12 member states shall be deactivated until all encumbrances have been removed from the
438.13 state license. All home state disciplinary orders that impose adverse action against the license
438.14 of a licensed professional counselor shall include a statement that the licensed professional
438.15 counselor's privilege to practice is deactivated in all member states during the pendency of
438.16 the order.

438.17 (i) If a member state takes adverse action, it shall promptly notify the administrator of
438.18 the data system. The administrator of the data system shall promptly notify the home state
438.19 of any adverse actions by remote states.

438.20 (j) Nothing in this compact shall override a member state's decision that participation
438.21 in an alternative program may be used in lieu of adverse action.

438.22 ARTICLE IX

438.23 ESTABLISHMENT OF COUNSELING COMPACT COMMISSION

438.24 (a) The compact member states hereby create and establish a joint public agency known
438.25 as the counseling compact commission:

438.26 (1) the commission is an instrumentality of the compact states;

438.27 (2) except as provided under paragraph (i), venue is proper and judicial proceedings by
438.28 or against the commission shall be brought solely and exclusively in a court of competent
438.29 jurisdiction where the principal office of the commission is located. The commission may
438.30 waive venue and jurisdictional defenses to the extent it adopts or consents to participate in
438.31 alternative dispute resolution proceedings; and

438.32 (3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

439.1 (b) Membership, voting, and meetings:

439.2 (1) each member state shall have and be limited to one delegate selected by that member
439.3 state's licensing board;

439.4 (2) the delegate shall be either:

439.5 (i) a current member of the licensing board at the time of appointment who is a licensed
439.6 professional counselor or public member; or

439.7 (ii) an administrator of the licensing board;

439.8 (3) any delegate may be removed or suspended from office as provided by the law of
439.9 the state from which the delegate is appointed;

439.10 (4) the member state licensing board shall fill any vacancy occurring on the commission
439.11 within 60 days;

439.12 (5) each delegate shall be entitled to one vote with regard to the promulgation of rules
439.13 and creation of bylaws and shall otherwise have an opportunity to participate in the business
439.14 and affairs of the commission;

439.15 (6) a delegate shall vote in person or by such other means as provided in the bylaws.
439.16 The bylaws may provide for delegates' participation in meetings by telephone or other means
439.17 of communication;

439.18 (7) the commission shall meet at least once during each calendar year. Additional
439.19 meetings shall be held as set forth in the bylaws; and

439.20 (8) the commission shall by rule establish a term of office for delegates and may by rule
439.21 establish term limits.

439.22 (c) The commission shall have the following powers and duties:

439.23 (1) establish the fiscal year of the commission;

439.24 (2) establish bylaws;

439.25 (3) maintain its financial records in accordance with the bylaws;

439.26 (4) meet and take such actions as are consistent with the provisions of this compact and
439.27 the bylaws;

439.28 (5) promulgate rules which shall be binding to the extent and in the manner provided
439.29 for in the compact;

440.1 (6) bring and prosecute legal proceedings or actions in the name of the commission,
440.2 provided that the standing of any state licensing board to sue or be sued under applicable
440.3 law shall not be affected;

440.4 (7) purchase and maintain insurance and bonds;

440.5 (8) borrow, accept, or contract for services of personnel, including but not limited to
440.6 employees of a member state;

440.7 (9) hire employees, elect or appoint officers, fix compensation, define duties, grant such
440.8 individuals appropriate authority to carry out the purposes of the compact, and establish the
440.9 commission's personnel policies and programs relating to conflicts of interest, qualifications
440.10 of personnel, and other related personnel matters;

440.11 (10) accept any and all appropriate donations and grants of money, equipment, supplies,
440.12 materials, and services and to receive, utilize, and dispose of the same; provided that at all
440.13 times the commission shall avoid any appearance of impropriety and conflict of interest;

440.14 (11) lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold,
440.15 improve, or use any property, real, personal, or mixed; provided that at all times the
440.16 commission shall avoid any appearance of impropriety;

440.17 (12) sell convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
440.18 any property real, personal, or mixed;

440.19 (13) establish a budget and make expenditures;

440.20 (14) borrow money;

440.21 (15) appoint committees, including standing committees composed of members, state
440.22 regulators, state legislators or their representatives, and consumer representatives, and such
440.23 other interested persons as may be designated in this compact and the bylaws;

440.24 (16) provide and receive information from, and cooperate with, law enforcement agencies;

440.25 (17) establish and elect an executive committee; and

440.26 (18) perform such other functions as may be necessary or appropriate to achieve the
440.27 purposes of this compact consistent with the state regulation of professional counseling
440.28 licensure and practice.

440.29 (d) The executive committee:

440.30 (1) the executive committee shall have the power to act on behalf of the commission
440.31 according to the terms of this compact;

- 441.1 (2) the executive committee shall be composed of up to eleven members:
- 441.2 (i) seven voting members who are elected by the commission from the current
- 441.3 membership of the commission;
- 441.4 (ii) up to four ex-officio, nonvoting members from four recognized national professional
- 441.5 counselor organizations; and
- 441.6 (iii) the ex-officio members will be selected by their respective organizations;
- 441.7 (3) the commission may remove any member of the executive committee as provided
- 441.8 in the bylaws;
- 441.9 (4) the executive committee shall meet at least annually; and
- 441.10 (5) the executive committee shall have the following duties and responsibilities:
- 441.11 (i) recommend to the entire commission changes to the rules or bylaws, changes to this
- 441.12 compact legislation, fees paid by compact member states such as annual dues, and any
- 441.13 commission compact fee charged to licensees for the privilege to practice;
- 441.14 (ii) ensure compact administration services are appropriately provided, contractual or
- 441.15 otherwise;
- 441.16 (iii) prepare and recommend the budget;
- 441.17 (iv) maintain financial records on behalf of the commission;
- 441.18 (v) monitor compact compliance of member states and provide compliance reports to
- 441.19 the commission;
- 441.20 (vi) establish additional committees as necessary; and
- 441.21 (vii) other duties as provided in rules or bylaws.
- 441.22 (e) Meetings of the commission:
- 441.23 (1) all meetings shall be open to the public, and public notice of meetings shall be given
- 441.24 in the same manner as required under the rulemaking provisions in article XI;
- 441.25 (2) the commission or the executive committee or other committees of the commission
- 441.26 may convene in a closed, non-public meeting if the commission or executive committee or
- 441.27 other committees of the commission must discuss:
- 441.28 (i) non-compliance of a member state with its obligations under the compact;

442.1 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
442.2 related to specific employees or other matters related to the commission's internal personnel
442.3 practices and procedures;

442.4 (iii) current, threatened, or reasonably anticipated litigation;

442.5 (iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
442.6 estate;

442.7 (v) accusing any person of a crime or formally censuring any person;

442.8 (vi) disclosure of trade secrets or commercial or financial information that is privileged
442.9 or confidential;

442.10 (vii) disclosure of information of a personal nature where disclosure would constitute a
442.11 clearly unwarranted invasion of personal privacy;

442.12 (viii) disclosure of investigative records compiled for law enforcement purposes;

442.13 (ix) disclosure of information related to any investigative reports prepared by or on
442.14 behalf of or for use of the commission or other committee charged with responsibility of
442.15 investigation or determination of compliance issues pursuant to the compact; or

442.16 (x) matters specifically exempted from disclosure by federal or member state statute;

442.17 (3) if a meeting, or portion of a meeting, is closed pursuant to this provision, the
442.18 commission's legal counsel or designee shall certify that the meeting may be closed and
442.19 shall reference each relevant exempting provision; and

442.20 (4) the commission shall keep minutes that fully and clearly describe all matters discussed
442.21 in a meeting and shall provide a full and accurate summary of actions taken and the reasons
442.22 therefore, including a description of the views expressed. All documents considered in
442.23 connection with an action shall be identified in such minutes. All minutes and documents
442.24 of a closed meeting shall remain under seal, subject to release by a majority vote of the
442.25 commission or order of a court of competent jurisdiction.

442.26 (f) Financing of the commission:

442.27 (i) the commission shall pay, or provide for the payment of, the reasonable expenses of
442.28 its establishment, organization, and ongoing activities;

442.29 (ii) the commission may accept any and all appropriate revenue sources, donations, and
442.30 grants of money, equipment, supplies, materials, and services;

443.1 (iii) the commission may levy on and collect an annual assessment from each member
443.2 state or impose fees on other parties to cover the cost of the operations and activities of the
443.3 commission and its staff, which must be in a total amount sufficient to cover its annual
443.4 budget as approved each year for which revenue is not provided by other sources. The
443.5 aggregate annual assessment amount shall be allocated based upon a formula to be determined
443.6 by the commission, which shall promulgate a rule binding upon all member states;

443.7 (iv) the commission shall not incur obligations of any kind prior to securing the funds
443.8 adequate to meet the same; nor shall the commission pledge the credit of any of the member
443.9 states, except by and with the authority of the member state; and

443.10 (v) the commission shall keep accurate accounts of all receipts and disbursements. The
443.11 receipts and disbursements of the commission shall be subject to the audit and accounting
443.12 procedures established under its bylaws. However, all receipts and disbursements of funds
443.13 handled by the commission shall be audited yearly by a certified or licensed public
443.14 accountant, and the report of the audit shall be included in and become part of the annual
443.15 report of the commission.

443.16 (g) Qualified immunity, defense, and indemnification:

443.17 (1) the members, officers, executive director, employees, and representatives of the
443.18 commission shall be immune from suit and liability, either personally or in their official
443.19 capacity, for any claim for damage to or loss of property or personal injury or other civil
443.20 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
443.21 or that the person against whom the claim is made had a reasonable basis for believing
443.22 occurred within the scope of commission employment, duties, or responsibilities; provided
443.23 that nothing in this paragraph shall be construed to protect any such person from suit or
443.24 liability for any damage, loss, injury, or liability caused by the intentional or willful or
443.25 wanton misconduct of that person;

443.26 (2) the commission shall defend any member, officer, executive director, employee, or
443.27 representative of the commission in any civil action seeking to impose liability arising out
443.28 of any actual or alleged act, error, or omission that occurred within the scope of commission
443.29 employment, duties, or responsibilities, or that the person against whom the claim is made
443.30 had a reasonable basis for believing occurred within the scope of commission employment,
443.31 duties, or responsibilities; provided that nothing herein shall be construed to prohibit that
443.32 person from retaining his or her own counsel; and provided further, that the actual or alleged
443.33 act, error, or omission did not result from that person's intentional or willful or wanton
443.34 misconduct; and

444.1 (3) the commission shall indemnify and hold harmless any member, officer, executive
444.2 director, employee, or representative of the commission for the amount of any settlement
444.3 or judgment obtained against that person arising out of any actual or alleged act, error, or
444.4 omission that occurred within the scope of commission employment, duties, or
444.5 responsibilities, or that such person had a reasonable basis for believing occurred within
444.6 the scope of commission employment, duties, or responsibilities, provided that the actual
444.7 or alleged act, error, or omission did not result from the intentional or willful or wanton
444.8 misconduct of that person.

444.9 (h) Notwithstanding paragraph (g), clause (1), the liability of the executive director,
444.10 employees, or representatives of the interstate commission, acting within the scope of their
444.11 employment or duties, may not exceed the limits of liability set forth under the constitution
444.12 and laws of this state for state officials, employees, and agents. This paragraph expressly
444.13 incorporates section 3.736, and neither expands nor limits the rights and remedies provided
444.14 under that statute.

444.15 (i) Except for a claim alleging a violation of this compact, a claim against the commission,
444.16 its executive director, employees, or representatives alleging a violation of the constitution
444.17 and laws of this state may be brought in any county where the plaintiff resides. Nothing in
444.18 this paragraph creates a private right of action.

444.19 (j) Nothing in this compact shall be construed as a limitation on the liability of any
444.20 licensee for professional malpractice or misconduct, which shall be governed solely by any
444.21 other applicable state laws.

444.22 ARTICLE X

444.23 DATA SYSTEM

444.24 (a) The commission shall provide for the development, maintenance, operation, and
444.25 utilization of a coordinated database and reporting system containing licensure, adverse
444.26 action, and investigative information on all licensed individuals in member states.

444.27 (b) Notwithstanding any other provision of state law to the contrary, a member state
444.28 shall submit a uniform data set to the data system on all individuals to whom this compact
444.29 is applicable as required by the rules of the commission, including:

444.30 (1) identifying information;

444.31 (2) licensure data;

444.32 (3) adverse actions against a license or privilege to practice;

445.1 (4) nonconfidential information related to alternative program participation;
445.2 (5) any denial of application for licensure and the reason for such denial;
445.3 (6) current significant investigative information; and
445.4 (7) other information that may facilitate the administration of this compact, as determined
445.5 by the rules of the commission.

445.6 (c) Investigative information pertaining to a licensee in any member state will only be
445.7 available to other member states.

445.8 (d) The commission shall promptly notify all member states of any adverse action taken
445.9 against a licensee or an individual applying for a license. Adverse action information
445.10 pertaining to a licensee in any member state will be available to any other member state.

445.11 (e) Member states contributing information to the data system may designate information
445.12 that may not be shared with the public without the express permission of the contributing
445.13 state.

445.14 (f) Any information submitted to the data system that is subsequently required to be
445.15 expunged by the laws of the member state contributing the information shall be removed
445.16 from the data system.

445.17 ARTICLE XI

445.18 RULEMAKING

445.19 (a) The commission shall promulgate reasonable rules in order to effectively and
445.20 efficiently achieve the purpose of the compact. Notwithstanding the foregoing, in the event
445.21 the commission exercises its rulemaking authority in a manner that is beyond the scope of
445.22 the purposes of the compact, or the powers granted hereunder, then such an action by the
445.23 commission shall be invalid and have no force or effect.

445.24 (b) The commission shall exercise its rulemaking powers pursuant to the criteria set
445.25 forth in this article and the rules adopted thereunder. Rules and amendments shall become
445.26 binding as of the date specified in each rule or amendment.

445.27 (c) If a majority of the legislatures of the member states rejects a rule, by enactment of
445.28 a statute or resolution in the same manner used to adopt the compact within four years of
445.29 the date of adoption of the rule, then such rule shall have no further force and effect in any
445.30 member state.

445.31 (d) Rules or amendments to the rules shall be adopted at a regular or special meeting of
445.32 the commission.

446.1 (e) Prior to promulgation and adoption of a final rule or rules by the commission, and
446.2 at least thirty days in advance of the meeting at which the rule will be considered and voted
446.3 upon, the commission shall file a notice of proposed rulemaking:

446.4 (1) on the website of the commission or other publicly accessible platform; and

446.5 (2) on the website of each member state professional counseling licensing board or other
446.6 publicly accessible platform or the publication in which each state would otherwise publish
446.7 proposed rules.

446.8 (f) The notice of proposed rulemaking shall include:

446.9 (1) the proposed time, date, and location of the meeting in which the rule will be
446.10 considered and voted upon;

446.11 (2) the text of the proposed rule or amendment and the reason for the proposed rule;

446.12 (3) a request for comments on the proposed rule from any interested person; and

446.13 (4) the manner in which interested persons may submit notice to the commission of their
446.14 intention to attend the public hearing and any written comments.

446.15 (g) Prior to adoption of a proposed rule, the commission shall allow persons to submit
446.16 written data, facts, opinions, and arguments, which shall be made available to the public.

446.17 (h) The commission shall grant an opportunity for a public hearing before it adopts a
446.18 rule or amendment if a hearing is requested by:

446.19 (1) at least 25 persons;

446.20 (2) a state or federal governmental subdivision or agency; or

446.21 (3) an association having at least 25 members.

446.22 (i) If a hearing is held on the proposed rule or amendment, the commission shall publish
446.23 the place, time, and date of the scheduled public hearing. If the hearing is held via electronic
446.24 means, the commission shall publish the mechanism for access to the electronic hearing:

446.25 (1) all persons wishing to be heard at the hearing shall notify the executive director of
446.26 the commission or other designated member in writing of their desire to appear and testify
446.27 at the hearing not less than five business days before the scheduled date of the hearing;

446.28 (2) hearings shall be conducted in a manner providing each person who wishes to
446.29 comment a fair and reasonable opportunity to comment orally or in writing;

446.30 (3) all hearings will be recorded. A copy of the recording will be made available on
446.31 request; and

447.1 (4) nothing in this article shall be construed as requiring a separate hearing on each rule.
447.2 Rules may be grouped for the convenience of the commission at hearings required by this
447.3 article.

447.4 (j) Following the scheduled hearing date, or by the close of business on the scheduled
447.5 hearing date if the hearing was not held, the commission shall consider all written and oral
447.6 comments received.

447.7 (k) If no written notice of intent to attend the public hearing by interested parties is
447.8 received, the commission may proceed with promulgation of the proposed rule without a
447.9 public hearing.

447.10 (l) The commission shall, by majority vote of all members, take final action on the
447.11 proposed rule and shall determine the effective date of the rule, if any, based on the
447.12 rulemaking record and the full text of the rule.

447.13 (m) Upon determination that an emergency exists, the commission may consider and
447.14 adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided
447.15 that the usual rulemaking procedures provided in the compact and in this article shall be
447.16 retroactively applied to the rule as soon as reasonably possible, in no event later than 90
447.17 days after the effective date of the rule. For the purposes of this provision, an emergency
447.18 rule is one that must be adopted immediately in order to:

447.19 (1) meet an imminent threat to public health, safety, or welfare;

447.20 (2) prevent a loss of commission or member state funds;

447.21 (3) meet a deadline for the promulgation of an administrative rule that is established by
447.22 federal law or rule; or

447.23 (4) protect public health and safety.

447.24 (n) The commission or an authorized committee of the commission may direct revisions
447.25 to a previously adopted rule or amendment for purposes of correcting typographical errors,
447.26 errors in format, errors in consistency, or grammatical errors. Public notice of any revisions
447.27 shall be posted on the website of the commission. The revision shall be subject to challenge
447.28 by any person for a period of thirty days after posting. The revision may be challenged only
447.29 on grounds that the revision results in a material change to a rule. A challenge shall be made
447.30 in writing and delivered to the chair of the commission prior to the end of the notice period.
447.31 If no challenge is made, the revision will take effect without further action. If the revision
447.32 is challenged, the revision may not take effect without the approval of the commission.

447.33

ARTICLE XII

448.1 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

448.2 (a) Oversight:

448.3 (1) the executive, legislative, and judicial branches of state government in each member
448.4 state shall enforce this compact and take all actions necessary and appropriate to effectuate
448.5 the compact's purposes and intent. The provisions of this compact and the rules promulgated
448.6 hereunder shall have standing as statutory law;

448.7 (2) all courts shall take judicial notice of the compact and the rules in any judicial or
448.8 administrative proceeding in a member state pertaining to the subject matter of this compact
448.9 which may affect the powers, responsibilities, or actions of the commission; and

448.10 (3) the commission shall be entitled to receive service of process in any such proceeding
448.11 and shall have standing to intervene in such a proceeding for all purposes. Failure to provide
448.12 service of process to the commission shall render a judgment or order void as to the
448.13 commission, this compact, or promulgated rules.

448.14 (b) Default, technical assistance, and termination:

448.15 (1) if the commission determines that a member state has defaulted in the performance
448.16 of its obligations or responsibilities under this compact or the promulgated rules, the
448.17 commission shall:

448.18 (i) provide written notice to the defaulting state and other member states of the nature
448.19 of the default, the proposed means of curing the default, or any other action to be taken by
448.20 the commission; and

448.21 (ii) provide remedial training and specific technical assistance regarding the default.

448.22 (c) If a state in default fails to cure the default, the defaulting state may be terminated
448.23 from the compact upon an affirmative vote of a majority of the member states, and all rights,
448.24 privileges, and benefits conferred by this compact may be terminated on the effective date
448.25 of termination. A cure of the default does not relieve the offending state of obligations or
448.26 liabilities incurred during the period of default.

448.27 (d) Termination of membership in the compact shall be imposed only after all other
448.28 means of securing compliance have been exhausted. Notice of intent to suspend or terminate
448.29 shall be given by the commission to the governor, the majority and minority leaders of the
448.30 defaulting state's legislature, and each of the member states.

449.1 (e) A state that has been terminated is responsible for all assessments, obligations, and
449.2 liabilities incurred through the effective date of termination, including obligations that
449.3 extend beyond the effective date of termination.

449.4 (f) The commission shall not bear any costs related to a state that is found to be in default
449.5 or that has been terminated from the compact, unless agreed upon in writing between the
449.6 commission and the defaulting state.

449.7 (g) The defaulting state may appeal the action of the commission by petitioning the
449.8 United States District Court for the District of Columbia or the federal district where the
449.9 commission has its principal offices. The prevailing member shall be awarded all costs of
449.10 such litigation, including reasonable attorney fees.

449.11 (h) Dispute resolution:

449.12 (1) upon request by a member state, the commission shall attempt to resolve disputes
449.13 related to the compact that arise among member states and between member and nonmember
449.14 states; and

449.15 (2) the commission shall promulgate a rule providing for both mediation and binding
449.16 dispute resolution for disputes as appropriate.

449.17 (i) Enforcement:

449.18 (1) the commission, in the reasonable exercise of its discretion, shall enforce the
449.19 provisions and rules of this compact;

449.20 (2) by majority vote, the commission may initiate legal action in the United States District
449.21 Court for the District of Columbia or the federal district where the commission has its
449.22 principal offices against a member state in default to enforce compliance with the provisions
449.23 of the compact and its promulgated rules and bylaws. The relief sought may include both
449.24 injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing
449.25 member shall be awarded all costs of such litigation, including reasonable attorney fees;
449.26 and

449.27 (3) the remedies herein shall not be the exclusive remedies of the commission. The
449.28 commission may pursue any other remedies available under federal or state law.

449.29 ARTICLE XIII

449.30 DATE OF IMPLEMENTATION OF THE COUNSELING COMPACT COMMISSION
449.31 AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

450.1 (a) The compact shall come into effect on the date on which the compact statute is
450.2 enacted into law in the tenth member state. The provisions, which become effective at that
450.3 time, shall be limited to the powers granted to the commission relating to assembly and the
450.4 promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking
450.5 powers necessary to the implementation and administration of the compact.

450.6 (b) Any state that joins the compact subsequent to the commission's initial adoption of
450.7 the rules shall be subject to the rules as they exist on the date on which the compact becomes
450.8 law in that state. Any rule that has been previously adopted by the commission shall have
450.9 the full force and effect of law on the day the compact becomes law in that state.

450.10 (c) Any member state may withdraw from this compact by enacting a statute repealing
450.11 the same.

450.12 (1) a member state's withdrawal shall not take effect until six months after enactment
450.13 of the repealing statute; and

450.14 (2) withdrawal shall not affect the continuing requirement of the withdrawing state's
450.15 professional counseling licensing board to comply with the investigative and adverse action
450.16 reporting requirements of this compact prior to the effective date of withdrawal.

450.17 (d) Nothing contained in this compact shall be construed to invalidate or prevent any
450.18 professional counseling licensure agreement or other cooperative arrangement between a
450.19 member state and a nonmember state that does not conflict with the provisions of this
450.20 compact.

450.21 (e) This compact may be amended by the member states. No amendment to this compact
450.22 shall become effective and binding upon any member state until it is enacted into the laws
450.23 of all member states.

450.24 ARTICLE XIV

450.25 CONSTRUCTION AND SEVERABILITY

450.26 This compact shall be liberally construed so as to effectuate the purposes thereof. The
450.27 provisions of this compact shall be severable and if any phrase, clause, sentence, or provision
450.28 of this compact is declared to be contrary to the constitution of any member state or of the
450.29 United States or the applicability thereof to any government, agency, person, or circumstance
450.30 is held invalid, the validity of the remainder of this compact and the applicability thereof
450.31 to any government, agency, person, or circumstance shall not be affected thereby. If this
450.32 compact shall be held contrary to the constitution of any member state, the compact shall

451.1 remain in full force and effect as to the remaining member states and in full force and effect
451.2 as to the member state affected as to all severable matters.

451.3 ARTICLE XV

451.4 BINDING EFFECT OF COMPACT AND OTHER LAWS

451.5 (a) A licensee providing professional counseling services in a remote state under the
451.6 privilege to practice shall adhere to the laws and regulations, including scope of practice,
451.7 of the remote state.

451.8 (b) Nothing herein prevents the enforcement of any other law of a member state that is
451.9 not inconsistent with the compact.

451.10 (c) Any laws in a member state in conflict with the compact are superseded to the extent
451.11 of the conflict.

451.12 (d) Any lawful actions of the commission, including all rules and bylaws properly
451.13 promulgated by the commission, are binding upon the member states.

451.14 (e) All permissible agreements between the commission and the member states are
451.15 binding in accordance with their terms.

451.16 (f) In the event any provision of the compact exceeds the constitutional limits imposed
451.17 on the legislature of any member state, the provision shall be ineffective to the extent of the
451.18 conflict with the constitutional provision in question in that member state.

451.19 **ARTICLE 30**

451.20 **AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY COMPACT**

451.21 Section 1. **[148.5185] AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY**
451.22 **INTERSTATE COMPACT.**

451.23 The Audiology and Speech-Language Pathology Interstate Compact is enacted into law
451.24 and entered into with all other jurisdictions legally joining in it in the form substantially
451.25 specified in this section.

451.26 ARTICLE I

451.27 DEFINITIONS

451.28 As used in this compact, and except as otherwise provided, the following definitions
451.29 shall apply:

452.1 (A) "Active duty military" means full-time duty status in the active uniformed service
452.2 of the United States, including members of the National Guard and Reserve on active duty
452.3 orders pursuant to United States Code, title 10, sections 1209 and 1211.

452.4 (B) "Adverse action" means any administrative, civil, equitable, or criminal action
452.5 permitted by a state's laws which is imposed by a licensing board or other authority against
452.6 an audiologist or speech-language pathologist, including actions against an individual's
452.7 license or privilege to practice such as revocation, suspension, probation, monitoring of the
452.8 licensee, or restriction on the licensee's practice.

452.9 (C) "Alternative program" means a non-disciplinary monitoring process approved by
452.10 an audiology or speech-language pathology licensing board to address impaired practitioners.

452.11 (D) "Audiologist" means an individual who is licensed by a state to practice audiology.

452.12 (E) "Audiology" means the care and services provided by a licensed audiologist as set
452.13 forth in the member state's statutes and rules.

452.14 (F) "Audiology and Speech-Language Pathology Compact Commission" or "commission"
452.15 means the national administrative body whose membership consists of all states that have
452.16 enacted the compact.

452.17 (G) "Audiology and speech-language pathology licensing board," "audiology licensing
452.18 board," "speech-language pathology licensing board," or "licensing board" means the agency
452.19 of a state that is responsible for the licensing and regulation of audiologists or
452.20 speech-language pathologists or both.

452.21 (H) "Compact privilege" means the authorization granted by a remote state to allow a
452.22 licensee from another member state to practice as an audiologist or speech-language
452.23 pathologist in the remote state under its laws and rules. The practice of audiology or
452.24 speech-language pathology occurs in the member state where the patient, client, or student
452.25 is located at the time of the patient, client, or student encounter.

452.26 (I) "Current significant investigative information" means investigative information that
452.27 a licensing board, after an inquiry or investigation that includes notification and an
452.28 opportunity for the audiologist or speech-language pathologist to respond, if required by
452.29 state law, has reason to believe is not groundless and, if proved true, would indicate more
452.30 than a minor infraction.

452.31 (J) "Data system" means a repository of information about licensees, including but not
452.32 limited to continuing education, examination, licensure, investigation, compact privilege,
452.33 and adverse action.

453.1 (K) "Encumbered license" means a license in which an adverse action restricts the
453.2 practice of audiology or speech-language pathology by the licensee and said adverse action
453.3 has been reported to the National Practitioners Data Bank (NPDB).

453.4 (L) "Executive committee" means a group of directors elected or appointed to act on
453.5 behalf of, and within the powers granted to them by, the commission.

453.6 (M) "Home state" means the member state that is the licensee's primary state of residence.

453.7 (N) "Impaired practitioner" means individuals whose professional practice is adversely
453.8 affected by substance abuse, addiction, or other health-related conditions.

453.9 (O) "Licensee" means an individual who currently holds an authorization from the state
453.10 licensing board to practice as an audiologist or speech-language pathologist.

453.11 (P) "Member state" means a state that has enacted the compact.

453.12 (Q) "Privilege to practice" means a legal authorization permitting the practice of audiology
453.13 or speech-language pathology in a remote state.

453.14 (R) "Remote state" means a member state other than the home state where a licensee is
453.15 exercising or seeking to exercise the compact privilege.

453.16 (S) "Rule" means a regulation, principle, or directive promulgated by the commission
453.17 that has the force of law.

453.18 (T) "Single-state license" means an audiology or speech-language pathology license
453.19 issued by a member state that authorizes practice only within the issuing state and does not
453.20 include a privilege to practice in any other member state.

453.21 (U) "Speech-language pathologist" means an individual who is licensed by a state to
453.22 practice speech-language pathology.

453.23 (V) "Speech-language pathology" means the care and services provided by a licensed
453.24 speech-language pathologist as set forth in the member state's statutes and rules.

453.25 (W) "State" means any state, commonwealth, district, or territory of the United States
453.26 of America that regulates the practice of audiology and speech-language pathology.

453.27 (X) "State practice laws" means a member state's laws, rules, and regulations that govern
453.28 the practice of audiology or speech-language pathology, define the scope of audiology or
453.29 speech-language pathology practice, and create the methods and grounds for imposing
453.30 discipline.

454.1 (Y) "Telehealth" means the application of telecommunication technology to deliver
454.2 audiology or speech-language pathology services at a distance for assessment, intervention,
454.3 or consultation.

454.4 ARTICLE II

454.5 STATE PARTICIPATION IN THE COMPACT

454.6 (A) A license issued to an audiologist or speech-language pathologist by a home state
454.7 to a resident in that state shall be recognized by each member state as authorizing an
454.8 audiologist or speech-language pathologist to practice audiology or speech-language
454.9 pathology, under a privilege to practice, in each member state.

454.10 (B) A state must implement or utilize procedures for considering the criminal history
454.11 records of applicants for initial privilege to practice. These procedures shall include the
454.12 submission of fingerprints or other biometric-based information by applicants for the purpose
454.13 of obtaining an applicant's criminal history record information from the Federal Bureau of
454.14 Investigation and the agency responsible for retaining that state's criminal records.

454.15 (1) A member state must fully implement a criminal background check requirement,
454.16 within a time frame established by rule, by receiving the results of the Federal Bureau of
454.17 Investigation record search on criminal background checks and use the results in making
454.18 licensure decisions.

454.19 (2) Communication between a member state and the commission and among member
454.20 states regarding the verification of eligibility for licensure through the compact shall not
454.21 include any information received from the Federal Bureau of Investigation relating to a
454.22 federal criminal records check performed by a member state under Public Law 92-544.

454.23 (C) Upon application for a privilege to practice, the licensing board in the issuing remote
454.24 state shall ascertain, through the data system, whether the applicant has ever held, or is the
454.25 holder of, a license issued by any other state, whether there are any encumbrances on any
454.26 license or privilege to practice held by the applicant, and whether any adverse action has
454.27 been taken against any license or privilege to practice held by the applicant.

454.28 (D) Each member state shall require an applicant to obtain or retain a license in the home
454.29 state and meet the home state's qualifications for licensure or renewal of licensure, as well
454.30 as all other applicable state laws.

454.31 (E) An audiologist must:

454.32 (1) meet one of the following educational requirements:

455.1 (i) on or before December 31, 2007, have graduated with a master's degree or doctoral
455.2 degree in audiology, or equivalent degree regardless of degree name, from a program that
455.3 is accredited by an accrediting agency recognized by the Council for Higher Education
455.4 Accreditation, or its successor, or by the United States Department of Education and operated
455.5 by a college or university accredited by a regional or national accrediting organization
455.6 recognized by the board; or

455.7 (ii) on or after January 1, 2008, have graduated with a doctoral degree in audiology, or
455.8 equivalent degree regardless of degree name, from a program that is accredited by an
455.9 accrediting agency recognized by the Council for Higher Education Accreditation, or its
455.10 successor, or by the United States Department of Education and operated by a college or
455.11 university accredited by a regional or national accrediting organization recognized by the
455.12 board; or

455.13 (iii) have graduated from an audiology program that is housed in an institution of higher
455.14 education outside of the United States (a) for which the program and institution have been
455.15 approved by the authorized accrediting body in the applicable country and (b) the degree
455.16 program has been verified by an independent credentials review agency to be comparable
455.17 to a state licensing board-approved program;

455.18 (2) have completed a supervised clinical practicum experience from an accredited
455.19 educational institution or its cooperating programs as required by the board;

455.20 (3) have successfully passed a national examination approved by the commission;

455.21 (4) hold an active, unencumbered license;

455.22 (5) not have been convicted or found guilty, and not have entered into an agreed
455.23 disposition, of a felony related to the practice of audiology, under applicable state or federal
455.24 criminal law; and

455.25 (6) have a valid United States Social Security or National Practitioner Identification
455.26 number.

455.27 (F) A speech-language pathologist must:

455.28 (1) meet one of the following educational requirements:

455.29 (i) have graduated with a master's degree from a speech-language pathology program
455.30 that is accredited by an organization recognized by the United States Department of Education
455.31 and operated by a college or university accredited by a regional or national accrediting
455.32 organization recognized by the board; or

456.1 (ii) have graduated from a speech-language pathology program that is housed in an
456.2 institution of higher education outside of the United States (a) for which the program and
456.3 institution have been approved by the authorized accrediting body in the applicable country
456.4 and (b) the degree program has been verified by an independent credentials review agency
456.5 to be comparable to a state licensing board-approved program;

456.6 (2) have completed a supervised clinical practicum experience from an educational
456.7 institution or its cooperating programs as required by the commission;

456.8 (3) have completed a supervised postgraduate professional experience as required by
456.9 the commission;

456.10 (4) have successfully passed a national examination approved by the commission;

456.11 (5) hold an active, unencumbered license;

456.12 (6) not have been convicted or found guilty, and not have entered into an agreed
456.13 disposition, of a felony related to the practice of speech-language pathology, under applicable
456.14 state or federal criminal law; and

456.15 (7) have a valid United States Social Security or National Practitioner Identification
456.16 number.

456.17 (G) The privilege to practice is derived from the home state license.

456.18 (H) An audiologist or speech-language pathologist practicing in a member state must
456.19 comply with the state practice laws of the state in which the client is located at the time
456.20 service is provided. The practice of audiology and speech-language pathology shall include
456.21 all audiology and speech-language pathology practice as defined by the state practice laws
456.22 of the member state in which the client is located. The practice of audiology and
456.23 speech-language pathology in a member state under a privilege to practice shall subject an
456.24 audiologist or speech-language pathologist to the jurisdiction of the licensing board, the
456.25 courts and the laws of the member state in which the client is located at the time service is
456.26 provided.

456.27 (I) Individuals not residing in a member state shall continue to be able to apply for a
456.28 member state's single-state license as provided under the laws of each member state.
456.29 However, the single-state license granted to these individuals shall not be recognized as
456.30 granting the privilege to practice audiology or speech-language pathology in any other
456.31 member state. Nothing in this compact shall affect the requirements established by a member
456.32 state for the issuance of a single-state license.

456.33 (J) Member states may charge a fee for granting a compact privilege.

457.1 (K) Member states must comply with the bylaws and rules and regulations of the
457.2 commission.

457.3 ARTICLE III

457.4 COMPACT PRIVILEGE

457.5 (A) To exercise the compact privilege under the terms and provisions of the compact,
457.6 the audiologist or speech-language pathologist shall:

457.7 (1) hold an active license in the home state;

457.8 (2) have no encumbrance on any state license;

457.9 (3) be eligible for a compact privilege in any member state in accordance with Article
457.10 II;

457.11 (4) have not had any adverse action against any license or compact privilege within the
457.12 previous two years from date of application;

457.13 (5) notify the commission that the licensee is seeking the compact privilege within a
457.14 remote state or states;

457.15 (6) pay any applicable fees, including any state fee, for the compact privilege; and

457.16 (7) report to the commission adverse action taken by any nonmember state within 30
457.17 days from the date the adverse action is taken.

457.18 (B) For the purposes of the compact privilege, an audiologist or speech-language
457.19 pathologist shall only hold one home state license at a time.

457.20 (C) Except as provided in Article V, if an audiologist or speech-language pathologist
457.21 changes primary state of residence by moving between two member states, the audiologist
457.22 or speech-language pathologist must apply for licensure in the new home state, and the
457.23 license issued by the prior home state shall be deactivated in accordance with applicable
457.24 rules adopted by the commission.

457.25 (D) The audiologist or speech-language pathologist may apply for licensure in advance
457.26 of a change in primary state of residence.

457.27 (E) A license shall not be issued by the new home state until the audiologist or
457.28 speech-language pathologist provides satisfactory evidence of a change in primary state of
457.29 residence to the new home state and satisfies all applicable requirements to obtain a license
457.30 from the new home state.

458.1 (F) If an audiologist or speech-language pathologist changes primary state of residence
458.2 by moving from a member state to a nonmember state, the license issued by the prior home
458.3 state shall convert to a single-state license, valid only in the former home state.

458.4 (G) The compact privilege is valid until the expiration date of the home state license.
458.5 The licensee must comply with the requirements of Article III, (A), to maintain the compact
458.6 privilege in the remote state.

458.7 (H) A licensee providing audiology or speech-language pathology services in a remote
458.8 state under the compact privilege shall function within the laws and regulations of the remote
458.9 state.

458.10 (I) A licensee providing audiology or speech-language pathology services in a remote
458.11 state is subject to that state's regulatory authority. A remote state may, in accordance with
458.12 due process and that state's laws, remove a licensee's compact privilege in the remote state
458.13 for a specific period of time, impose fines, or take any other necessary actions to protect
458.14 the health and safety of its citizens.

458.15 (J) If a home state license is encumbered, the licensee shall lose the compact privilege
458.16 in any remote state until the following occur:

458.17 (1) the home state license is no longer encumbered; and

458.18 (2) two years have elapsed from the date of the adverse action.

458.19 (K) Once an encumbered license in the home state is restored to good standing, the
458.20 licensee must meet the requirements of Article III, (A), to obtain a compact privilege in any
458.21 remote state.

458.22 (L) Once the requirements of Article III, (J), have been met, the licensee must meet the
458.23 requirements in Article III, (A), to obtain a compact privilege in a remote state.

458.24 ARTICLE IV

458.25 COMPACT PRIVILEGE TO PRACTICE TELEHEALTH

458.26 Member states shall recognize the right of an audiologist or speech-language pathologist,
458.27 licensed by a home state in accordance with Article II and under rules promulgated by the
458.28 commission, to practice audiology or speech-language pathology in a member state via
458.29 telehealth under a privilege to practice as provided in the compact and rules promulgated
458.30 by the commission.

458.31 ARTICLE V

458.32 ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

459.1 Active duty military personnel, or their spouse, shall designate a home state where the
459.2 individual has a current license in good standing. The individual may retain the home state
459.3 designation during the period the service member is on active duty. Subsequent to designating
459.4 a home state, the individual shall only change their home state through application for
459.5 licensure in the new state.

459.6 ARTICLE VI

459.7 ADVERSE ACTIONS

459.8 (A) In addition to the other powers conferred by state law, a remote state shall have the
459.9 authority, in accordance with existing state due process law, to:

459.10 (1) take adverse action against an audiologist's or speech-language pathologist's privilege
459.11 to practice within that member state; and

459.12 (2) issue subpoenas for both hearings and investigations that require the attendance and
459.13 testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing
459.14 board in a member state for the attendance and testimony of witnesses or the production of
459.15 evidence from another member state shall be enforced in the latter state by any court of
459.16 competent jurisdiction, according to the practice and procedure of that court applicable to
459.17 subpoenas issued in proceedings pending before it. The issuing authority shall pay any
459.18 witness fees, travel expenses, mileage and other fees required by the service statutes of the
459.19 state in which the witnesses or evidence are located.

459.20 (B) Only the home state shall have the power to take adverse action against an
459.21 audiologist's or speech-language pathologist's license issued by the home state.

459.22 (C) For purposes of taking adverse action, the home state shall give the same priority
459.23 and effect to reported conduct received from a member state as it would if the conduct had
459.24 occurred within the home state. In so doing, the home state shall apply its own state laws
459.25 to determine appropriate action.

459.26 (D) The home state shall complete any pending investigations of an audiologist or
459.27 speech-language pathologist who changes primary state of residence during the course of
459.28 the investigations. The home state shall also have the authority to take appropriate action
459.29 and shall promptly report the conclusions of the investigations to the administrator of the
459.30 data system. The administrator of the data system shall promptly notify the new home state
459.31 of any adverse actions.

459.32 (E) If otherwise permitted by state law, the member state may recover from the affected
459.33 audiologist or speech-language pathologist the costs of investigations and disposition of

460.1 cases resulting from any adverse action taken against that audiologist or speech-language
460.2 pathologist.

460.3 (F) The member state may take adverse action based on the factual findings of the remote
460.4 state, provided that the member state follows the member state's own procedures for taking
460.5 the adverse action.

460.6 (G) Joint Investigations:

460.7 (1) In addition to the authority granted to a member state by its respective audiology or
460.8 speech-language pathology practice act or other applicable state law, any member state may
460.9 participate with other member states in joint investigations of licensees.

460.10 (2) Member states shall share any investigative, litigation, or compliance materials in
460.11 furtherance of any joint or individual investigation initiated under the Compact.

460.12 (H) If adverse action is taken by the home state against an audiologist's or
460.13 speech-language pathologist's license, the audiologist's or speech-language pathologist's
460.14 privilege to practice in all other member states shall be deactivated until all encumbrances
460.15 have been removed from the state license. All home state disciplinary orders that impose
460.16 adverse action against an audiologist's or speech-language pathologist's license shall include
460.17 a statement that the audiologist's or speech-language pathologist's privilege to practice is
460.18 deactivated in all member states during the pendency of the order.

460.19 (I) If a member state takes adverse action, it shall promptly notify the administrator of
460.20 the data system. The administrator of the data system shall promptly notify the home state
460.21 of any adverse actions by remote states.

460.22 (J) Nothing in this compact shall override a member state's decision that participation
460.23 in an alternative program may be used in lieu of adverse action.

460.24 ARTICLE VII

460.25 ESTABLISHMENT OF THE AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY
460.26 COMPACT COMMISSION

460.27 (A) The compact member states hereby create and establish a joint public agency known
460.28 as the Audiology and Speech-Language Pathology Compact Commission:

460.29 (1) The commission is an instrumentality of the compact states.

460.30 (2) Except as provided under paragraph (H), venue is proper and judicial proceedings
460.31 by or against the commission shall be brought solely and exclusively in a court of competent
460.32 jurisdiction where the principal office of the commission is located. The commission may

461.1 waive venue and jurisdictional defenses to the extent it adopts or consents to participate in
461.2 alternative dispute resolution proceedings.

461.3 (3) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

461.4 (B) Membership, Voting, and Meetings:

461.5 (1) Each member state shall have two delegates selected by that member state's licensing
461.6 board. The delegates shall be current members of the licensing board. One shall be an
461.7 audiologist and one shall be a speech-language pathologist.

461.8 (2) An additional five delegates, who are either a public member or board administrator
461.9 from a state licensing board, shall be chosen by the executive committee from a pool of
461.10 nominees provided by the commission at large.

461.11 (3) Any delegate may be removed or suspended from office as provided by the law of
461.12 the state from which the delegate is appointed.

461.13 (4) The member state board shall fill any vacancy occurring on the commission, within
461.14 90 days.

461.15 (5) Each delegate shall be entitled to one vote with regard to the promulgation of rules
461.16 and creation of bylaws and shall otherwise have an opportunity to participate in the business
461.17 and affairs of the commission.

461.18 (6) A delegate shall vote in person or by other means as provided in the bylaws. The
461.19 bylaws may provide for delegates' participation in meetings by telephone or other means
461.20 of communication.

461.21 (7) The commission shall meet at least once during each calendar year. Additional
461.22 meetings shall be held as set forth in the bylaws.

461.23 (C) The commission shall have the following powers and duties:

461.24 (1) establish the fiscal year of the commission;

461.25 (2) establish bylaws;

461.26 (3) establish a code of ethics;

461.27 (4) maintain its financial records in accordance with the bylaws;

461.28 (5) meet and take actions as are consistent with the provisions of this compact and the
461.29 bylaws;

- 462.1 (6) promulgate uniform rules to facilitate and coordinate implementation and
462.2 administration of this compact. The rules shall have the force and effect of law and shall
462.3 be binding in all member states;
- 462.4 (7) bring and prosecute legal proceedings or actions in the name of the commission,
462.5 provided that the standing of any state audiology or speech-language pathology licensing
462.6 board to sue or be sued under applicable law shall not be affected;
- 462.7 (8) purchase and maintain insurance and bonds;
- 462.8 (9) borrow, accept, or contract for services of personnel, including but not limited to
462.9 employees of a member state;
- 462.10 (10) hire employees, elect or appoint officers, fix compensation, define duties, grant
462.11 individuals appropriate authority to carry out the purposes of the compact, and establish the
462.12 commission's personnel policies and programs relating to conflicts of interest, qualifications
462.13 of personnel, and other related personnel matters;
- 462.14 (11) accept any and all appropriate donations and grants of money, equipment, supplies,
462.15 materials, and services and to receive, utilize, and dispose of the same; provided that at all
462.16 times the commission shall avoid any appearance of impropriety or conflict of interest;
- 462.17 (12) lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold,
462.18 improve, or use any property real, personal, or mixed; provided that at all times the
462.19 commission shall avoid any appearance of impropriety;
- 462.20 (13) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
462.21 any property real, personal, or mixed;
- 462.22 (14) establish a budget and make expenditures;
- 462.23 (15) borrow money;
- 462.24 (16) appoint committees, including standing committees composed of members and
462.25 other interested persons as may be designated in this compact and the bylaws;
- 462.26 (17) provide and receive information from, and cooperate with, law enforcement agencies;
- 462.27 (18) establish and elect an executive committee; and
- 462.28 (19) perform other functions as may be necessary or appropriate to achieve the purposes
462.29 of this compact consistent with the state regulation of audiology and speech-language
462.30 pathology licensure and practice.
- 462.31 (D) The Executive Committee:

463.1 The executive committee shall have the power to act on behalf of the commission
463.2 according to the terms of this compact. The executive committee shall be composed of ten
463.3 members:

463.4 (1) seven voting members who are elected by the commission from the current
463.5 membership of the commission;

463.6 (2) two ex officios, consisting of one nonvoting member from a recognized national
463.7 audiology professional association and one nonvoting member from a recognized national
463.8 speech-language pathology association; and

463.9 (3) one ex officio, nonvoting member from the recognized membership organization of
463.10 the audiology and speech-language pathology licensing boards.

463.11 (E) The ex officio members shall be selected by their respective organizations.

463.12 (1) The commission may remove any member of the executive committee as provided
463.13 in bylaws.

463.14 (2) The executive committee shall meet at least annually.

463.15 (3) The executive committee shall have the following duties and responsibilities:

463.16 (i) recommend to the entire commission changes to the rules or bylaws, changes to this
463.17 compact legislation, fees paid by compact member states such as annual dues, and any
463.18 commission compact fee charged to licensees for the compact privilege;

463.19 (ii) ensure compact administration services are appropriately provided, contractual or
463.20 otherwise;

463.21 (iii) prepare and recommend the budget;

463.22 (iv) maintain financial records on behalf of the commission;

463.23 (v) monitor compact compliance of member states and provide compliance reports to
463.24 the commission;

463.25 (vi) establish additional committees as necessary; and

463.26 (vii) other duties as provided in rules or bylaws.

463.27 (4) All meetings of the commission shall be open to the public and public notice of
463.28 meetings shall be given in the same manner as required under the rulemaking provisions in
463.29 Article IX.

464.1 (5) The commission or the executive committee or other committees of the commission
464.2 may convene in a closed, nonpublic meeting if the commission or executive committee or
464.3 other committees of the commission must discuss:

464.4 (i) noncompliance of a member state with its obligations under the compact;

464.5 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
464.6 related to specific employees or other matters related to the commission's internal personnel
464.7 practices and procedures;

464.8 (iii) current, threatened, or reasonably anticipated litigation;

464.9 (iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
464.10 estate;

464.11 (v) accusing any person of a crime or formally censuring any person;

464.12 (vi) disclosure of trade secrets or commercial or financial information that is privileged
464.13 or confidential;

464.14 (vii) disclosure of information of a personal nature where disclosure would constitute a
464.15 clearly unwarranted invasion of personal privacy;

464.16 (viii) disclosure of investigative records compiled for law enforcement purposes;

464.17 (ix) disclosure of information related to any investigative reports prepared by or on
464.18 behalf of or for use of the commission or other committee charged with responsibility of
464.19 investigation or determination of compliance issues pursuant to the compact; or

464.20 (x) matters specifically exempted from disclosure by federal or member state statute.

464.21 (6) If a meeting, or portion of a meeting, is closed pursuant to this provision, the
464.22 commission's legal counsel or designee shall certify that the meeting may be closed and
464.23 shall reference each relevant exempting provision.

464.24 (7) The commission shall keep minutes that fully and clearly describe all matters
464.25 discussed in a meeting and shall provide a full and accurate summary of actions taken, and
464.26 the reasons therefore, including a description of the views expressed. All documents
464.27 considered in connection with an action shall be identified in minutes. All minutes and
464.28 documents of a closed meeting shall remain under seal, subject to release by a majority vote
464.29 of the commission or order of a court of competent jurisdiction.

464.30 (8) Financing of the Commission:

465.1 (i) The commission shall pay, or provide for the payment of, the reasonable expenses
465.2 of its establishment, organization, and ongoing activities.

465.3 (ii) The commission may accept any and all appropriate revenue sources, donations, and
465.4 grants of money, equipment, supplies, materials, and services.

465.5 (iii) The commission may levy on and collect an annual assessment from each member
465.6 state or impose fees on other parties to cover the cost of the operations and activities of the
465.7 commission and its staff, which must be in a total amount sufficient to cover its annual
465.8 budget as approved each year for which revenue is not provided by other sources. The
465.9 aggregate annual assessment amount shall be allocated based upon a formula to be determined
465.10 by the commission, which shall promulgate a rule binding upon all member states.

465.11 (9) The commission shall not incur obligations of any kind prior to securing the funds
465.12 adequate to meet the same; nor shall the commission pledge the credit of any of the member
465.13 states, except by and with the authority of the member state.

465.14 (10) The commission shall keep accurate accounts of all receipts and disbursements.
465.15 The receipts and disbursements of the commission shall be subject to the audit and accounting
465.16 procedures established under its bylaws. However, all receipts and disbursements of funds
465.17 handled by the commission shall be audited yearly by a certified or licensed public
465.18 accountant, and the report of the audit shall be included in and become part of the annual
465.19 report of the commission.

465.20 (F) Qualified Immunity, Defense, and Indemnification:

465.21 (1) The members, officers, executive director, employees, and representatives of the
465.22 commission shall be immune from suit and liability, either personally or in their official
465.23 capacity, for any claim for damage to or loss of property or personal injury or other civil
465.24 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
465.25 or that the person against whom the claim is made had a reasonable basis for believing
465.26 occurred, within the scope of commission employment, duties, or responsibilities; provided
465.27 that nothing in this paragraph shall be construed to protect any person from suit or liability
465.28 for any damage, loss, injury, or liability caused by the intentional or willful or wanton
465.29 misconduct of that person.

465.30 (2) The commission shall defend any member, officer, executive director, employee, or
465.31 representative of the commission in any civil action seeking to impose liability arising out
465.32 of any actual or alleged act, error, or omission that occurred within the scope of commission
465.33 employment, duties, or responsibilities, or that the person against whom the claim is made
465.34 had a reasonable basis for believing occurred within the scope of commission employment,

466.1 duties, or responsibilities; provided that nothing herein shall be construed to prohibit that
466.2 person from retaining his or her own counsel; and provided further that the actual or alleged
466.3 act, error, or omission did not result from that person's intentional or willful or wanton
466.4 misconduct.

466.5 (3) The commission shall indemnify and hold harmless any member, officer, executive
466.6 director, employee, or representative of the commission for the amount of any settlement
466.7 or judgment obtained against that person arising out of any actual or alleged act, error, or
466.8 omission that occurred within the scope of commission employment, duties, or
466.9 responsibilities, or that person had a reasonable basis for believing occurred within the scope
466.10 of commission employment, duties, or responsibilities; provided that the actual or alleged
466.11 act, error, or omission did not result from the intentional or willful or wanton misconduct
466.12 of that person.

466.13 (G) Notwithstanding paragraph (F), clause (1), the liability of the executive director,
466.14 employees, or representatives of the interstate commission, acting within the scope of their
466.15 employment or duties, may not exceed the limits of liability set forth under the constitution
466.16 and laws of this state for state officials, employees, and agents. This paragraph expressly
466.17 incorporates section 3.736, and neither expands nor limits the rights and remedies provided
466.18 under that statute.

466.19 (H) Except for a claim alleging a violation of this compact, a claim against the
466.20 commission, its executive director, employees, or representatives alleging a violation of the
466.21 constitution and laws of this state may be brought in any county where the plaintiff resides.
466.22 Nothing in this paragraph creates a private right of action.

466.23 (I) Nothing in this compact shall be construed as a limitation on the liability of any
466.24 licensee for professional malpractice or misconduct, which shall be governed solely by any
466.25 other applicable state laws.

466.26 ARTICLE VIII

466.27 DATA SYSTEM

466.28 (A) The commission shall provide for the development, maintenance, and utilization of
466.29 a coordinated database and reporting system containing licensure, adverse action, and
466.30 investigative information on all licensed individuals in member states.

466.31 (B) Notwithstanding any other provision of state law to the contrary, a member state
466.32 shall submit a uniform data set to the data system on all individuals to whom this compact
466.33 is applicable as required by the rules of the commission, including:

- 467.1 (1) identifying information;
- 467.2 (2) licensure data;
- 467.3 (3) adverse actions against a license or compact privilege;
- 467.4 (4) nonconfidential information related to alternative program participation;
- 467.5 (5) any denial of application for licensure, and the reason or reasons for denial; and
- 467.6 (6) other information that may facilitate the administration of this compact, as determined
- 467.7 by the rules of the commission.
- 467.8 (C) Investigative information pertaining to a licensee in any member state shall only be
- 467.9 available to other member states.
- 467.10 (D) The commission shall promptly notify all member states of any adverse action taken
- 467.11 against a licensee or an individual applying for a license. Adverse action information
- 467.12 pertaining to a licensee in any member state shall be available to any other member state.
- 467.13 (E) Member states contributing information to the data system may designate information
- 467.14 that may not be shared with the public without the express permission of the contributing
- 467.15 state.
- 467.16 (F) Any information submitted to the data system that is subsequently required to be
- 467.17 expunged by the laws of the member state contributing the information shall be removed
- 467.18 from the data system.

467.19 ARTICLE IX

467.20 RULEMAKING

- 467.21 (A) The commission shall exercise its rulemaking powers pursuant to the criteria set
- 467.22 forth in this article and the rules adopted thereunder. Rules and amendments shall become
- 467.23 binding as of the date specified in each rule or amendment.
- 467.24 (B) If a majority of the legislatures of the member states rejects a rule, by enactment of
- 467.25 a statute or resolution in the same manner used to adopt the compact within four years of
- 467.26 the date of adoption of the rule, the rule shall have no further force and effect in any member
- 467.27 state.
- 467.28 (C) Rules or amendments to the rules shall be adopted at a regular or special meeting
- 467.29 of the commission.

468.1 (D) Prior to promulgation and adoption of a final rule or rules by the commission, and
468.2 at least 30 days in advance of the meeting at which the rule shall be considered and voted
468.3 upon, the commission shall file a notice of proposed rulemaking:

468.4 (1) on the website of the commission or other publicly accessible platform; and

468.5 (2) on the website of each member state audiology or speech-language pathology licensing
468.6 board or other publicly accessible platform or the publication in which each state would
468.7 otherwise publish proposed rules.

468.8 (E) The notice of proposed rulemaking shall include:

468.9 (1) the proposed time, date, and location of the meeting in which the rule shall be
468.10 considered and voted upon;

468.11 (2) the text of the proposed rule or amendment and the reason for the proposed rule;

468.12 (3) a request for comments on the proposed rule from any interested person; and

468.13 (4) the manner in which interested persons may submit notice to the commission of their
468.14 intention to attend the public hearing and any written comments.

468.15 (F) Prior to the adoption of a proposed rule, the commission shall allow persons to submit
468.16 written data, facts, opinions, and arguments, which shall be made available to the public.

468.17 (G) The commission shall grant an opportunity for a public hearing before it adopts a
468.18 rule or amendment if a hearing is requested by:

468.19 (1) at least 25 persons;

468.20 (2) a state or federal governmental subdivision or agency; or

468.21 (3) an association having at least 25 members.

468.22 (H) If a hearing is held on the proposed rule or amendment, the commission shall publish
468.23 the place, time, and date of the scheduled public hearing. If the hearing is held via electronic
468.24 means, the commission shall publish the mechanism for access to the electronic hearing.

468.25 (1) All persons wishing to be heard at the hearing shall notify the executive director of
468.26 the commission or other designated member in writing of their desire to appear and testify
468.27 at the hearing not less than five business days before the scheduled date of the hearing.

468.28 (2) Hearings shall be conducted in a manner providing each person who wishes to
468.29 comment a fair and reasonable opportunity to comment orally or in writing.

468.30 (3) All hearings shall be recorded. A copy of the recording shall be made available on
468.31 request.

469.1 (4) Nothing in this Article shall be construed as requiring a separate hearing on each
469.2 rule. Rules may be grouped for the convenience of the commission at hearings required by
469.3 this Article.

469.4 (I) Following the scheduled hearing date, or by the close of business on the scheduled
469.5 hearing date if the hearing was not held, the commission shall consider all written and oral
469.6 comments received.

469.7 (J) If no written notice of intent to attend the public hearing by interested parties is
469.8 received, the commission may proceed with promulgation of the proposed rule without a
469.9 public hearing.

469.10 (K) The commission shall, by majority vote of all members, take final action on the
469.11 proposed rule and shall determine the effective date of the rule, if any, based on the
469.12 rulemaking record and the full text of the rule.

469.13 (L) Upon determination that an emergency exists, the commission may consider and
469.14 adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided
469.15 that the usual rulemaking procedures provided in the compact and in this Article shall be
469.16 retroactively applied to the rule as soon as reasonably possible, in no event later than 90
469.17 days after the effective date of the rule. For the purposes of this provision, an emergency
469.18 rule is one that must be adopted immediately in order to:

469.19 (1) meet an imminent threat to public health, safety, or welfare;

469.20 (2) prevent a loss of commission or member state funds; or

469.21 (3) meet a deadline for the promulgation of an administrative rule that is established by
469.22 federal law or rule.

469.23 (M) The commission or an authorized committee of the commission may direct revisions
469.24 to a previously adopted rule or amendment for purposes of correcting typographical errors,
469.25 errors in format, errors in consistency, or grammatical errors. Public notice of any revisions
469.26 shall be posted on the website of the commission. The revision shall be subject to challenge
469.27 by any person for a period of 30 days after posting. The revision may be challenged only
469.28 on grounds that the revision results in a material change to a rule. A challenge shall be made
469.29 in writing and delivered to the chair of the commission prior to the end of the notice period.
469.30 If no challenge is made, the revision shall take effect without further action. If the revision
469.31 is challenged, the revision may not take effect without the approval of the commission.

469.32 ARTICLE X

469.33 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

470.1 (A) Dispute Resolution:

470.2 (1) Upon request by a member state, the commission shall attempt to resolve disputes
470.3 related to the compact that arise among member states and between member and nonmember
470.4 states.

470.5 (2) The commission shall promulgate a rule providing for both mediation and binding
470.6 dispute resolution for such disputes as appropriate.

470.7 (B) Enforcement:

470.8 (1) The commission, in the reasonable exercise of its discretion, shall enforce the
470.9 provisions and rules of this compact.

470.10 (2) By majority vote, the commission may initiate legal action in the United States
470.11 District Court for the District of Columbia or the federal district where the commission has
470.12 its principal offices against a member state in default to enforce compliance with the
470.13 provisions of the compact and its promulgated rules and bylaws. The relief sought may
470.14 include both injunctive relief and damages. In the event judicial enforcement is necessary,
470.15 the prevailing member shall be awarded all costs of litigation, including reasonable attorney's
470.16 fees.

470.17 (3) The remedies herein shall not be the exclusive remedies of the commission. The
470.18 commission may pursue any other remedies available under federal or state law.

470.19 ARTICLE XI

470.20 DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR
470.21 AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY PRACTICE AND
470.22 ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

470.23 (A) The compact shall come into effect on the date on which the compact statute is
470.24 enacted into law in the tenth member state. The provisions, which become effective at that
470.25 time, shall be limited to the powers granted to the commission relating to assembly and the
470.26 promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking
470.27 powers necessary to the implementation and administration of the compact.

470.28 (B) Any state that joins the compact subsequent to the commission's initial adoption of
470.29 the rules shall be subject to the rules as they exist on the date on which the compact becomes
470.30 law in that state. Any rule that has been previously adopted by the commission shall have
470.31 the full force and effect of law on the day the compact becomes law in that state.

471.1 (C) Any member state may withdraw from this compact by enacting a statute repealing
471.2 the same.

471.3 (1) A member state's withdrawal shall not take effect until six months after enactment
471.4 of the repealing statute.

471.5 (2) Withdrawal shall not affect the continuing requirement of the withdrawing state's
471.6 audiology or speech-language pathology licensing board to comply with the investigative
471.7 and adverse action reporting requirements of this compact prior to the effective date of
471.8 withdrawal.

471.9 (D) Nothing contained in this compact shall be construed to invalidate or prevent any
471.10 audiology or speech-language pathology licensure agreement or other cooperative
471.11 arrangement between a member state and a nonmember state that does not conflict with the
471.12 provisions of this compact.

471.13 (E) This compact may be amended by the member states. No amendment to this compact
471.14 shall become effective and binding upon any member state until it is enacted into the laws
471.15 of all member states.

471.16 ARTICLE XII

471.17 CONSTRUCTION AND SEVERABILITY

471.18 This compact shall be liberally construed so as to effectuate the purposes thereof. The
471.19 provisions of this compact shall be severable and if any phrase, clause, sentence, or provision
471.20 of this compact is declared to be contrary to the constitution of any member state or of the
471.21 United States or the applicability thereof to any government, agency, person, or circumstance
471.22 is held invalid, the validity of the remainder of this compact and the applicability thereof
471.23 to any government, agency, person, or circumstance shall not be affected thereby. If this
471.24 compact shall be held contrary to the constitution of any member state, the compact shall
471.25 remain in full force and effect as to the remaining member states and in full force and effect
471.26 as to the member state affected as to all severable matters.

471.27 ARTICLE XIII

471.28 BINDING EFFECT OF COMPACT AND OTHER LAWS

471.29 (A) Nothing herein prevents the enforcement of any other law of a member state that is
471.30 not inconsistent with the compact.

471.31 (B) All laws in a member state in conflict with the compact are superseded to the extent
471.32 of the conflict.

472.1 (C) All lawful actions of the commission, including all rules and bylaws promulgated
 472.2 by the commission, are binding upon the member states.

472.3 (D) All agreements between the commission and the member states are binding in
 472.4 accordance with their terms.

472.5 (E) In the event any provision of the compact exceeds the constitutional limits imposed
 472.6 on the legislature of any member state, the provision shall be ineffective to the extent of the
 472.7 conflict with the constitutional provision in question in that member state.

472.8 **Sec. 2. [148.5186] APPLICATION OF AUDIOLOGY AND SPEECH-LANGUAGE**
 472.9 **PATHOLOGY INTERSTATE COMPACT TO EXISTING LAWS.**

472.10 Subdivision 1. **Rulemaking.** Rules developed by the Audiology and Speech-Language
 472.11 Pathology Compact Commission under section 148.5185 are not subject to sections 14.05
 472.12 to 14.389.

472.13 Subd. 2. **Background studies.** The commissioner of health is authorized to require an
 472.14 audiologist or speech-language pathologist licensed in Minnesota as the home state to submit
 472.15 to a criminal history background check under section 144.0572.

ARTICLE 31

DENTIST AND DENTAL HYGIENIST COMPACT

472.16
 472.17
 472.18 Section 1. **[150A.051] DENTIST AND DENTAL HYGIENIST COMPACT.**

472.19 The dentist and dental hygienist compact is enacted into law and entered into with all
 472.20 other jurisdictions legally joining in the compact in the form substantially specified in this
 472.21 section.

ARTICLE I

TITLE

472.22
 472.23
 472.24 This statute shall be known and cited as the dentist and dental hygienist compact.

ARTICLE II

DEFINITIONS

472.25
 472.26
 472.27 As used in this compact, unless the context requires otherwise, the following definitions
 472.28 shall apply:

472.29 (A) "Active military member" means any person with full-time duty status in the armed
 472.30 forces of the United States including members of the National Guard and Reserve.

473.1 (B) "Adverse action" means disciplinary action or encumbrance imposed on a license
473.2 or compact privilege by a state licensing authority.

473.3 (C) "Alternative program" means a nondisciplinary monitoring or practice remediation
473.4 process applicable to a dentist or dental hygienist approved by a state licensing authority
473.5 of a participating state in which the dentist or dental hygienist is licensed. This includes but
473.6 is not limited to programs to which licensees with substance abuse or addiction issues are
473.7 referred in lieu of adverse action.

473.8 (D) "Clinical assessment" means examination or process, required for licensure as a
473.9 dentist or dental hygienist as applicable, that provides evidence of clinical competence in
473.10 dentistry or dental hygiene.

473.11 (E) "Commissioner" means the individual appointed by a participating state to serve as
473.12 the member of the commission for that participating state.

473.13 (F) "Compact" means this dentist and dental hygienist compact.

473.14 (G) "Compact privilege" means the authorization granted by a remote state to allow a
473.15 licensee from a participating state to practice as a dentist or dental hygienist in a remote
473.16 state.

473.17 (H) "Continuing professional development" means a requirement as a condition of license
473.18 renewal to provide evidence of successful participation in educational or professional
473.19 activities relevant to practice or area of work.

473.20 (I) "Criminal background check" means the submission of fingerprints or other
473.21 biometric-based information for a license applicant for the purpose of obtaining that
473.22 applicant's criminal history record information, as defined in Code of Federal Regulations,
473.23 title 28, section 20.3(d), from the Federal Bureau of Investigation and the state's criminal
473.24 history record repository as defined in Code of Federal Regulations, title 28, section 20.3(f).

473.25 (J) "Data system" means the commission's repository of information about licensees,
473.26 including but not limited to examination, licensure, investigative, compact privilege, adverse
473.27 action, and alternative program.

473.28 (K) "Dental hygienist" means an individual who is licensed by a state licensing authority
473.29 to practice dental hygiene.

473.30 (L) "Dentist" means an individual who is licensed by a state licensing authority to practice
473.31 dentistry.

474.1 (M) "Dentist and dental hygienist compact commission" or "commission" means a joint
474.2 government agency established by this compact comprised of each state that has enacted
474.3 the compact and a national administrative body comprised of a commissioner from each
474.4 state that has enacted the compact.

474.5 (N) "Encumbered license" means a license that a state licensing authority has limited in
474.6 any way other than through an alternative program.

474.7 (O) "Executive board" means the chair, vice chair, secretary, and treasurer and any other
474.8 commissioners as may be determined by commission rule or bylaw.

474.9 (P) "Jurisprudence requirement" means the assessment of an individual's knowledge of
474.10 the laws and rules governing the practice of dentistry or dental hygiene, as applicable, in a
474.11 state.

474.12 (Q) "License" means current authorization by a state, other than authorization pursuant
474.13 to a compact privilege, or other privilege, for an individual to practice as a dentist or dental
474.14 hygienist in that state.

474.15 (R) "Licensee" means an individual who holds an unrestricted license from a participating
474.16 state to practice as a dentist or dental hygienist in that state.

474.17 (S) "Model compact" means the model for the dentist and dental hygienist compact on
474.18 file with the council of state governments or other entity as designated by the commission.

474.19 (T) "Participating state" means a state that has enacted the compact and been admitted
474.20 to the commission in accordance with the provisions herein and commission rules.

474.21 (U) "Qualifying license" means a license that is not an encumbered license issued by a
474.22 participating state to practice dentistry or dental hygiene.

474.23 (V) "Remote state" means a participating state where a licensee who is not licensed as
474.24 a dentist or dental hygienist is exercising or seeking to exercise the compact privilege.

474.25 (W) "Rule" means a regulation promulgated by an entity that has the force of law.

474.26 (X) "Scope of practice" means the procedures, actions, and processes a dentist or dental
474.27 hygienist licensed in a state is permitted to undertake in that state and the circumstances
474.28 under which the licensee is permitted to undertake those procedures, actions, and processes.
474.29 Such procedures, actions, and processes and the circumstances under which they may be
474.30 undertaken may be established through means, including but not limited to statute,
474.31 regulations, case law, and other processes available to the state licensing authority or other
474.32 government agency.

475.1 (Y) "Significant investigative information" means information, records, and documents
475.2 received or generated by a state licensing authority pursuant to an investigation for which
475.3 a determination has been made that there is probable cause to believe that the licensee has
475.4 violated a statute or regulation that is considered more than a minor infraction for which
475.5 the state licensing authority could pursue adverse action against the licensee.

475.6 (Z) "State" means any state, commonwealth, district, or territory of the United States of
475.7 America that regulates the practices of dentistry and dental hygiene.

475.8 (AA) "State licensing authority" means an agency or other entity of a state that is
475.9 responsible for the licensing and regulation of dentists or dental hygienists.

475.10 ARTICLE III

475.11 STATE PARTICIPATION IN THE COMPACT

475.12 (A) In order to join the compact and thereafter continue as a participating state, a state
475.13 must:

475.14 (1) enact a compact that is not materially different from the model compact as determined
475.15 in accordance with commission rules;

475.16 (2) participate fully in the commission's data system;

475.17 (3) have a mechanism in place for receiving and investigating complaints about its
475.18 licensees and license applicants;

475.19 (4) notify the commission, in compliance with the terms of the compact and commission
475.20 rules, of any adverse action or the availability of significant investigative information
475.21 regarding a licensee and license applicant;

475.22 (5) fully implement a criminal background check requirement, within a time frame
475.23 established by commission rule, by receiving the results of a qualifying criminal background
475.24 check;

475.25 (6) comply with the commission rules applicable to a participating state;

475.26 (7) accept the national board examinations of the joint commission on national dental
475.27 examinations or another examination accepted by commission rule as a licensure
475.28 examination;

475.29 (8) accept for licensure that applicants for a dentist license graduate from a predoctoral
475.30 dental education program accredited by the Commission on Dental Accreditation, or another
475.31 accrediting agency recognized by the United States Department of Education for the

476.1 accreditation of dentistry and dental hygiene education programs, leading to the Doctor of
476.2 Dental Surgery (D.D.S.) or Doctor of Dental Medicine (D.M.D.) degree;

476.3 (9) accept for licensure that applicants for a dental hygienist license graduate from a
476.4 dental hygiene education program accredited by the Commission on Dental Accreditation
476.5 or another accrediting agency recognized by the United States Department of Education for
476.6 the accreditation of dentistry and dental hygiene education programs;

476.7 (10) require for licensure that applicants successfully complete a clinical assessment;

476.8 (11) have continuing professional development requirements as a condition for license
476.9 renewal; and

476.10 (12) pay a participation fee to the commission as established by commission rule.

476.11 (B) Providing alternative pathways for an individual to obtain an unrestricted license
476.12 does not disqualify a state from participating in the compact.

476.13 (C) When conducting a criminal background check, the state licensing authority shall:

476.14 (1) consider that information in making a licensure decision;

476.15 (2) maintain documentation of completion of the criminal background check and
476.16 background check information to the extent allowed by state and federal law; and

476.17 (3) report to the commission whether it has completed the criminal background check
476.18 and whether the individual was granted or denied a license.

476.19 (D) A licensee of a participating state who has a qualifying license in that state and does
476.20 not hold an encumbered license in any other participating state, shall be issued a compact
476.21 privilege in a remote state in accordance with the terms of the compact and commission
476.22 rules. If a remote state has a jurisprudence requirement a compact privilege will not be
476.23 issued to the licensee unless the licensee has satisfied the jurisprudence requirement.

476.24 ARTICLE IV

476.25 COMPACT PRIVILEGE

476.26 (A) To obtain and exercise the compact privilege under the terms and provisions of the
476.27 compact, the licensee shall:

476.28 (1) have a qualifying license as a dentist or dental hygienist in a participating state;

476.29 (2) be eligible for a compact privilege in any remote state in accordance with (D), (G),
476.30 and (H) of this article;

476.31 (3) submit to an application process whenever the licensee is seeking a compact privilege;

477.1 (4) pay any applicable commission and remote state fees for a compact privilege in the
477.2 remote state;

477.3 (5) meet any jurisprudence requirement established by a remote state in which the licensee
477.4 is seeking a compact privilege;

477.5 (6) have passed a National Board Examination of the Joint Commission on National
477.6 Dental Examinations or another examination accepted by commission rule;

477.7 (7) for a dentist, have graduated from a predoctoral dental education program accredited
477.8 by the Commission on Dental Accreditation, or another accrediting agency recognized by
477.9 the United States Department of Education for the accreditation of dentistry and dental
477.10 hygiene education programs, leading to the Doctor of Dental Surgery (D.D.S.) or Doctor
477.11 of Dental Medicine (D.M.D.) degree;

477.12 (8) for a dental hygienist, have graduated from a dental hygiene education program
477.13 accredited by the Commission on Dental Accreditation or another accrediting agency
477.14 recognized by the United States Department of Education for the accreditation of dentistry
477.15 and dental hygiene education programs;

477.16 (9) have successfully completed a clinical assessment for licensure;

477.17 (10) report to the commission adverse action taken by any nonparticipating state when
477.18 applying for a compact privilege and, otherwise, within 30 days from the date the adverse
477.19 action is taken;

477.20 (11) report to the commission when applying for a compact privilege the address of the
477.21 licensee's primary residence and thereafter immediately report to the commission any change
477.22 in the address of the licensee's primary residence; and

477.23 (12) consent to accept service of process by mail at the licensee's primary residence on
477.24 record with the commission with respect to any action brought against the licensee by the
477.25 commission or a participating state, and consent to accept service of a subpoena by mail at
477.26 the licensee's primary residence on record with the commission with respect to any action
477.27 brought or investigation conducted by the commission or a participating state.

477.28 (B) The licensee must comply with the requirements of (A) of this article to maintain
477.29 the compact privilege in the remote state. If those requirements are met, the compact privilege
477.30 will continue as long as the licensee maintains a qualifying license in the state through which
477.31 the licensee applied for the compact privilege and pays any applicable compact privilege
477.32 renewal fees.

478.1 (C) A licensee providing dentistry or dental hygiene in a remote state under the compact
478.2 privilege shall function within the scope of practice authorized by the remote state for a
478.3 dentist or dental hygienist licensed in that state.

478.4 (D) A licensee providing dentistry or dental hygiene pursuant to a compact privilege in
478.5 a remote state is subject to that state's regulatory authority. A remote state may, in accordance
478.6 with due process and that state's laws, by adverse action revoke or remove a licensee's
478.7 compact privilege in the remote state for a specific period of time and impose fines or take
478.8 any other necessary actions to protect the health and safety of its citizens. If a remote state
478.9 imposes an adverse action against a compact privilege that limits the compact privilege,
478.10 that adverse action applies to all compact privileges in all remote states. A licensee whose
478.11 compact privilege in a remote state is removed for a specified period of time is not eligible
478.12 for a compact privilege in any other remote state until the specific time for removal of the
478.13 compact privilege has passed and all encumbrance requirements are satisfied.

478.14 (E) If a license in a participating state is an encumbered license, the licensee shall lose
478.15 the compact privilege in a remote state and shall not be eligible for a compact privilege in
478.16 any remote state until the license is no longer encumbered.

478.17 (F) Once an encumbered license in a participating state is restored to good standing, the
478.18 licensee must meet the requirements of (A) of this article to obtain a compact privilege in
478.19 a remote state.

478.20 (G) If a licensee's compact privilege in a remote state is removed by the remote state,
478.21 the individual shall lose or be ineligible for the compact privilege in any remote state until
478.22 the following occur:

478.23 (1) the specific period of time for which the compact privilege was removed has ended;
478.24 and

478.25 (2) all conditions for removal of the compact privilege have been satisfied.

478.26 (H) Once the requirements of (G) of this article have been met, the licensee must meet
478.27 the requirements in (A) of this article to obtain a compact privilege in a remote state.

478.28 ARTICLE V

478.29 ACTIVE MILITARY MEMBER OR THEIR SPOUSES

478.30 An active military member and their spouse shall not be required to pay to the commission
478.31 for a compact privilege the fee otherwise charged by the commission. If a remote state
478.32 chooses to charge a fee for a compact privilege, it may choose to charge a reduced fee or
478.33 no fee to an active military member and their spouse for a compact privilege.

ARTICLE VIADVERSE ACTIONS

479.1
479.2
479.3 (A) A participating state in which a licensee is licensed shall have exclusive authority
479.4 to impose adverse action against the qualifying license issued by that participating state.

479.5 (B) A participating state may take adverse action based on the significant investigative
479.6 information of a remote state, so long as the participating state follows its own procedures
479.7 for imposing adverse action.

479.8 (C) Nothing in this compact shall override a participating state's decision that participation
479.9 in an alternative program may be used in lieu of adverse action and that such participation
479.10 shall remain nonpublic if required by the participating state's laws. Participating states must
479.11 require licensees who enter any alternative program in lieu of discipline to agree not to
479.12 practice pursuant to a compact privilege in any other participating state during the term of
479.13 the alternative program without prior authorization from such other participating state.

479.14 (D) Any participating state in which a licensee is applying to practice or is practicing
479.15 pursuant to a compact privilege may investigate actual or alleged violations of the statutes
479.16 and regulations authorizing the practice of dentistry or dental hygiene in any other
479.17 participating state in which the dentist or dental hygienist holds a license or compact
479.18 privilege.

479.19 (E) A remote state shall have the authority to:

479.20 (1) take adverse actions as set forth in article IV, (D), against a licensee's compact
479.21 privilege in the state;

479.22 (2) in furtherance of its rights and responsibilities under the compact and the commission's
479.23 rules issue subpoenas for both hearings and investigations that require the attendance and
479.24 testimony of witnesses, and the production of evidence. Subpoenas issued by a state licensing
479.25 authority in a participating state for the attendance and testimony of witnesses, or the
479.26 production of evidence from another participating state, shall be enforced in the latter state
479.27 by any court of competent jurisdiction, according to the practice and procedure of that court
479.28 applicable to subpoenas issued in proceedings pending before it. The issuing authority shall
479.29 pay any witness fees, travel expenses, mileage, and other fees required by the service statutes
479.30 of the state where the witnesses or evidence are located; and

479.31 (3) if otherwise permitted by state law, recover from the licensee the costs of
479.32 investigations and disposition of cases resulting from any adverse action taken against that
479.33 licensee.

480.1 (F) Joint Investigations:

480.2 (1) In addition to the authority granted to a participating state by its dentist or dental
480.3 hygienist licensure act or other applicable state law, a participating state may jointly
480.4 investigate licensees with other participating states.

480.5 (2) Participating states shall share any significant investigative information, litigation,
480.6 or compliance materials in furtherance of any joint or individual investigation initiated under
480.7 the compact.

480.8 (G) Authority to Continue Investigation:

480.9 (1) After a licensee's compact privilege in a remote state is terminated, the remote state
480.10 may continue an investigation of the licensee that began when the licensee had a compact
480.11 privilege in that remote state.

480.12 (2) If the investigation yields what would be significant investigative information had
480.13 the licensee continued to have a compact privilege in that remote state, the remote state
480.14 shall report the presence of such information to the data system as required by article VIII,
480.15 (B), (6), as if it was significant investigative information.

480.16 ARTICLE VII

480.17 ESTABLISHMENT AND OPERATION OF THE COMMISSION

480.18 (A) The compact participating states hereby create and establish a joint government
480.19 agency whose membership consists of all participating states that have enacted the compact.
480.20 The commission is an instrumentality of the participating states acting jointly and not an
480.21 instrumentality of any one state. The commission shall come into existence on or after the
480.22 effective date of the compact as set forth in article XI, (A).

480.23 (B) Participation, Voting, and Meetings:

480.24 (1) Each participating state shall have and be limited to one commissioner selected by
480.25 that participating state's state licensing authority or, if the state has more than one state
480.26 licensing authority, selected collectively by the state licensing authorities.

480.27 (2) The commissioner shall be a member or designee of such authority or authorities.

480.28 (3) The commission may by rule or bylaw establish a term of office for commissioners
480.29 and may by rule or bylaw establish term limits.

480.30 (4) The commission may recommend to a state licensing authority or authorities, as
480.31 applicable, removal or suspension of an individual as the state's commissioner.

481.1 (5) A participating state's state licensing authority or authorities, as applicable, shall fill
481.2 any vacancy of its commissioner on the commission within 60 days of the vacancy.

481.3 (6) Each commissioner shall be entitled to one vote on all matters that are voted upon
481.4 by the commission.

481.5 (7) The commission shall meet at least once during each calendar year. Additional
481.6 meetings may be held as set forth in the bylaws. The commission may meet by
481.7 telecommunication, video conference, or other similar electronic means.

481.8 (C) The commission shall have the following powers:

481.9 (1) establish the fiscal year of the commission;

481.10 (2) establish a code of conduct and conflict of interest policies;

481.11 (3) adopt rules and bylaws;

481.12 (4) maintain its financial records in accordance with the bylaws;

481.13 (5) meet and take such actions as are consistent with the provisions of this compact, the
481.14 commission's rules, and the bylaws;

481.15 (6) initiate and conclude legal proceedings or actions in the name of the commission,
481.16 provided that the standing of any state licensing authority to sue or be sued under applicable
481.17 law shall not be affected;

481.18 (7) maintain and certify records and information provided to a participating state as the
481.19 authenticated business records of the commission, and designate a person to do so on the
481.20 commission's behalf;

481.21 (8) purchase and maintain insurance and bonds;

481.22 (9) borrow, accept, or contract for services of personnel, including but not limited to
481.23 employees of a participating state;

481.24 (10) conduct an annual financial review;

481.25 (11) hire employees, elect or appoint officers, fix compensation, define duties, grant
481.26 such individuals appropriate authority to carry out the purposes of the compact, and establish
481.27 the commission's personnel policies and programs relating to conflicts of interest,
481.28 qualifications of personnel, and other related personnel matters;

481.29 (12) as set forth in the commission rules, charge a fee to a licensee for the grant of a
481.30 compact privilege in a remote state and thereafter, as may be established by commission
481.31 rule, charge the licensee a compact privilege renewal fee for each renewal period in which

482.1 that licensee exercises or intends to exercise the compact privilege in that remote state.
482.2 Nothing herein shall be construed to prevent a remote state from charging a licensee a fee
482.3 for a compact privilege or renewals of a compact privilege, or a fee for the jurisprudence
482.4 requirement if the remote state imposes such a requirement for the grant of a compact
482.5 privilege;

482.6 (13) accept any and all appropriate gifts, donations, grants of money, other sources of
482.7 revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of
482.8 the same; provided that at all times the commission shall avoid any appearance of impropriety
482.9 and conflict of interest;

482.10 (14) lease, purchase, retain, own, hold, improve, or use any property real, personal, or
482.11 mixed, or any undivided interest therein;

482.12 (15) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
482.13 any property real, personal, or mixed;

482.14 (16) establish a budget and make expenditures;

482.15 (17) borrow money;

482.16 (18) appoint committees, including standing committees, which may be composed of
482.17 members, state regulators, state legislators or their representatives, and consumer
482.18 representatives, and such other interested persons as may be designated in this compact and
482.19 the bylaws;

482.20 (19) provide and receive information from, and cooperate with, law enforcement agencies;

482.21 (20) elect a chair, vice chair, secretary, and treasurer and such other officers of the
482.22 commission as provided in the commission's bylaws;

482.23 (21) establish and elect an executive board;

482.24 (22) adopt and provide to the participating states an annual report;

482.25 (23) determine whether a state's enacted compact is materially different from the model
482.26 compact language such that the state would not qualify for participation in the compact;
482.27 and

482.28 (24) perform such other functions as may be necessary or appropriate to achieve the
482.29 purposes of this compact.

482.30 (D) Meetings of the Commission:

483.1 (1) All meetings of the commission that are not closed pursuant to (D)(4) of this article
483.2 shall be open to the public. Notice of public meetings shall be posted on the commission's
483.3 website at least 30 days prior to the public meeting.

483.4 (2) Notwithstanding (D)(1) of this article, the commission may convene an emergency
483.5 public meeting by providing at least 24 hours prior notice on the commission's website, and
483.6 any other means as provided in the commission's rules, for any of the reasons it may dispense
483.7 with notice of proposed rulemaking under article IX, (L). The commission's legal counsel
483.8 shall certify that one of the reasons justifying an emergency public meeting has been met.

483.9 (3) Notice of all commission meetings shall provide the time, date, and location of the
483.10 meeting, and if the meeting is to be held or accessible via telecommunication, video
483.11 conference, or other electronic means, the notice shall include the mechanism for access to
483.12 the meeting through such means.

483.13 (4) The commission may convene in a closed, nonpublic meeting for the commission
483.14 to receive legal advice or to discuss:

483.15 (i) noncompliance of a participating state with its obligations under the compact;

483.16 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
483.17 related to specific employees or other matters related to the commission's internal personnel
483.18 practices and procedures;

483.19 (iii) current or threatened discipline of a licensee or compact privilege holder by the
483.20 commission or by a participating state's licensing authority;

483.21 (iv) current, threatened, or reasonably anticipated litigation;

483.22 (v) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
483.23 estate;

483.24 (vi) accusing any person of a crime or formally censuring any person;

483.25 (vii) trade secrets or commercial or financial information that is privileged or confidential;

483.26 (viii) information of a personal nature where disclosure would constitute a clearly
483.27 unwarranted invasion of personal privacy;

483.28 (ix) investigative records compiled for law enforcement purposes;

483.29 (x) information related to any investigative reports prepared by or on behalf of or for
483.30 use of the commission or other committee charged with responsibility of investigation or
483.31 determination of compliance issues pursuant to the compact;

484.1 (xi) legal advice;

484.2 (xii) matters specifically exempted from disclosure to the public by federal or participating
484.3 state law; and

484.4 (xiii) other matters as promulgated by the commission by rule.

484.5 (5) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that
484.6 the meeting will be closed and reference each relevant exempting provision, and such
484.7 reference shall be recorded in the minutes.

484.8 (6) The commission shall keep minutes that fully and clearly describe all matters
484.9 discussed in a meeting and shall provide a full and accurate summary of actions taken, and
484.10 the reasons therefore, including a description of the views expressed. All documents
484.11 considered in connection with an action shall be identified in such minutes. All minutes and
484.12 documents of a closed meeting shall remain under seal, subject to release only by a majority
484.13 vote of the commission or order of a court of competent jurisdiction.

484.14 (E) Financing of the Commission:

484.15 (1) The commission shall pay, or provide for the payment of, the reasonable expenses
484.16 of its establishment, organization, and ongoing activities.

484.17 (2) The commission may accept any and all appropriate sources of revenue, donations,
484.18 and grants of money, equipment, supplies, materials, and services.

484.19 (3) The commission may levy on and collect an annual assessment from each participating
484.20 state and impose fees on licensees of participating states when a compact privilege is granted
484.21 to cover the cost of the operations and activities of the commission and its staff, which must
484.22 be in a total amount sufficient to cover its annual budget as approved each fiscal year for
484.23 which sufficient revenue is not provided by other sources. The aggregate annual assessment
484.24 amount for participating states shall be allocated based upon a formula that the commission
484.25 shall promulgate by rule.

484.26 (4) The commission shall not incur obligations of any kind prior to securing the funds
484.27 adequate to meet the same; nor shall the commission pledge the credit of any participating
484.28 state, except by and with the authority of the participating state.

484.29 (5) The commission shall keep accurate accounts of all receipts and disbursements. The
484.30 receipts and disbursements of the commission shall be subject to the financial review and
484.31 accounting procedures established under the commission's bylaws. All receipts and
484.32 disbursements of funds handled by the commission shall be subject to an annual financial

485.1 review by a certified or licensed public accountant, and the report of the financial review
485.2 shall be included in and become part of the annual report of the commission.

485.3 (F) The Executive Board:

485.4 (1) The executive board shall have the power to act on behalf of the commission according
485.5 to the terms of this compact. The powers, duties, and responsibilities of the executive board
485.6 shall include:

485.7 (i) overseeing the day-to-day activities of the administration of the compact including
485.8 compliance with the provisions of the compact and the commission's rules and bylaws;

485.9 (ii) recommending to the commission changes to the rules or bylaws, changes to this
485.10 compact legislation, fees charged to compact participating states, fees charged to licensees,
485.11 and other fees;

485.12 (iii) ensuring compact administration services are appropriately provided, including by
485.13 contract;

485.14 (iv) preparing and recommending the budget;

485.15 (v) maintaining financial records on behalf of the commission;

485.16 (vi) monitoring compact compliance of participating states and providing compliance
485.17 reports to the commission;

485.18 (vii) establishing additional committees as necessary;

485.19 (viii) exercising the powers and duties of the commission during the interim between
485.20 commission meetings, except for adopting or amending rules, adopting or amending bylaws,
485.21 and exercising any other powers and duties expressly reserved to the commission by rule
485.22 or bylaw; and

485.23 (ix) other duties as provided in the rules or bylaws of the commission.

485.24 (2) The executive board shall be composed of up to seven members:

485.25 (i) the chair, vice chair, secretary, and treasurer of the commission and any other members
485.26 of the commission who serve on the executive board shall be voting members of the executive
485.27 board; and

485.28 (ii) other than the chair, vice chair, secretary, and treasurer, the commission may elect
485.29 up to three voting members from the current membership of the commission.

485.30 (3) The commission may remove any member of the executive board as provided in the
485.31 commission's bylaws.

486.1 (4) The executive board shall meet at least annually.

486.2 (i) An executive board meeting at which it takes or intends to take formal action on a
486.3 matter shall be open to the public, except that the executive board may meet in a closed,
486.4 nonpublic session of a public meeting when dealing with any of the matters covered under
486.5 (D)(4) of this article.

486.6 (ii) The executive board shall give five business days' notice of its public meetings,
486.7 posted on its website and as it may otherwise determine to provide notice to persons with
486.8 an interest in the public matters the executive board intends to address at those meetings.

486.9 (5) The executive board may hold an emergency meeting when acting for the commission
486.10 to:

486.11 (i) meet an imminent threat to public health, safety, or welfare;

486.12 (ii) prevent a loss of commission or participating state funds; or

486.13 (iii) protect public health and safety.

486.14 (G) Qualified Immunity, Defense, and Indemnification:

486.15 (1) The members, officers, executive director, employees, and representatives of the
486.16 commission shall be immune from suit and liability, both personally and in their official
486.17 capacity, for any claim for damage to or loss of property or personal injury or other civil
486.18 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
486.19 or that the person against whom the claim is made had a reasonable basis for believing
486.20 occurred within the scope of commission employment, duties, or responsibilities; provided
486.21 that nothing in this paragraph shall be construed to protect any such person from suit or
486.22 liability for any damage, loss, injury, or liability caused by the intentional or willful or
486.23 wanton misconduct of that person. The procurement of insurance of any type by the
486.24 commission shall not in any way compromise or limit the immunity granted hereunder.

486.25 (2) The commission shall defend any member, officer, executive director, employee, or
486.26 representative of the commission in any civil action seeking to impose liability arising out
486.27 of any actual or alleged act, error, or omission that occurred within the scope of commission
486.28 employment, duties, or responsibilities, or as determined by the commission that the person
486.29 against whom the claim is made had a reasonable basis for believing occurred within the
486.30 scope of commission employment, duties, or responsibilities; provided that nothing herein
486.31 shall be construed to prohibit that person from retaining their own counsel at their own
486.32 expense; and provided further that the actual or alleged act, error, or omission did not result
486.33 from that person's intentional or willful or wanton misconduct.

487.1 (3) Notwithstanding (G)(1) of this article, should any member, officer, executive director,
487.2 employee, or representative of the commission be held liable for the amount of any settlement
487.3 or judgment arising out of any actual or alleged act, error, or omission that occurred within
487.4 the scope of that individual's employment, duties, or responsibilities for the commission,
487.5 or that the person to whom that individual is liable had a reasonable basis for believing
487.6 occurred within the scope of the individual's employment, duties, or responsibilities for the
487.7 commission, the commission shall indemnify and hold harmless such individual; provided
487.8 that the actual or alleged act, error, or omission did not result from the intentional or willful
487.9 or wanton misconduct of the individual.

487.10 (4) Nothing herein shall be construed as a limitation on the liability of any licensee for
487.11 professional malpractice or misconduct, which shall be governed solely by any other
487.12 applicable state laws.

487.13 (5) Nothing in this compact shall be interpreted to waive or otherwise abrogate a
487.14 participating state's state action immunity or state action affirmative defense with respect
487.15 to antitrust claims under the Sherman Act, Clayton Act, or any other state or federal antitrust
487.16 or anticompetitive law or regulation.

487.17 (6) Nothing in this compact shall be construed to be a waiver of sovereign immunity by
487.18 the participating states or by the commission.

487.19 (H) Notwithstanding paragraph (G), clause (1), of this article, the liability of the executive
487.20 director, employees, or representatives of the interstate commission, acting within the scope
487.21 of their employment or duties, may not exceed the limits of liability set forth under the
487.22 constitution and laws of this state for state officials, employees, and agents. This paragraph
487.23 expressly incorporates section 3.736, and neither expands nor limits the rights and remedies
487.24 provided under that statute.

487.25 (I) Except for a claim alleging a violation of this compact, a claim against the commission,
487.26 its executive director, employees, or representatives alleging a violation of the constitution
487.27 and laws of this state may be brought in any county where the plaintiff resides. Nothing in
487.28 this paragraph creates a private right of action.

487.29 (J) Nothing in this compact shall be construed as a limitation on the liability of any
487.30 licensee for professional malpractice or misconduct, which shall be governed solely by any
487.31 other applicable state laws.

487.32 ARTICLE VIII

487.33 DATA SYSTEM

488.1 (A) The commission shall provide for the development, maintenance, operation, and
488.2 utilization of a coordinated database and reporting system containing licensure, adverse
488.3 action, and the presence of significant investigative information on all licensees and
488.4 applicants for a license in participating states.

488.5 (B) Notwithstanding any other provision of state law to the contrary, a participating state
488.6 shall submit a uniform data set to the data system on all individuals to whom this compact
488.7 is applicable as required by the rules of the commission, including:

488.8 (1) identifying information;

488.9 (2) licensure data;

488.10 (3) adverse actions against a licensee, license applicant, or compact privilege and
488.11 information related thereto;

488.12 (4) nonconfidential information related to alternative program participation, the beginning
488.13 and ending dates of such participation, and other information related to such participation;

488.14 (5) any denial of an application for licensure, and the reasons for such denial, excluding
488.15 the reporting of any criminal history record information where prohibited by law;

488.16 (6) the presence of significant investigative information; and

488.17 (7) other information that may facilitate the administration of this compact or the
488.18 protection of the public, as determined by the rules of the commission.

488.19 (C) The records and information provided to a participating state pursuant to this compact
488.20 or through the data system, when certified by the commission or an agent thereof, shall
488.21 constitute the authenticated business records of the commission, and shall be entitled to any
488.22 associated hearsay exception in any relevant judicial, quasi-judicial, or administrative
488.23 proceedings in a participating state.

488.24 (D) Significant investigative information pertaining to a licensee in any participating
488.25 state will only be available to other participating states.

488.26 (E) It is the responsibility of the participating states to monitor the database to determine
488.27 whether adverse action has been taken against a licensee or license applicant. Adverse action
488.28 information pertaining to a licensee or license applicant in any participating state will be
488.29 available to any other participating state.

488.30 (F) Participating states contributing information to the data system may designate
488.31 information that may not be shared with the public without the express permission of the
488.32 contributing state.

489.1 (G) Any information submitted to the data system that is subsequently expunged pursuant
489.2 to federal law or the laws of the participating state contributing the information shall be
489.3 removed from the data system.

489.4 ARTICLE IX

489.5 RULEMAKING

489.6 (A) The commission shall promulgate reasonable rules in order to effectively and
489.7 efficiently implement and administer the purposes and provisions of the compact. A
489.8 commission rule shall be invalid and have no force or effect only if a court of competent
489.9 jurisdiction holds that the rule is invalid because the commission exercised its rulemaking
489.10 authority in a manner that is beyond the scope and purposes of the compact, or the powers
489.11 granted hereunder, or based upon another applicable standard of review.

489.12 (B) The rules of the commission shall have the force of law in each participating state,
489.13 provided that where the rules of the commission conflict with the laws of the participating
489.14 state that establish the participating state's scope of practice as held by a court of competent
489.15 jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the
489.16 conflict.

489.17 (C) The commission shall exercise its rulemaking powers pursuant to the criteria set
489.18 forth in this article and the rules adopted thereunder. Rules shall become binding as of the
489.19 date specified by the commission for each rule.

489.20 (D) If a majority of the legislatures of the participating states rejects a commission rule
489.21 or portion of a commission rule, by enactment of a statute or resolution in the same manner
489.22 used to adopt the compact, within four years of the date of adoption of the rule, then such
489.23 rule shall have no further force and effect in any participating state or to any state applying
489.24 to participate in the compact.

489.25 (E) Rules shall be adopted at a regular or special meeting of the commission.

489.26 (F) Prior to adoption of a proposed rule, the commission shall hold a public hearing and
489.27 allow persons to provide oral and written comments, data, facts, opinions, and arguments.

489.28 (G) Prior to adoption of a proposed rule by the commission, and at least 30 days in
489.29 advance of the meeting at which the commission will hold a public hearing on the proposed
489.30 rule, the commission shall provide a notice of proposed rulemaking:

489.31 (1) on the website of the commission or other publicly accessible platform;

490.1 (2) to persons who have requested notice of the commission's notices of proposed
490.2 rulemaking; and

490.3 (3) in such other ways as the commission may by rule specify.

490.4 (H) The notice of proposed rulemaking shall include:

490.5 (1) the time, date, and location of the public hearing at which the commission will hear
490.6 public comments on the proposed rule and, if different, the time, date, and location of the
490.7 meeting where the commission will consider and vote on the proposed rule;

490.8 (2) if the hearing is held via telecommunication, video conference, or other electronic
490.9 means, the commission shall include the mechanism for access to the hearing in the notice
490.10 of proposed rulemaking;

490.11 (3) the text of the proposed rule and the reason therefor;

490.12 (4) a request for comments on the proposed rule from any interested person; and

490.13 (5) the manner in which interested persons may submit written comments.

490.14 (I) All hearings will be recorded. A copy of the recording and all written comments and
490.15 documents received by the commission in response to the proposed rule shall be available
490.16 to the public.

490.17 (J) Nothing in this article shall be construed as requiring a separate hearing on each
490.18 commission rule. Rules may be grouped for the convenience of the commission at hearings
490.19 required by this article.

490.20 (K) The commission shall, by majority vote of all commissioners, take final action on
490.21 the proposed rule based on the rulemaking record.

490.22 (1) The commission may adopt changes to the proposed rule provided the changes do
490.23 not enlarge the original purpose of the proposed rule.

490.24 (2) The commission shall provide an explanation of the reasons for substantive changes
490.25 made to the proposed rule as well as reasons for substantive changes not made that were
490.26 recommended by commenters.

490.27 (3) The commission shall determine a reasonable effective date for the rule. Except for
490.28 an emergency as provided in (L) of this article, the effective date of the rule shall be no
490.29 sooner than 30 days after the commission issuing the notice that it adopted or amended the
490.30 rule.

491.1 (L) Upon determination that an emergency exists, the commission may consider and
491.2 adopt an emergency rule with 24 hours' notice, with opportunity to comment, provided that
491.3 the usual rulemaking procedures provided in the compact and in this article shall be
491.4 retroactively applied to the rule as soon as reasonably possible, in no event later than 90
491.5 days after the effective date of the rule. For the purposes of this provision, an emergency
491.6 rule is one that must be adopted immediately in order to:

491.7 (1) meet an imminent threat to public health, safety, or welfare;

491.8 (2) prevent a loss of commission or participating state funds;

491.9 (3) meet a deadline for the promulgation of a rule that is established by federal law or
491.10 rule; or

491.11 (4) protect public health and safety.

491.12 (M) The commission or an authorized committee of the commission may direct revisions
491.13 to a previously adopted rule for purposes of correcting typographical errors, errors in format,
491.14 errors in consistency, or grammatical errors. Public notice of any revisions shall be posted
491.15 on the website of the commission. The revision shall be subject to challenge by any person
491.16 for a period of 30 days after posting. The revision may be challenged only on grounds that
491.17 the revision results in a material change to a rule. A challenge shall be made in writing and
491.18 delivered to the commission prior to the end of the notice period. If no challenge is made,
491.19 the revision will take effect without further action. If the revision is challenged, the revision
491.20 may not take effect without the approval of the commission.

491.21 (N) No participating state's rulemaking requirements shall apply under this compact.

491.22 ARTICLE X

491.23 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

491.24 (A) Oversight:

491.25 (1) The executive and judicial branches of state government in each participating state
491.26 shall enforce this compact and take all actions necessary and appropriate to implement the
491.27 compact.

491.28 (2) Except as provided under article VII, paragraph (I), venue is proper and judicial
491.29 proceedings by or against the commission shall be brought solely and exclusively in a court
491.30 of competent jurisdiction where the principal office of the commission is located. The
491.31 commission may waive venue and jurisdictional defenses to the extent it adopts or consents
491.32 to participate in alternative dispute resolution proceedings. Nothing herein shall affect or

492.1 limit the selection or propriety of venue in any action against a licensee for professional
492.2 malpractice, misconduct, or any such similar matter.

492.3 (3) The commission shall be entitled to receive service of process in any proceeding
492.4 regarding the enforcement or interpretation of the compact or commission rule and shall
492.5 have standing to intervene in such a proceeding for all purposes. Failure to provide the
492.6 commission service of process shall render a judgment or order void as to the commission,
492.7 this compact, or the promulgated rules.

492.8 (B) Default, Technical Assistance, and Termination:

492.9 (1) If the commission determines that a participating state has defaulted in the
492.10 performance of its obligations or responsibilities under this compact or the promulgated
492.11 rules, the commission shall provide written notice to the defaulting state. The notice of
492.12 default shall describe the default, the proposed means of curing the default, and any other
492.13 action that the commission may take, and shall offer training and specific technical assistance
492.14 regarding the default.

492.15 (2) The commission shall provide a copy of the notice of default to the other participating
492.16 states.

492.17 (C) If a state in default fails to cure the default, the defaulting state may be terminated
492.18 from the compact upon an affirmative vote of a majority of the commissioners, and all
492.19 rights, privileges, and benefits conferred on that state by this compact may be terminated
492.20 on the effective date of termination. A cure of the default does not relieve the offending
492.21 state of obligations or liabilities incurred during the period of default.

492.22 (D) Termination of participation in the compact shall be imposed only after all other
492.23 means of securing compliance have been exhausted. Notice of intent to suspend or terminate
492.24 shall be given by the commission to the governor, the majority and minority leaders of the
492.25 defaulting state's legislature, the defaulting state's state licensing authority or authorities,
492.26 as applicable, and each of the participating states' state licensing authority or authorities, as
492.27 applicable.

492.28 (E) A state that has been terminated is responsible for all assessments, obligations, and
492.29 liabilities incurred through the effective date of termination, including obligations that
492.30 extend beyond the effective date of termination.

492.31 (F) Upon the termination of a state's participation in this compact, that state shall
492.32 immediately provide notice to all licensees of the state, including licensees of other
492.33 participating states issued a compact privilege to practice within that state, of such

493.1 termination. The terminated state shall continue to recognize all compact privileges then in
493.2 effect in that state for a minimum of 180 days after the date of said notice of termination.

493.3 (G) The commission shall not bear any costs related to a state that is found to be in
493.4 default or that has been terminated from the compact, unless agreed upon in writing between
493.5 the commission and the defaulting state.

493.6 (H) The defaulting state may appeal the action of the commission by petitioning the
493.7 United States District Court for the District of Columbia or the federal district where the
493.8 commission has its principal offices. The prevailing party shall be awarded all costs of such
493.9 litigation, including reasonable attorney fees.

493.10 (I) Dispute Resolution:

493.11 (1) Upon request by a participating state, the commission shall attempt to resolve disputes
493.12 related to the compact that arise among participating states and between participating states
493.13 and nonparticipating states.

493.14 (2) The commission shall promulgate a rule providing for both mediation and binding
493.15 dispute resolution for disputes as appropriate.

493.16 (J) Enforcement:

493.17 (1) The commission, in the reasonable exercise of its discretion, shall enforce the
493.18 provisions of this compact and the commission's rules.

493.19 (2) By majority vote, the commission may initiate legal action against a participating
493.20 state in default in the United States District Court for the District of Columbia or the federal
493.21 district where the commission has its principal offices to enforce compliance with the
493.22 provisions of the compact and its promulgated rules. The relief sought may include both
493.23 injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing
493.24 party shall be awarded all costs of such litigation, including reasonable attorney fees. The
493.25 remedies herein shall not be the exclusive remedies of the commission. The commission
493.26 may pursue any other remedies available under federal or the defaulting participating state's
493.27 law.

493.28 (3) A participating state may initiate legal action against the commission in the United
493.29 States District Court for the District of Columbia or the federal district where the commission
493.30 has its principal offices to enforce compliance with the provisions of the compact and its
493.31 promulgated rules. The relief sought may include both injunctive relief and damages. In the
493.32 event judicial enforcement is necessary, the prevailing party shall be awarded all costs of
493.33 such litigation, including reasonable attorney fees.

494.1 (4) No individual or entity other than a participating state may enforce this compact
494.2 against the commission.

494.3 ARTICLE XI

494.4 EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

494.5 (A) The compact shall come into effect on the date on which the compact statute is
494.6 enacted into law in the seventh participating state.

494.7 (1) On or after the effective date of the compact, the commission shall convene and
494.8 review the enactment of each of the states that enacted the compact prior to the commission
494.9 convening ("charter participating states") to determine if the statute enacted by each such
494.10 charter participating state is materially different than the model compact.

494.11 (i) A charter participating state whose enactment is found to be materially different from
494.12 the model compact shall be entitled to the default process set forth in article X.

494.13 (ii) If any participating state is later found to be in default, or is terminated or withdraws
494.14 from the compact, the commission shall remain in existence and the compact shall remain
494.15 in effect even if the number of participating states should be less than seven.

494.16 (2) Participating states enacting the compact subsequent to the charter participating states
494.17 shall be subject to the process set forth in article VII, (C)(23), to determine if their enactments
494.18 are materially different from the model compact and whether they qualify for participation
494.19 in the compact.

494.20 (3) All actions taken for the benefit of the commission or in furtherance of the purposes
494.21 of the administration of the compact prior to the effective date of the compact or the
494.22 commission coming into existence shall be considered to be actions of the commission
494.23 unless specifically repudiated by the commission.

494.24 (4) Any state that joins the compact subsequent to the commission's initial adoption of
494.25 the rules and bylaws shall be subject to the commission's rules and bylaws as they exist on
494.26 the date on which the compact becomes law in that state. Any rule that has been previously
494.27 adopted by the commission shall have the full force and effect of law on the day the compact
494.28 becomes law in that state.

494.29 (B) Any participating state may withdraw from this compact by enacting a statute
494.30 repealing that state's enactment of the compact.

494.31 (1) A participating state's withdrawal shall not take effect until 180 days after enactment
494.32 of the repealing statute.

495.1 (2) Withdrawal shall not affect the continuing requirement of the withdrawing state's
495.2 licensing authority or authorities to comply with the investigative and adverse action reporting
495.3 requirements of this compact prior to the effective date of withdrawal.

495.4 (3) Upon the enactment of a statute withdrawing from this compact, the state shall
495.5 immediately provide notice of such withdrawal to all licensees within that state.
495.6 Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing
495.7 state shall continue to recognize all compact privileges to practice within that state granted
495.8 pursuant to this compact for a minimum of 180 days after the date of such notice of
495.9 withdrawal.

495.10 (C) Nothing contained in this compact shall be construed to invalidate or prevent any
495.11 licensure agreement or other cooperative arrangement between a participating state and a
495.12 nonparticipating state that does not conflict with the provisions of this compact.

495.13 (D) This compact may be amended by the participating states. No amendment to this
495.14 compact shall become effective and binding upon any participating state until it is enacted
495.15 into the laws of all participating states.

495.16 ARTICLE XII

495.17 CONSTRUCTION AND SEVERABILITY

495.18 (A) This compact and the commission's rulemaking authority shall be liberally construed
495.19 so as to effectuate the purposes and the implementation and administration of the compact.
495.20 Provisions of the compact expressly authorizing or requiring the promulgation of rules shall
495.21 not be construed to limit the commission's rulemaking authority solely for those purposes.

495.22 (B) The provisions of this compact shall be severable and if any phrase, clause, sentence,
495.23 or provision of this compact is held by a court of competent jurisdiction to be contrary to
495.24 the constitution of any participating state, a state seeking participation in the compact, or
495.25 of the United States, or the applicability thereof to any government, agency, person, or
495.26 circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity
495.27 of the remainder of this compact and the applicability thereof to any other government,
495.28 agency, person, or circumstance shall not be affected thereby.

495.29 (C) Notwithstanding (B) of this article, the commission may deny a state's participation
495.30 in the compact or, in accordance with the requirements of article X, (B), terminate a
495.31 participating state's participation in the compact, if it determines that a constitutional
495.32 requirement of a participating state is a material departure from the compact. Otherwise, if
495.33 this compact shall be held to be contrary to the constitution of any participating state, the

496.1 compact shall remain in full force and effect as to the remaining participating states and in
496.2 full force and effect as to the participating state affected as to all severable matters.

496.3 ARTICLE XIII

496.4 CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

496.5 (A) Nothing herein shall prevent or inhibit the enforcement of any other law of a
496.6 participating state that is not inconsistent with the compact.

496.7 (B) Any laws, statutes, regulations, or other legal requirements in a participating state
496.8 in conflict with the compact are superseded to the extent of the conflict.

496.9 (C) All permissible agreements between the commission and the participating states are
496.10 binding in accordance with their terms.

496.11 ARTICLE 32

496.12 SOCIAL WORK SERVICES LICENSURE COMPACT

496.13 Section 1. [148E.40] TITLE.

496.14 Sections 148E.40 to 148E.55 shall be known and cited as the social work services
496.15 licensure compact.

496.16 Sec. 2. [148E.41] DEFINITIONS.

496.17 As used in this Compact, and except as otherwise provided, the following definitions
496.18 shall apply:

496.19 (1) "Active military member" means any individual with full-time duty status in the
496.20 active armed forces of the United States, including members of the National Guard and
496.21 Reserve.

496.22 (2) "Adverse action" means any administrative, civil, equitable, or criminal action
496.23 permitted by a state's laws which is imposed by a licensing authority or other authority
496.24 against a regulated social worker, including actions against an individual's license or
496.25 multistate authorization to practice such as revocation, suspension, probation, monitoring
496.26 of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure
496.27 affecting a regulated social worker's authorization to practice, including issuance of a cease
496.28 and desist action.

496.29 (3) "Alternative program" means a nondisciplinary monitoring or practice remediation
496.30 process approved by a licensing authority to address practitioners with an impairment.

497.1 (4) "Charter member states" means member states who have enacted legislation to adopt
497.2 this Compact where such legislation predates the effective date of this Compact as described
497.3 in section 148E.53.

497.4 (5) "Compact" means sections 148E.40 to 148E.55.

497.5 (6) "Compact Commission" or "Commission" means the government agency whose
497.6 membership consists of all States that have enacted this Compact, which is known as the
497.7 Social Work Licensure Compact Commission, as described in section 148E.49, and which
497.8 shall operate as an instrumentality of the member states.

497.9 (7) "Current significant investigative information" means:

497.10 (i) investigative information that a licensing authority, after a preliminary inquiry that
497.11 includes notification and an opportunity for the regulated social worker to respond, has
497.12 reason to believe is not groundless and, if proved true, would indicate more than a minor
497.13 infraction as may be defined by the Commission; or

497.14 (ii) investigative information that indicates that the regulated social worker represents
497.15 an immediate threat to public health and safety, as may be defined by the Commission,
497.16 regardless of whether the regulated social worker has been notified and has had an
497.17 opportunity to respond.

497.18 (8) "Data system" means a repository of information about licensees, including continuing
497.19 education, examinations, licensure, current significant investigative information, disqualifying
497.20 events, multistate licenses, and adverse action information or other information as required
497.21 by the Commission.

497.22 (9) "Disqualifying event" means any adverse action or incident which results in an
497.23 encumbrance that disqualifies or makes the licensee ineligible to obtain, retain, or renew a
497.24 multistate license.

497.25 (10) "Domicile" means the jurisdiction in which the licensee resides and intends to
497.26 remain indefinitely.

497.27 (11) "Encumbrance" means a revocation or suspension of, or any limitation on, the full
497.28 and unrestricted practice of social work licensed and regulated by a licensing authority.

497.29 (12) "Executive Committee" means a group of delegates elected or appointed to act on
497.30 behalf of, and within the powers granted to them by, the Compact and Commission.

497.31 (13) "Home state" means the member state that is the licensee's primary domicile.

498.1 (14) "Impairment" means a condition that may impair a practitioner's ability to engage
498.2 in full and unrestricted practice as a regulated social worker without some type of intervention
498.3 and may include alcohol and drug dependence, mental health impairment, and neurological
498.4 or physical impairments.

498.5 (15) "Licensee" means an individual who currently holds a license from a state to practice
498.6 as a regulated social worker.

498.7 (16) "Licensing authority" means the board or agency of a member state, or equivalent,
498.8 that is responsible for the licensing and regulation of regulated social workers.

498.9 (17) "Member state" means a state, commonwealth, district, or territory of the United
498.10 States of America that has enacted this Compact.

498.11 (18) "Multistate authorization to practice" means a legally authorized privilege to practice,
498.12 which is equivalent to a license, associated with a multistate license permitting the practice
498.13 of social work in a remote state.

498.14 (19) "Multistate license" means a license to practice as a regulated social worker issued
498.15 by a home state licensing authority that authorizes the regulated social worker to practice
498.16 in all member states under multistate authorization to practice.

498.17 (20) "Qualifying national exam" means a national licensing examination approved by
498.18 the Commission.

498.19 (21) "Regulated social worker" means any clinical, master's, or bachelor's social worker
498.20 licensed by a member state regardless of the title used by that member state.

498.21 (22) "Remote state" means a member state other than the licensee's home state.

498.22 (23) "Rule" or "rule of the Commission" means a regulation or regulations duly
498.23 promulgated by the Commission, as authorized by the Compact, that has the force of law.

498.24 (24) "Single state license" means a social work license issued by any state that authorizes
498.25 practice only within the issuing state and does not include multistate authorization to practice
498.26 in any member state.

498.27 (25) "Social work" or "social work services" means the application of social work theory,
498.28 knowledge, methods, ethics, and the professional use of self to restore or enhance social,
498.29 psychosocial, or biopsychosocial functioning of individuals, couples, families, groups,
498.30 organizations, and communities through the care and services provided by a regulated social
498.31 worker as set forth in the member state's statutes and regulations in the state where the
498.32 services are being provided.

499.1 (26) "State" means any state, commonwealth, district, or territory of the United States
499.2 of America that regulates the practice of social work.

499.3 (27) "Unencumbered license" means a license that authorizes a regulated social worker
499.4 to engage in the full and unrestricted practice of social work.

499.5 **Sec. 3. [148E.42] STATE PARTICIPATION IN THE COMPACT.**

499.6 (a) To be eligible to participate in the compact, a potential member state must currently
499.7 meet all of the following criteria:

499.8 (1) license and regulate the practice of social work at either the clinical, master's, or
499.9 bachelor's category;

499.10 (2) require applicants for licensure to graduate from a program that:

499.11 (i) is operated by a college or university recognized by the licensing authority;

499.12 (ii) is accredited, or in candidacy by an institution that subsequently becomes accredited,
499.13 by an accrediting agency recognized by either:

499.14 (A) the Council for Higher Education Accreditation, or its successor; or

499.15 (B) the United States Department of Education; and

499.16 (iii) corresponds to the licensure sought as outlined in section 148E.43;

499.17 (3) require applicants for clinical licensure to complete a period of supervised practice;
499.18 and

499.19 (4) have a mechanism in place for receiving, investigating, and adjudicating complaints
499.20 about licensees.

499.21 (b) To maintain membership in the Compact, a member state shall:

499.22 (1) require that applicants for a multistate license pass a qualifying national exam for
499.23 the corresponding category of multistate license sought as outlined in section 148E.43;

499.24 (2) participate fully in the Commission's data system, including using the Commission's
499.25 unique identifier as defined in rules;

499.26 (3) notify the Commission, in compliance with the terms of the Compact and rules, of
499.27 any adverse action or the availability of current significant investigative information regarding
499.28 a licensee;

499.29 (4) implement procedures for considering the criminal history records of applicants for
499.30 a multistate license. Such procedures shall include the submission of fingerprints or other

500.1 biometric-based information by applicants for the purpose of obtaining an applicant's criminal
500.2 history record information from the Federal Bureau of Investigation and the agency
500.3 responsible for retaining that state's criminal records;

500.4 (5) comply with the rules of the Commission;

500.5 (6) require an applicant to obtain or retain a license in the home state and meet the home
500.6 state's qualifications for licensure or renewal of licensure, as well as all other applicable
500.7 home state laws;

500.8 (7) authorize a licensee holding a multistate license in any member state to practice in
500.9 accordance with the terms of the Compact and rules of the Commission; and

500.10 (8) designate a delegate to participate in the Commission meetings.

500.11 (c) A member state meeting the requirements of paragraphs (a) and (b) shall designate
500.12 the categories of social work licensure that are eligible for issuance of a multistate license
500.13 for applicants in such member state. To the extent that any member state does not meet the
500.14 requirements for participation in the Compact at any particular category of social work
500.15 licensure, such member state may choose but is not obligated to issue a multistate license
500.16 to applicants that otherwise meet the requirements of section 148E.43 for issuance of a
500.17 multistate license in such category or categories of licensure.

500.18 (d) The home state may charge a fee for granting the multistate license.

500.19 **Sec. 4. [148E.43] SOCIAL WORKER PARTICIPATION IN THE COMPACT.**

500.20 (a) To be eligible for a multistate license under the terms and provisions of the Compact,
500.21 an applicant, regardless of category, must:

500.22 (1) hold or be eligible for an active, unencumbered license in the home state;

500.23 (2) pay any applicable fees, including any state fee, for the multistate license;

500.24 (3) submit, in connection with an application for a multistate license, fingerprints or
500.25 other biometric data for the purpose of obtaining criminal history record information from
500.26 the Federal Bureau of Investigation and the agency responsible for retaining that state's
500.27 criminal records;

500.28 (4) notify the home state of any adverse action, encumbrance, or restriction on any
500.29 professional license taken by any member state or nonmember state within 30 days from
500.30 the date the action is taken;

500.31 (5) meet any continuing competence requirements established by the home state; and

501.1 (6) abide by the laws, regulations, and applicable standards in the member state where
501.2 the client is located at the time care is rendered.

501.3 (b) An applicant for a clinical-category multistate license must meet all of the following
501.4 requirements:

501.5 (1) fulfill a competency requirement, which shall be satisfied by either:

501.6 (i) passage of a clinical-category qualifying national exam;

501.7 (ii) licensure of the applicant in their home state at the clinical category, beginning prior
501.8 to such time as a qualifying national exam was required by the home state and accompanied
501.9 by a period of continuous social work licensure thereafter, all of which may be further
501.10 governed by the rules of the Commission; or

501.11 (iii) the substantial equivalency of the foregoing competency requirements which the
501.12 Commission may determine by rule;

501.13 (2) attain at least a master's degree in social work from a program that is:

501.14 (i) operated by a college or university recognized by the licensing authority; and

501.15 (ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting
501.16 agency recognized by either:

501.17 (A) the Council for Higher Education Accreditation or its successor; or

501.18 (B) the United States Department of Education; and

501.19 (3) fulfill a practice requirement, which shall be satisfied by demonstrating completion
501.20 of:

501.21 (i) a period of postgraduate supervised clinical practice equal to a minimum of 3,000
501.22 hours;

501.23 (ii) a minimum of two years of full-time postgraduate supervised clinical practice; or

501.24 (iii) the substantial equivalency of the foregoing practice requirements which the
501.25 Commission may determine by rule.

501.26 (c) An applicant for a master's-category multistate license must meet all of the following
501.27 requirements:

501.28 (1) fulfill a competency requirement, which shall be satisfied by either:

501.29 (i) passage of a masters-category qualifying national exam;

502.1 (ii) licensure of the applicant in their home state at the master's category, beginning prior
502.2 to such time as a qualifying national exam was required by the home state at the master's
502.3 category and accompanied by a continuous period of social work licensure thereafter, all
502.4 of which may be further governed by the rules of the Commission; or

502.5 (iii) the substantial equivalency of the foregoing competency requirements which the
502.6 Commission may determine by rule; and

502.7 (2) attain at least a master's degree in social work from a program that is:

502.8 (i) operated by a college or university recognized by the licensing authority; and

502.9 (ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting
502.10 agency recognized by either:

502.11 (A) the Council for Higher Education Accreditation or its successor; or

502.12 (B) the United States Department of Education.

502.13 (d) An applicant for a bachelor's-category multistate license must meet all of the following
502.14 requirements:

502.15 (1) fulfill a competency requirement, which shall be satisfied by either:

502.16 (i) passage of a bachelor's-category qualifying national exam;

502.17 (ii) licensure of the applicant in their home state at the bachelor's category, beginning
502.18 prior to such time as a qualifying national exam was required by the home state and
502.19 accompanied by a period of continuous social work licensure thereafter, all of which may
502.20 be further governed by the rules of the Commission; or

502.21 (iii) the substantial equivalency of the foregoing competency requirements which the
502.22 Commission may determine by rule; and

502.23 (2) attain at least a bachelor's degree in social work from a program that is:

502.24 (i) operated by a college or university recognized by the licensing authority; and

502.25 (ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting
502.26 agency recognized by either:

502.27 (A) the Council for Higher Education Accreditation or its successor; or

502.28 (B) the United States Department of Education.

503.1 (e) The multistate license for a regulated social worker is subject to the renewal
503.2 requirements of the home state. The regulated social worker must maintain compliance with
503.3 the requirements of paragraph (a) to be eligible to renew a multistate license.

503.4 (f) The regulated social worker's services in a remote state are subject to that member
503.5 state's regulatory authority. A remote state may, in accordance with due process and that
503.6 member state's laws, remove a regulated social worker's multistate authorization to practice
503.7 in the remote state for a specific period of time, impose fines, and take any other necessary
503.8 actions to protect the health and safety of its citizens.

503.9 (g) If a multistate license is encumbered, the regulated social worker's multistate
503.10 authorization to practice shall be deactivated in all remote states until the multistate license
503.11 is no longer encumbered.

503.12 (h) If a multistate authorization to practice is encumbered in a remote state, the regulated
503.13 social worker's multistate authorization to practice may be deactivated in that state until the
503.14 multistate authorization to practice is no longer encumbered.

503.15 **Sec. 5. [148E.44] ISSUANCE OF A MULTISTATE LICENSE.**

503.16 (a) Upon receipt of an application for multistate license, the home state licensing authority
503.17 shall determine the applicant's eligibility for a multistate license in accordance with section
503.18 148E.43.

503.19 (b) If such applicant is eligible pursuant to section 148E.43, the home state licensing
503.20 authority shall issue a multistate license that authorizes the applicant or regulated social
503.21 worker to practice in all member states under a multistate authorization to practice.

503.22 (c) Upon issuance of a multistate license, the home state licensing authority shall designate
503.23 whether the regulated social worker holds a multistate license in the bachelor's, master's,
503.24 or clinical category of social work.

503.25 (d) A multistate license issued by a home state to a resident in that state shall be
503.26 recognized by all Compact member states as authorizing social work practice under a
503.27 multistate authorization to practice corresponding to each category of licensure regulated
503.28 in each member state.

503.29 **Sec. 6. [148E.45] AUTHORITY OF INTERSTATE COMPACT COMMISSION**
503.30 **AND MEMBER STATE LICENSING AUTHORITIES.**

503.31 (a) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit,
503.32 restrict, or in any way reduce the ability of a member state to enact and enforce laws,

504.1 regulations, or other rules related to the practice of social work in that state, where those
504.2 laws, regulations, or other rules are not inconsistent with the provisions of this Compact.

504.3 (b) Nothing in this Compact shall affect the requirements established by a member state
504.4 for the issuance of a single state license.

504.5 (c) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit,
504.6 restrict, or in any way reduce the ability of a member state to take adverse action against a
504.7 licensee's single state license to practice social work in that state.

504.8 (d) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit,
504.9 restrict, or in any way reduce the ability of a remote state to take adverse action against a
504.10 licensee's multistate authorization to practice in that state.

504.11 (e) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit,
504.12 restrict, or in any way reduce the ability of a licensee's home state to take adverse action
504.13 against a licensee's multistate license based upon information provided by a remote state.

504.14 **Sec. 7. [148E.46] REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME**
504.15 **STATE.**

504.16 (a) A licensee can hold a multistate license, issued by their home state, in only one
504.17 member state at any given time.

504.18 (b) If a licensee changes their home state by moving between two member states:

504.19 (1) The licensee shall immediately apply for the reissuance of their multistate license in
504.20 their new home state. The licensee shall pay all applicable fees and notify the prior home
504.21 state in accordance with the rules of the Commission.

504.22 (2) Upon receipt of an application to reissue a multistate license, the new home state
504.23 shall verify that the multistate license is active, unencumbered, and eligible for reissuance
504.24 under the terms of the Compact and the rules of the Commission. The multistate license
504.25 issued by the prior home state will be deactivated and all member states notified in
504.26 accordance with the applicable rules adopted by the Commission.

504.27 (3) Prior to the reissuance of the multistate license, the new home state shall conduct
504.28 procedures for considering the criminal history records of the licensee. Such procedures
504.29 shall include the submission of fingerprints or other biometric-based information by
504.30 applicants for the purpose of obtaining an applicant's criminal history record information
504.31 from the Federal Bureau of Investigation and the agency responsible for retaining that state's
504.32 criminal records.

505.1 (4) If required for initial licensure, the new home state may require completion of
505.2 jurisprudence requirements in the new home state.

505.3 (5) Notwithstanding any other provision of this Compact, if a licensee does not meet
505.4 the requirements set forth in this Compact for the reissuance of a multistate license by the
505.5 new home state, then the licensee shall be subject to the new home state requirements for
505.6 the issuance of a single state license in that state.

505.7 (c) If a licensee changes their primary state of residence by moving from a member state
505.8 to a nonmember state, or from a nonmember state to a member state, then the licensee shall
505.9 be subject to the state requirements for the issuance of a single state license in the new home
505.10 state.

505.11 (d) Nothing in this Compact shall interfere with a licensee's ability to hold a single state
505.12 license in multiple states; however, for the purposes of this Compact, a licensee shall have
505.13 only one home state, and only one multistate license.

505.14 (e) Nothing in this Compact shall interfere with the requirements established by a member
505.15 state for the issuance of a single state license.

505.16 **Sec. 8. [148E.47] MILITARY FAMILIES.**

505.17 An active military member or their spouse shall designate a home state where the
505.18 individual has a multistate license. The individual may retain their home state designation
505.19 during the period the service member is on active duty.

505.20 **Sec. 9. [148E.48] ADVERSE ACTIONS.**

505.21 (a) In addition to the other powers conferred by state law, a remote state shall have the
505.22 authority, in accordance with existing state due process law, to:

505.23 (1) take adverse action against a regulated social worker's multistate authorization to
505.24 practice only within that member state, and issue subpoenas for both hearings and
505.25 investigations that require the attendance and testimony of witnesses as well as the production
505.26 of evidence. Subpoenas issued by a licensing authority in a member state for the attendance
505.27 and testimony of witnesses or the production of evidence from another member state shall
505.28 be enforced in the latter state by any court of competent jurisdiction, according to the practice
505.29 and procedure of that court applicable to subpoenas issued in proceedings pending before
505.30 it. The issuing licensing authority shall pay any witness fees, travel expenses, mileage, and
505.31 other fees required by the service statutes of the state in which the witnesses or evidence
505.32 are located; and

506.1 (2) only the home state shall have the power to take adverse action against a regulated
506.2 social worker's multistate license.

506.3 (b) For purposes of taking adverse action, the home state shall give the same priority
506.4 and effect to reported conduct received from a member state as it would if the conduct had
506.5 occurred within the home state. In so doing, the home state shall apply its own state laws
506.6 to determine appropriate action.

506.7 (c) The home state shall complete any pending investigations of a regulated social worker
506.8 who changes their home state during the course of the investigations. The home state shall
506.9 also have the authority to take appropriate action and shall promptly report the conclusions
506.10 of the investigations to the administrator of the data system. The administrator of the data
506.11 system shall promptly notify the new home state of any adverse actions.

506.12 (d) A member state, if otherwise permitted by state law, may recover from the affected
506.13 regulated social worker the costs of investigations and dispositions of cases resulting from
506.14 any adverse action taken against that regulated social worker.

506.15 (e) A member state may take adverse action based on the factual findings of another
506.16 member state, provided that the member state follows its own procedures for taking the
506.17 adverse action.

506.18 (f) Joint investigations:

506.19 (1) In addition to the authority granted to a member state by its respective social work
506.20 practice act or other applicable state law, any member state may participate with other
506.21 member states in joint investigations of licensees.

506.22 (2) Member states shall share any investigative, litigation, or compliance materials in
506.23 furtherance of any joint or individual investigation initiated under the Compact.

506.24 (g) If adverse action is taken by the home state against the multistate license of a regulated
506.25 social worker, the regulated social worker's multistate authorization to practice in all other
506.26 member states shall be deactivated until all encumbrances have been removed from the
506.27 multistate license. All home state disciplinary orders that impose adverse action against the
506.28 license of a regulated social worker shall include a statement that the regulated social worker's
506.29 multistate authorization to practice is deactivated in all member states until all conditions
506.30 of the decision, order, or agreement are satisfied.

506.31 (h) If a member state takes adverse action, it shall promptly notify the administrator of
506.32 the data system. The administrator of the data system shall promptly notify the home state
506.33 and all other member states of any adverse actions by remote states.

507.1 (i) Nothing in this compact shall override a member state's decision that participation
507.2 in an alternative program may be used in lieu of adverse action.

507.3 (j) Nothing in this Compact shall authorize a member state to demand the issuance of
507.4 subpoenas for attendance and testimony of witnesses or the production of evidence from
507.5 another member state for lawful actions within that member state.

507.6 (k) Nothing in this Compact shall authorize a member state to impose discipline against
507.7 a regulated social worker who holds a multistate authorization to practice for lawful actions
507.8 within another member state.

507.9 **Sec. 10. [148E.49] ESTABLISHMENT OF SOCIAL WORK LICENSURE**
507.10 **COMPACT COMMISSION.**

507.11 (a) The Compact member states hereby create and establish a joint government agency
507.12 whose membership consists of all member states that have enacted the compact known as
507.13 the Social Work Licensure Compact Commission. The Commission is an instrumentality
507.14 of the Compact states acting jointly and not an instrumentality of any one state. The
507.15 Commission shall come into existence on or after the effective date of the Compact as set
507.16 forth in section 148E.53.

507.17 (b) Membership, voting, and meetings:

507.18 (1) Each member state shall have and be limited to one delegate selected by that member
507.19 state's state licensing authority.

507.20 (2) The delegate shall be either:

507.21 (i) a current member of the state licensing authority at the time of appointment, who is
507.22 a regulated social worker or public member of the state licensing authority; or

507.23 (ii) an administrator of the state licensing authority or their designee.

507.24 (3) The Commission shall by rule or bylaw establish a term of office for delegates and
507.25 may by rule or bylaw establish term limits.

507.26 (4) The Commission may recommend removal or suspension of any delegate from office.

507.27 (5) A member state's state licensing authority shall fill any vacancy of its delegate
507.28 occurring on the Commission within 60 days of the vacancy.

507.29 (6) Each delegate shall be entitled to one vote on all matters before the Commission
507.30 requiring a vote by Commission delegates.

508.1 (7) A delegate shall vote in person or by such other means as provided in the bylaws.

508.2 The bylaws may provide for delegates to meet by telecommunication, video conference, or
508.3 other means of communication.

508.4 (8) The Commission shall meet at least once during each calendar year. Additional
508.5 meetings may be held as set forth in the bylaws. The Commission may meet by
508.6 telecommunication, video conference, or other similar electronic means.

508.7 (c) The Commission shall have the following powers:

508.8 (1) establish the fiscal year of the Commission;

508.9 (2) establish code of conduct and conflict of interest policies;

508.10 (3) establish and amend rules and bylaws;

508.11 (4) maintain its financial records in accordance with the bylaws;

508.12 (5) meet and take such actions as are consistent with the provisions of this Compact, the
508.13 Commission's rules, and the bylaws;

508.14 (6) initiate and conclude legal proceedings or actions in the name of the Commission,
508.15 provided that the standing of any state licensing board to sue or be sued under applicable
508.16 law shall not be affected;

508.17 (7) maintain and certify records and information provided to a member state as the
508.18 authenticated business records of the Commission, and designate an agent to do so on the
508.19 Commission's behalf;

508.20 (8) purchase and maintain insurance and bonds;

508.21 (9) borrow, accept, or contract for services of personnel, including but not limited to
508.22 employees of a member state;

508.23 (10) conduct an annual financial review;

508.24 (11) hire employees, elect or appoint officers, fix compensation, define duties, grant
508.25 such individuals appropriate authority to carry out the purposes of the Compact, and establish
508.26 the Commission's personnel policies and programs relating to conflicts of interest,
508.27 qualifications of personnel, and other related personnel matters;

508.28 (12) assess and collect fees;

508.29 (13) accept any and all appropriate gifts, donations, grants of money, other sources of
508.30 revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of

509.1 the same, provided that at all times the Commission shall avoid any appearance of
509.2 impropriety or conflict of interest;

509.3 (14) lease, purchase, retain, own, hold, improve, or use any property real, personal, or
509.4 mixed, or any undivided interest therein;

509.5 (15) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of
509.6 any property real, personal, or mixed;

509.7 (16) establish a budget and make expenditures;

509.8 (17) borrow money;

509.9 (18) appoint committees, including standing committees, composed of members, state
509.10 regulators, state legislators or their representatives, and consumer representatives, and such
509.11 other interested persons as may be designated in this Compact and the bylaws;

509.12 (19) provide and receive information from, and cooperate with, law enforcement agencies;

509.13 (20) establish and elect an Executive Committee, including a chair and a vice chair;

509.14 (21) determine whether a state's adopted language is materially different from the model
509.15 compact language such that the state would not qualify for participation in the Compact;
509.16 and

509.17 (22) perform such other functions as may be necessary or appropriate to achieve the
509.18 purposes of this Compact.

509.19 (d) The Executive Committee:

509.20 (1) The Executive Committee shall have the power to act on behalf of the Commission
509.21 according to the terms of this Compact. The powers, duties, and responsibilities of the
509.22 Executive Committee shall include:

509.23 (i) oversee the day-to-day activities of the administration of the Compact, including
509.24 enforcement and compliance with the provisions of the Compact, its rules and bylaws, and
509.25 other such duties as deemed necessary;

509.26 (ii) recommend to the Commission changes to the rules or bylaws, changes to this
509.27 Compact legislation, fees charged to Compact member states, fees charged to licensees,
509.28 and other fees;

509.29 (iii) ensure Compact administration services are appropriately provided, including by
509.30 contract;

509.31 (iv) prepare and recommend the budget;

- 510.1 (v) maintain financial records on behalf of the Commission;
- 510.2 (vi) monitor Compact compliance of member states and provide compliance reports to
510.3 the Commission;
- 510.4 (vii) establish additional committees as necessary;
- 510.5 (viii) exercise the powers and duties of the Commission during the interim between
510.6 Commission meetings, except for adopting or amending rules, adopting or amending bylaws,
510.7 and exercising any other powers and duties expressly reserved to the Commission by rule
510.8 or bylaw; and
- 510.9 (ix) other duties as provided in the rules or bylaws of the Commission.
- 510.10 (2) The Executive Committee shall be composed of up to 11 members:
- 510.11 (i) the chair and vice chair of the Commission shall be voting members of the Executive
510.12 Committee;
- 510.13 (ii) the Commission shall elect five voting members from the current membership of
510.14 the Commission;
- 510.15 (iii) up to four ex-officio, nonvoting members from four recognized national social work
510.16 organizations; and
- 510.17 (iv) the ex-officio members will be selected by their respective organizations.
- 510.18 (3) The Commission may remove any member of the Executive Committee as provided
510.19 in the Commission's bylaws.
- 510.20 (4) The Executive Committee shall meet at least annually.
- 510.21 (i) Executive Committee meetings shall be open to the public, except that the Executive
510.22 Committee may meet in a closed, nonpublic meeting as provided in paragraph (f), clause
510.23 (2).
- 510.24 (ii) The Executive Committee shall give seven days' notice of its meetings posted on its
510.25 website and as determined to provide notice to persons with an interest in the business of
510.26 the Commission.
- 510.27 (iii) The Executive Committee may hold a special meeting in accordance with paragraph
510.28 (f), clause (1), item (ii).
- 510.29 (e) The Commission shall adopt and provide to the member states an annual report.
- 510.30 (f) Meetings of the Commission:

511.1 (1) All meetings shall be open to the public, except that the Commission may meet in a
511.2 closed, nonpublic meeting as provided in paragraph (f), clause (2).

511.3 (i) Public notice for all meetings of the full Commission of meetings shall be given in
511.4 the same manner as required under the rulemaking provisions in section 148E.51, except
511.5 that the Commission may hold a special meeting as provided in paragraph (f), clause (1),
511.6 item (ii).

511.7 (ii) The Commission may hold a special meeting when it must meet to conduct emergency
511.8 business by giving 48 hours' notice to all commissioners on the Commission's website and
511.9 other means as provided in the Commission's rules. The Commission's legal counsel shall
511.10 certify that the Commission's need to meet qualifies as an emergency.

511.11 (2) The Commission or the Executive Committee or other committees of the Commission
511.12 may convene in a closed, nonpublic meeting for the Commission or Executive Committee
511.13 or other committees of the Commission to receive legal advice or to discuss:

511.14 (i) noncompliance of a member state with its obligations under the Compact;

511.15 (ii) the employment, compensation, discipline, or other matters, practices, or procedures
511.16 related to specific employees;

511.17 (iii) current or threatened discipline of a licensee by the Commission or by a member
511.18 state's licensing authority;

511.19 (iv) current, threatened, or reasonably anticipated litigation;

511.20 (v) negotiation of contracts for the purchase, lease, or sale of goods, services, or real
511.21 estate;

511.22 (vi) accusing any person of a crime or formally censuring any person;

511.23 (vii) trade secrets or commercial or financial information that is privileged or confidential;

511.24 (viii) information of a personal nature where disclosure would constitute a clearly
511.25 unwarranted invasion of personal privacy;

511.26 (ix) investigative records compiled for law enforcement purposes;

511.27 (x) information related to any investigative reports prepared by or on behalf of or for
511.28 use of the Commission or other committee charged with responsibility of investigation or
511.29 determination of compliance issues pursuant to the Compact;

511.30 (xi) matters specifically exempted from disclosure by federal or member state law; or

511.31 (xii) other matters as promulgated by the Commission by rule.

512.1 (3) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that
512.2 the meeting will be closed and reference each relevant exempting provision, and such
512.3 reference shall be recorded in the minutes.

512.4 (4) The Commission shall keep minutes that fully and clearly describe all matters
512.5 discussed in a meeting and shall provide a full and accurate summary of actions taken, and
512.6 the reasons therefore, including a description of the views expressed. All documents
512.7 considered in connection with an action shall be identified in such minutes. All minutes and
512.8 documents of a closed meeting shall remain under seal, subject to release only by a majority
512.9 vote of the Commission or order of a court of competent jurisdiction.

512.10 (g) Financing of the Commission:

512.11 (1) The Commission shall pay, or provide for the payment of, the reasonable expenses
512.12 of its establishment, organization, and ongoing activities.

512.13 (2) The Commission may accept any and all appropriate revenue sources as provided
512.14 in paragraph (c), clause (13).

512.15 (3) The Commission may levy on and collect an annual assessment from each member
512.16 state and impose fees on licensees of member states to whom it grants a multistate license
512.17 to cover the cost of the operations and activities of the Commission and its staff, which
512.18 must be in a total amount sufficient to cover its annual budget as approved each year for
512.19 which revenue is not provided by other sources. The aggregate annual assessment amount
512.20 for member states shall be allocated based upon a formula that the Commission shall
512.21 promulgate by rule.

512.22 (4) The Commission shall not incur obligations of any kind prior to securing the funds
512.23 adequate to meet the same; nor shall the Commission pledge the credit of any of the member
512.24 states, except by and with the authority of the member state.

512.25 (5) The Commission shall keep accurate accounts of all receipts and disbursements. The
512.26 receipts and disbursements of the Commission shall be subject to the financial review and
512.27 accounting procedures established under its bylaws. However, all receipts and disbursements
512.28 of funds handled by the Commission shall be subject to an annual financial review by a
512.29 certified or licensed public accountant, and the report of the financial review shall be included
512.30 in and become part of the annual report of the Commission.

512.31 (h) Qualified immunity, defense, and indemnification:

512.32 (1) The members, officers, executive director, employees, and representatives of the
512.33 Commission shall be immune from suit and liability, both personally and in their official

513.1 capacity, for any claim for damage to or loss of property or personal injury or other civil
513.2 liability caused by or arising out of any actual or alleged act, error, or omission that occurred,
513.3 or that the person against whom the claim is made had a reasonable basis for believing
513.4 occurred within the scope of Commission employment, duties, or responsibilities, provided
513.5 that nothing in this paragraph shall be construed to protect any such person from suit or
513.6 liability for any damage, loss, injury, or liability caused by the intentional or willful or
513.7 wanton misconduct of that person. The procurement of insurance of any type by the
513.8 Commission shall not in any way compromise or limit the immunity granted hereunder.

513.9 (2) The Commission shall defend any member, officer, executive director, employee,
513.10 and representative of the Commission in any civil action seeking to impose liability arising
513.11 out of any actual or alleged act, error, or omission that occurred within the scope of
513.12 Commission employment, duties, or responsibilities, or as determined by the Commission
513.13 that the person against whom the claim is made had a reasonable basis for believing occurred
513.14 within the scope of Commission employment, duties, or responsibilities, provided that
513.15 nothing herein shall be construed to prohibit that person from retaining their own counsel
513.16 at their own expense, and provided further, that the actual or alleged act, error, or omission
513.17 did not result from that person's intentional or willful or wanton misconduct.

513.18 (3) The Commission shall indemnify and hold harmless any member, officer, executive
513.19 director, employee, and representative of the Commission for the amount of any settlement
513.20 or judgment obtained against that person arising out of any actual or alleged act, error, or
513.21 omission that occurred within the scope of Commission employment, duties, or
513.22 responsibilities, or that such person had a reasonable basis for believing occurred within
513.23 the scope of Commission employment, duties, or responsibilities, provided that the actual
513.24 or alleged act, error, or omission did not result from the intentional or willful or wanton
513.25 misconduct of that person.

513.26 (4) Nothing herein shall be construed as a limitation on the liability of any licensee for
513.27 professional malpractice or misconduct, which shall be governed solely by any other
513.28 applicable state laws.

513.29 (5) Nothing in this Compact shall be interpreted to waive or otherwise abrogate a member
513.30 state's state action immunity or state action affirmative defense with respect to antitrust
513.31 claims under the Sherman Act, Clayton Act, or any other state or federal antitrust or
513.32 anticompetitive law or regulation.

513.33 (6) Nothing in this Compact shall be construed to be a waiver of sovereign immunity
513.34 by the member states or by the Commission.

514.1 (i) Notwithstanding paragraph (h), clause (1), the liability of the executive director,
514.2 employees, or representatives of the interstate commission, acting within the scope of their
514.3 employment or duties, may not exceed the limits of liability set forth under the constitution
514.4 and laws of this state for state officials, employees, and agents. This paragraph expressly
514.5 incorporates section 3.736, and neither expands nor limits the rights and remedies provided
514.6 under that statute.

514.7 (j) Except for a claim alleging a violation of this compact, a claim against the commission,
514.8 its executive director, employees, or representatives alleging a violation of the constitution
514.9 and laws of this state may be brought in any county where the plaintiff resides. Nothing in
514.10 this paragraph creates a private right of action.

514.11 **Sec. 11. [148E.50] DATA SYSTEM.**

514.12 (a) The Commission shall provide for the development, maintenance, operation, and
514.13 utilization of a coordinated data system.

514.14 (b) The Commission shall assign each applicant for a multistate license a unique identifier,
514.15 as determined by the rules of the Commission.

514.16 (c) Notwithstanding any other provision of state law to the contrary, a member state
514.17 shall submit a uniform data set to the data system on all individuals to whom this Compact
514.18 is applicable as required by the rules of the Commission, including:

514.19 (1) identifying information;

514.20 (2) licensure data;

514.21 (3) adverse actions against a license and information related thereto;

514.22 (4) nonconfidential information related to alternative program participation, the beginning
514.23 and ending dates of such participation, and other information related to such participation
514.24 not made confidential under member state law;

514.25 (5) any denial of application for licensure, and the reason for such denial;

514.26 (6) the presence of current significant investigative information; and

514.27 (7) other information that may facilitate the administration of this Compact or the
514.28 protection of the public, as determined by the rules of the Commission.

514.29 (d) The records and information provided to a member state pursuant to this Compact
514.30 or through the data system, when certified by the Commission or an agent thereof, shall
514.31 constitute the authenticated business records of the Commission, and shall be entitled to

515.1 any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative
515.2 proceedings in a member state.

515.3 (e) Current significant investigative information pertaining to a licensee in any member
515.4 state will only be available to other member states.

515.5 (f) It is the responsibility of the member states to report any adverse action against a
515.6 licensee and to monitor the database to determine whether adverse action has been taken
515.7 against a licensee. Adverse action information pertaining to a licensee in any member state
515.8 will be available to any other member state.

515.9 (g) Member states contributing information to the data system may designate information
515.10 that may not be shared with the public without the express permission of the contributing
515.11 state.

515.12 (h) Any information submitted to the data system that is subsequently expunged pursuant
515.13 to federal law or the laws of the member state contributing the information shall be removed
515.14 from the data system.

515.15 **Sec. 12. [148E.51] RULEMAKING.**

515.16 (a) The Commission shall promulgate reasonable rules in order to effectively and
515.17 efficiently implement and administer the purposes and provisions of the Compact. A rule
515.18 shall be invalid and have no force or effect only if a court of competent jurisdiction holds
515.19 that the rule is invalid because the Commission exercised its rulemaking authority in a
515.20 manner that is beyond the scope and purposes of the Compact, or the powers granted
515.21 hereunder, or based upon another applicable standard of review.

515.22 (b) The rules of the Commission shall have the force of law in each member state,
515.23 provided however that where the rules of the Commission conflict with the laws of the
515.24 member state that establish the member state's laws, regulations, and applicable standards
515.25 that govern the practice of social work as held by a court of competent jurisdiction, the rules
515.26 of the Commission shall be ineffective in that state to the extent of the conflict.

515.27 (c) The Commission shall exercise its rulemaking powers pursuant to the criteria set
515.28 forth in this section and the rules adopted thereunder. Rules shall become binding on the
515.29 day following adoption or the date specified in the rule or amendment, whichever is later.

515.30 (d) If a majority of the legislatures of the member states rejects a rule or portion of a
515.31 rule, by enactment of a statute or resolution in the same manner used to adopt the Compact
515.32 within four years of the date of adoption of the rule, then such rule shall have no further
515.33 force and effect in any member state.

516.1 (e) Rules shall be adopted at a regular or special meeting of the Commission.

516.2 (f) Prior to adoption of a proposed rule, the commission shall hold a public hearing and
516.3 allow persons to provide oral and written comments, data, facts, opinions, and arguments.

516.4 (g) Prior to adoption of a proposed rule by the Commission, and at least 30 days in
516.5 advance of the meeting at which the Commission will hold a public hearing on the proposed
516.6 rule, the Commission shall provide a notice of proposed rulemaking:

516.7 (1) on the website of the Commission or other publicly accessible platform;

516.8 (2) to persons who have requested notice of the Commission's notices of proposed
516.9 rulemaking; and

516.10 (3) in such other way as the Commission may by rule specify.

516.11 (h) The notice of proposed rulemaking shall include:

516.12 (1) the time, date, and location of the public hearing at which the Commission will hear
516.13 public comments on the proposed rule and, if different, the time, date, and location of the
516.14 meeting where the Commission will consider and vote on the proposed rule;

516.15 (2) if the hearing is held via telecommunication, video conference, or other electronic
516.16 means, the Commission shall include the mechanism for access to the hearing in the notice
516.17 of proposed rulemaking;

516.18 (3) the text of the proposed rule and the reason therefor;

516.19 (4) a request for comments on the proposed rule from any interested person; and

516.20 (5) the manner in which interested persons may submit written comments.

516.21 (i) All hearings will be recorded. A copy of the recording and all written comments and
516.22 documents received by the Commission in response to the proposed rule shall be available
516.23 to the public.

516.24 (j) Nothing in this section shall be construed as requiring a separate hearing on each
516.25 rule. Rules may be grouped for the convenience of the Commission at hearings required by
516.26 this section.

516.27 (k) The Commission shall, by majority vote of all members, take final action on the
516.28 proposed rule based on the rulemaking record and the full text of the rule.

516.29 (1) The Commission may adopt changes to the proposed rule, provided the changes do
516.30 not enlarge the original purpose of the proposed rule.

517.1 (2) The Commission shall provide an explanation of the reasons for substantive changes
517.2 made to the proposed rule as well as reasons for substantive changes not made that were
517.3 recommended by commenters.

517.4 (3) The Commission shall determine a reasonable effective date for the rule. Except for
517.5 an emergency as provided in paragraph (1), the effective date of the rule shall be no sooner
517.6 than 30 days after issuing the notice that it adopted or amended the rule.

517.7 (l) Upon determination that an emergency exists, the Commission may consider and
517.8 adopt an emergency rule with 48 hours' notice, with opportunity to comment, provided that
517.9 the usual rulemaking procedures provided in the Compact and in this section shall be
517.10 retroactively applied to the rule as soon as reasonably possible, in no event later than 90
517.11 days after the effective date of the rule. For the purposes of this provision, an emergency
517.12 rule is one that must be adopted immediately in order to:

517.13 (1) meet an imminent threat to public health, safety, or welfare;

517.14 (2) prevent a loss of Commission or member state funds;

517.15 (3) meet a deadline for the promulgation of a rule that is established by federal law or
517.16 rule; or

517.17 (4) protect public health and safety.

517.18 (m) The Commission or an authorized committee of the Commission may direct revisions
517.19 to a previously adopted rule for purposes of correcting typographical errors, errors in format,
517.20 errors in consistency, or grammatical errors. Public notice of any revisions shall be posted
517.21 on the website of the Commission. The revision shall be subject to challenge by any person
517.22 for a period of 30 days after posting. The revision may be challenged only on grounds that
517.23 the revision results in a material change to a rule. A challenge shall be made in writing and
517.24 delivered to the Commission prior to the end of the notice period. If no challenge is made,
517.25 the revision will take effect without further action. If the revision is challenged, the revision
517.26 may not take effect without the approval of the Commission.

517.27 (n) No member state's rulemaking requirements shall apply under this compact.

517.28 **Sec. 13. [148E.52] OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT.**

517.29 (a) Oversight:

517.30 (1) The executive and judicial branches of state government in each member state shall
517.31 enforce this Compact and take all actions necessary and appropriate to implement the
517.32 Compact.

518.1 (2) Except as otherwise provided in this Compact, venue is proper and judicial
518.2 proceedings by or against the Commission shall be brought solely and exclusively in a court
518.3 of competent jurisdiction where the principal office of the Commission is located. The
518.4 Commission may waive venue and jurisdictional defenses to the extent it adopts or consents
518.5 to participate in alternative dispute resolution proceedings. Nothing herein shall affect or
518.6 limit the selection or propriety of venue in any action against a licensee for professional
518.7 malpractice, misconduct, or any such similar matter.

518.8 (3) The Commission shall be entitled to receive service of process in any proceeding
518.9 regarding the enforcement or interpretation of the Compact and shall have standing to
518.10 intervene in such a proceeding for all purposes. Failure to provide the Commission service
518.11 of process shall render a judgment or order void as to the Commission, this Compact, or
518.12 promulgated rules.

518.13 (b) Default, technical assistance, and termination:

518.14 (1) If the Commission determines that a member state has defaulted in the performance
518.15 of its obligations or responsibilities under this Compact or the promulgated rules, the
518.16 Commission shall provide written notice to the defaulting state. The notice of default shall
518.17 describe the default, the proposed means of curing the default, and any other action that the
518.18 Commission may take, and shall offer training and specific technical assistance regarding
518.19 the default.

518.20 (2) The Commission shall provide a copy of the notice of default to the other member
518.21 states.

518.22 (c) If a state in default fails to cure the default, the defaulting state may be terminated
518.23 from the Compact upon an affirmative vote of a majority of the delegates of the member
518.24 states, and all rights, privileges, and benefits conferred on that state by this Compact may
518.25 be terminated on the effective date of termination. A cure of the default does not relieve the
518.26 offending state of obligations or liabilities incurred during the period of default.

518.27 (d) Termination of membership in the Compact shall be imposed only after all other
518.28 means of securing compliance have been exhausted. Notice of intent to suspend or terminate
518.29 shall be given by the Commission to the governor, the majority and minority leaders of the
518.30 defaulting state's legislature, the defaulting state's state licensing authority, and each of the
518.31 member states' state licensing authority.

518.32 (e) A state that has been terminated is responsible for all assessments, obligations, and
518.33 liabilities incurred through the effective date of termination, including obligations that
518.34 extend beyond the effective date of termination.

519.1 (f) Upon the termination of a state's membership from this Compact, that state shall
519.2 immediately provide notice to all licensees within that state of such termination. The
519.3 terminated state shall continue to recognize all licenses granted pursuant to this Compact
519.4 for a minimum of six months after the date of said notice of termination.

519.5 (g) The Commission shall not bear any costs related to a state that is found to be in
519.6 default or that has been terminated from the Compact, unless agreed upon in writing between
519.7 the Commission and the defaulting state.

519.8 (h) The defaulting state may appeal the action of the Commission by petitioning the
519.9 United States District Court for the District of Columbia or the federal district where the
519.10 Commission has its principal offices. The prevailing party shall be awarded all costs of such
519.11 litigation, including reasonable attorney fees.

519.12 (i) Dispute resolution:

519.13 (1) Upon request by a member state, the Commission shall attempt to resolve disputes
519.14 related to the Compact that arise among member states and between member and nonmember
519.15 states.

519.16 (2) The Commission shall promulgate a rule providing for both mediation and binding
519.17 dispute resolution for disputes as appropriate.

519.18 (j) Enforcement:

519.19 (1) By majority vote as provided by rule, the Commission may initiate legal action
519.20 against a member state in default in the United States District Court for the District of
519.21 Columbia or the federal district where the Commission has its principal offices to enforce
519.22 compliance with the provisions of the Compact and its promulgated rules. The relief sought
519.23 may include both injunctive relief and damages. In the event judicial enforcement is
519.24 necessary, the prevailing party shall be awarded all costs of such litigation, including
519.25 reasonable attorney fees. The remedies herein shall not be the exclusive remedies of the
519.26 Commission. The Commission may pursue any other remedies available under federal or
519.27 the defaulting member state's law.

519.28 (2) A member state may initiate legal action against the Commission in the United States
519.29 District Court for the District of Columbia or the federal district where the Commission has
519.30 its principal offices to enforce compliance with the provisions of the Compact and its
519.31 promulgated rules. The relief sought may include both injunctive relief and damages. In the
519.32 event judicial enforcement is necessary, the prevailing party shall be awarded all costs of
519.33 such litigation, including reasonable attorney fees.

520.1 (3) No person other than a member state shall enforce this compact against the
520.2 Commission.

520.3 **Sec. 14. [148E.53] EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT.**

520.4 (a) The Compact shall come into effect on the date on which the Compact statute is
520.5 enacted into law in the seventh member state.

520.6 (1) On or after the effective date of the Compact, the Commission shall convene and
520.7 review the enactment of each of the first seven member states ("charter member states") to
520.8 determine if the statute enacted by each such charter member state is materially different
520.9 than the model Compact statute.

520.10 (i) A charter member state whose enactment is found to be materially different from the
520.11 model Compact statute shall be entitled to the default process set forth in section 148E.52.

520.12 (ii) If any member state is later found to be in default, or is terminated or withdraws
520.13 from the Compact, the Commission shall remain in existence and the Compact shall remain
520.14 in effect even if the number of member states should be less than seven.

520.15 (2) Member states enacting the compact subsequent to the seven initial charter member
520.16 states shall be subject to the process set forth in section 148E.49, paragraph (c), clause (21),
520.17 to determine if their enactments are materially different from the model Compact statute
520.18 and whether they qualify for participation in the Compact.

520.19 (3) All actions taken for the benefit of the Commission or in furtherance of the purposes
520.20 of the administration of the Compact prior to the effective date of the Compact or the
520.21 Commission coming into existence shall be considered to be actions of the Commission
520.22 unless specifically repudiated by the Commission.

520.23 (4) Any state that joins the Compact subsequent to the Commission's initial adoption of
520.24 the rules and bylaws shall be subject to the rules and bylaws as they exist on the date on
520.25 which the Compact becomes law in that state. Any rule that has been previously adopted
520.26 by the Commission shall have the full force and effect of law on the day the Compact
520.27 becomes law in that state.

520.28 (b) Any member state may withdraw from this Compact by enacting a statute repealing
520.29 the same.

520.30 (1) A member state's withdrawal shall not take effect until 180 days after enactment of
520.31 the repealing statute.

521.1 (2) Withdrawal shall not affect the continuing requirement of the withdrawing state's
521.2 licensing authority to comply with the investigative and adverse action reporting requirements
521.3 of this Compact prior to the effective date of withdrawal.

521.4 (3) Upon the enactment of a statute withdrawing from this Compact, a state shall
521.5 immediately provide notice of such withdrawal to all licensees within that state.
521.6 Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing
521.7 state shall continue to recognize all licenses granted pursuant to this Compact for a minimum
521.8 of 180 days after the date of such notice of withdrawal.

521.9 (c) Nothing contained in this Compact shall be construed to invalidate or prevent any
521.10 licensure agreement or other cooperative arrangement between a member state and a
521.11 nonmember state that does not conflict with the provisions of this Compact.

521.12 (d) This Compact may be amended by the member states. No amendment to this Compact
521.13 shall become effective and binding upon any member state until it is enacted into the laws
521.14 of all member states.

521.15 Sec. 15. **[148E.54] CONSTRUCTION AND SEVERABILITY.**

521.16 (a) This Compact and the Commission's rulemaking authority shall be liberally construed
521.17 so as to effectuate the purposes, and the implementation and administration of the Compact.
521.18 Provisions of the Compact expressly authorizing or requiring the promulgation of rules
521.19 shall not be construed to limit the Commission's rulemaking authority solely for those
521.20 purposes.

521.21 (b) The provisions of this Compact shall be severable and if any phrase, clause, sentence,
521.22 or provision of this Compact is held by a court of competent jurisdiction to be contrary to
521.23 the constitution of any member state, a state seeking participation in the Compact, or of the
521.24 United States, or the applicability thereof to any government, agency, person or circumstance
521.25 is held to be unconstitutional by a court of competent jurisdiction, the validity of the
521.26 remainder of this Compact and the applicability thereof to any other government, agency,
521.27 person or circumstance shall not be affected thereby.

521.28 (c) Notwithstanding paragraph (b), the Commission may deny a state's participation in
521.29 the Compact or, in accordance with the requirements of section 148E.52, paragraph (b),
521.30 terminate a member state's participation in the Compact, if it determines that a constitutional
521.31 requirement of a member state is a material departure from the Compact. Otherwise, if this
521.32 Compact shall be held to be contrary to the constitution of any member state, the Compact

522.1 shall remain in full force and effect as to the remaining member states and in full force and
522.2 effect as to the member state affected as to all severable matters.

522.3 Sec. 16. **[148E.55] CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE**
522.4 **LAWS.**

522.5 (a) A licensee providing services in a remote state under a multistate authorization to
522.6 practice shall adhere to the laws and regulations, including laws, regulations, and applicable
522.7 standards, of the remote state where the client is located at the time care is rendered.

522.8 (b) Nothing herein shall prevent or inhibit the enforcement of any other law of a member
522.9 state that is not inconsistent with the Compact.

522.10 (c) Any laws, statutes, regulations, or other legal requirements in a member state in
522.11 conflict with the Compact are superseded to the extent of the conflict.

522.12 (d) All permissible agreements between the Commission and the member states are
522.13 binding in accordance with their terms.

522.14 **ARTICLE 33**
522.15 **APPROPRIATIONS**

522.16 Section 1. **COMMISSIONER OF HEALTH.**

522.17 Subdivision 1. **Registration of transfer care specialists.** \$198,000 in fiscal year 2025
522.18 is appropriated from the state government special revenue fund to the commissioner of
522.19 health to implement Minnesota Statutes, section 149A.47. The state government special
522.20 revenue fund base for this appropriation is \$105,000 in fiscal year 2026 and \$105,000 in
522.21 fiscal year 2027.

522.22 Subd. 2. **Licensure of speech-language pathology assistants.** \$105,000 in fiscal year
522.23 2025 is appropriated from the state government special revenue fund to the commissioner
522.24 of health to implement licensing requirements for speech-language pathology assistants
522.25 under Minnesota Statutes, section 148.5181. The state government special revenue fund
522.26 base for this appropriation is \$22,000 in fiscal year 2026 and \$22,000 in fiscal year 2027.

522.27 Subd. 3. **Audiology and speech-language interstate compact.** \$279,000 in fiscal year
522.28 2025 is appropriated from the state government special revenue fund to the commissioner
522.29 of health to implement the audiology and speech-language pathology interstate compact
522.30 under Minnesota Statutes, section 148.5185. The state government special revenue fund
522.31 base for this appropriation is \$106,000 in fiscal year 2026 and \$106,000 in fiscal year 2027.

523.1 Sec. 2. **BOARD OF PSYCHOLOGY; LICENSING REQUIREMENTS FOR**
523.2 **BEHAVIOR ANALYSTS.**

523.3 \$81,000 in fiscal year 2025 is appropriated from the state government special revenue
523.4 fund to the Board of Psychology to implement licensing requirements for behavior analysts
523.5 under Minnesota Statutes, sections 148.9981 to 148.9995. The state government special
523.6 revenue fund base for this appropriation is \$47,000 in fiscal year 2026 and \$47,000 in fiscal
523.7 year 2027.

523.8 Sec. 3. **BOARD OF VETERINARY MEDICINE; LICENSING REQUIREMENTS**
523.9 **FOR VETERINARY TECHNICIANS.**

523.10 \$23,000 in fiscal year 2025 is appropriated from the state government special revenue
523.11 fund to the Board of Veterinary Medicine to implement Minnesota Statutes, section 156.077.
523.12 The state government special revenue fund base for this appropriation is \$52,000 in fiscal
523.13 year 2026 and \$52,000 in fiscal year 2027.

523.14 Sec. 4. **BOARD OF DENTISTRY.**

523.15 Subdivision 1. **Licensure by credential for dental assistants.** \$2,000 in fiscal year
523.16 2025 is appropriated from the state government special revenue fund to the Board of Dentistry
523.17 to implement Minnesota Statutes, section 150A.06, subdivision 8. The state government
523.18 special revenue fund base for this appropriation is \$3,000 in fiscal year 2026 and \$5,000 in
523.19 fiscal year 2027.

523.20 Subd. 2. **Dentist and dental hygienist compact.** \$41,000 in fiscal year 2025 is
523.21 appropriated from the state government special revenue fund to the Board of Dentistry to
523.22 implement the dentist and dental hygienist compact under Minnesota Statutes, section
523.23 150A.051. The state government special revenue fund base for this appropriation is \$42,000
523.24 in fiscal year 2026 and \$42,000 in fiscal year 2027.

523.25 Sec. 5. **BOARD OF MARRIAGE AND FAMILY THERAPY; LICENSED**
523.26 **MARRIAGE AND FAMILY THERAPIST GUEST LICENSE.**

523.27 \$18,000 in fiscal year 2025 is appropriated from the state government special revenue
523.28 fund to the Board of Marriage and Family Therapy to implement Minnesota Statutes, section
523.29 148B.331. The state government special revenue fund base for this appropriation is \$1,000
523.30 in fiscal year 2026 and \$1,000 in fiscal year 2027.

524.1 **Sec. 6. BOARD OF SOCIAL WORK.**

524.2 Subdivision 1. Social worker provisional licensing. \$133,000 in fiscal year 2025 is
524.3 appropriated from the state government special revenue fund to the Board of Social Work
524.4 to implement modifications to provisional licensure under Minnesota Statutes, chapters
524.5 148D and 148E. The state government special revenue fund base for this appropriation is
524.6 \$80,000 in fiscal year 2026 and \$80,000 in fiscal year 2027.

524.7 Subd. 2. Social work interstate compact. \$3,000 in fiscal year 2025 is appropriated
524.8 from the state government special revenue fund to the Board of Social Work to implement
524.9 the social work interstate compact under Minnesota Statutes, sections 148E.40 to 148E.55.
524.10 The state government special revenue fund base for this appropriation is \$149,000 in fiscal
524.11 year 2026 and \$83,000 in fiscal year 2027.

524.12 **Sec. 7. BOARD OF BEHAVIORAL HEALTH AND THERAPY; LICENSED**
524.13 **PROFESSIONAL COUNSELOR INTERSTATE COMPACT.**

524.14 \$159,000 in fiscal year 2025 is appropriated from the state government special revenue
524.15 fund to the Board of Behavioral Health and Therapy to implement the licensed professional
524.16 counselor interstate compact under Minnesota Statutes, section 148B.75. The state
524.17 government special revenue fund base for this appropriation is \$95,000 in fiscal year 2026
524.18 and \$95,000 in fiscal year 2027.

524.19 **Sec. 8. BOARD OF MEDICAL PRACTICE; PHYSICIAN ASSISTANT LICENSURE**
524.20 **COMPACT.**

524.21 \$113,000 in fiscal year 2025 is appropriated from the state government special revenue
524.22 fund to the Board of Medical Practice to implement the physician assistant licensure compact
524.23 under Minnesota Statutes, section 148.675. The state government special revenue fund base
524.24 for this appropriation is \$142,000 in fiscal year 2026 and \$96,000 in fiscal year 2027.

524.25 **Sec. 9. BOARD OF OCCUPATIONAL THERAPY PRACTICE; OCCUPATIONAL**
524.26 **THERAPY LICENSURE COMPACT.**

524.27 \$143,000 in fiscal year 2025 is appropriated from the state government special revenue
524.28 fund to the Board of Occupational Therapy Practice to implement the occupational therapy
524.29 licensure compact under Minnesota Statutes, section 148.645. The state government special
524.30 revenue fund base for this appropriation is \$80,000 in fiscal year 2026 and \$80,000 in fiscal
524.31 year 2027.

525.1 Sec. 10. **BOARD OF PHYSICAL THERAPY; PHYSICAL THERAPY LICENSURE**
525.2 **COMPACT.**

525.3 \$160,000 in fiscal year 2025 is appropriated from the state government special revenue
525.4 fund to the Board of Physical Therapy to implement the physical therapy licensure compact
525.5 under Minnesota Statutes, section 148.676. The state government special revenue fund base
525.6 for this appropriation is \$95,000 in fiscal year 2026 and \$95,000 in fiscal year 2027.

525.7 Sec. 11. **EFFECTIVE DATE.**

525.8 This article is effective July 1, 2024.

525.9 **ARTICLE 34**

525.10 **HIGHER EDUCATION APPROPRIATIONS**

525.11 Section 1. Laws 2022, chapter 42, section 2, is amended to read:

525.12 Sec. 2. **APPROPRIATION; ALS RESEARCH.**

525.13 (a) ~~\$20,000,000~~ \$396,000 in fiscal year 2023 is appropriated from the general fund to
525.14 the commissioner of the Office of Higher Education to award competitive grants to applicants
525.15 for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with
525.16 the Minnesota Department of Health to administer the grant program, including identifying
525.17 clinical and translational research and innovations, developing outcomes and objectives
525.18 with the goal of bettering the lives of individuals with ALS and finding a cure for the disease,
525.19 and application review and grant recipient selection. Not more than ~~\$400,000~~ \$396,000
525.20 may be used by the commissioner to administer the grant program. This is a onetime
525.21 appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances
525.22 under this section do not cancel until June 30, 2026.

525.23 (b) \$19,604,000 in fiscal year 2024 is appropriated from the general fund to the
525.24 commissioner of the Office of Higher Education to award competitive grants to applicants
525.25 for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with
525.26 the Minnesota Department of Health to administer the grant program, including identifying
525.27 clinical and translational research and innovations, developing outcomes and objectives
525.28 with the goal of bettering the lives of individuals with ALS and finding a cure for the disease,
525.29 and application review and grant recipient selection. Up to \$15,000,000 may be used by the
525.30 commissioner for grants to the Amyotrophic Lateral Sclerosis Association, Never Surrender,
525.31 or other similar organizations to award and administer competitive grants to applicants for
525.32 research into ALS under this section. This is a onetime appropriation. Notwithstanding

526.1 Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel
 526.2 until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14,
 526.3 the commissioner, the Amyotrophic Lateral Sclerosis Association, Never Surrender, and
 526.4 other similar organizations may use up to a total of five percent of this appropriation for
 526.5 administrative costs.

526.6 ~~(b)~~ (c) Grants shall be awarded to support clinical and translational research related to
 526.7 ALS. Research topics may include but are not limited to environmental factors, disease
 526.8 mechanisms, disease models, biomarkers, drug development, clinical studies, precision
 526.9 medicine, medical devices, assistive technology, and cognitive studies.

526.10 ~~(e)~~ (d) Eligible applicants for the grants are research facilities, universities, and health
 526.11 systems located in Minnesota. Applicants must submit proposals to the commissioner in
 526.12 the time, form, and manner established by the commissioner. Applicants may coordinate
 526.13 research endeavors and submit a joint application. When reviewing the proposals, the
 526.14 commissioner shall make an effort to avoid approving a grant for an applicant whose research
 526.15 is duplicative of an existing grantee's research.

526.16 ~~(d)~~ (e) Beginning January 15, 2023, and annually thereafter until January 15, ~~2027~~ 2030,
 526.17 the commissioner shall submit a report to the legislature specifying the applicants receiving
 526.18 grants under this section, the amount of each grant, the purposes for which the grant funds
 526.19 were used, and the amount of the appropriation that is unexpended. The report must also
 526.20 include relevant findings, results, and outcomes of the grant program, and any other
 526.21 information which the commissioner deems significant or useful.

526.22 ~~(e) This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28,~~
 526.23 ~~unencumbered balances under this section do not cancel until June 30, 2026.~~

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

526.25 Sec. 2. Laws 2023, chapter 41, article 1, section 2, subdivision 35, is amended to read:

526.26 Subd. 35. Hunger-Free Campus Grants	1,500,000	1,000,000
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526.27 For the Hunger-Free Campus program under
 526.28 Minnesota Statutes, section 135A.137. Of this
 526.29 amount, up to \$500,000 the first year is for
 526.30 grants not to exceed \$25,000 to institutions
 526.31 for equipment necessary to operate an
 526.32 on-campus food pantry, and is available until
 526.33 June 30, 2026. The commissioner shall

527.1 establish an application and process for
 527.2 distributing the grant funds. ~~This appropriation~~
 527.3 ~~is available until June 30, 2026.~~

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

527.5 Sec. 3. Laws 2023, chapter 41, article 1, section 2, subdivision 36, is amended to read:

527.6	Subd. 36. Fostering Independence Higher		4,416,000
527.7	Education Grants	4,247,000	<u>9,456,000</u>

527.8 \$4,247,000 the first year and ~~\$4,416,000~~
 527.9 \$9,456,000 the second year are for grants to
 527.10 eligible students under Minnesota Statutes,
 527.11 section 136A.1241. The Office of Higher
 527.12 Education may use no more than three percent
 527.13 of the appropriation to administer grants. The
 527.14 base for this appropriation is \$4,416,000 for
 527.15 fiscal year 2026 and thereafter.

527.16 Sec. 4. Laws 2023, chapter 41, article 1, section 2, subdivision 49, as amended by Laws
 527.17 2024, chapter 85, section 111, is amended to read:

527.18			117,226,000
527.19	Subd. 49. North Star Promise	-0-	<u>112,186,000</u>

527.20 ~~\$117,226,000~~ \$112,186,000 the second year
 527.21 is transferred from the general fund to the
 527.22 account in the special revenue fund under
 527.23 Minnesota Statutes, section 136A.1465,
 527.24 subdivision 8. The base for the transfer is
 527.25 \$49,500,000 in fiscal year 2026 and thereafter.

527.26 Sec. 5. Laws 2023, chapter 41, article 1, section 4, subdivision 2, is amended to read:

527.27	Subd. 2. Operations and Maintenance	686,558,000	676,294,000
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527.28 (a) \$15,000,000 in fiscal year 2024 and
 527.29 \$15,000,000 in fiscal year 2025 are to: (1)
 527.30 increase the medical school's research
 527.31 capacity; (2) improve the medical school's
 527.32 ranking in National Institutes of Health

528.1 funding; (3) ensure the medical school's
528.2 national prominence by attracting and
528.3 retaining world-class faculty, staff, and
528.4 students; (4) invest in physician training
528.5 programs in rural and underserved
528.6 communities; and (5) translate the medical
528.7 school's research discoveries into new
528.8 treatments and cures to improve the health of
528.9 Minnesotans.

528.10 (b) \$7,800,000 in fiscal year 2024 and
528.11 \$7,800,000 in fiscal year 2025 are for health
528.12 training restoration. This appropriation must
528.13 be used to support all of the following: (1)
528.14 faculty physicians who teach at eight residency
528.15 program sites, including medical resident and
528.16 student training programs in the Department
528.17 of Family Medicine; (2) the Mobile Dental
528.18 Clinic; and (3) expansion of geriatric
528.19 education and family programs.

528.20 (c) \$4,000,000 in fiscal year 2024 and
528.21 \$4,000,000 in fiscal year 2025 are for the
528.22 Minnesota Discovery, Research, and
528.23 InnoVation Economy funding program for
528.24 cancer care research.

528.25 (d) \$500,000 in fiscal year 2024 and \$500,000
528.26 in fiscal year 2025 are for the University of
528.27 Minnesota, Morris branch, to cover the costs
528.28 of tuition waivers under Minnesota Statutes,
528.29 section 137.16.

528.30 (e) \$5,000,000 in fiscal year 2024 and
528.31 \$5,000,000 in fiscal year 2025 are for
528.32 systemwide safety and security measures on
528.33 University of Minnesota campuses. The base
528.34 amount for this appropriation is \$1,000,000
528.35 in fiscal year 2026 and later.

529.1 (f) \$366,000 in fiscal year 2024 and \$366,000
529.2 in fiscal year 2025 are for unemployment
529.3 insurance aid under Minnesota Statutes,
529.4 section 268.193.

529.5 (g) \$10,000,000 the first year is for programs
529.6 at the University of Minnesota Medical School
529.7 ~~Campus on the~~ CentraCare Health System
529.8 Campus in St. Cloud. This appropriation may
529.9 be used for tuition support, ~~a residency~~
529.10 ~~program, a rural health research program, a~~
529.11 ~~program to target scholarships to students from~~
529.12 ~~diverse backgrounds, and a scholarship~~
529.13 ~~program targeted at students who will practice~~
529.14 ~~in rural areas including a scholarship program~~
529.15 targeted at students who will practice in rural
529.16 areas and targeted at students from diverse
529.17 backgrounds; costs associated with opening
529.18 and operating a new regional campus; costs
529.19 associated with the expansion of a residency
529.20 program; and costs associated with starting
529.21 and operating a rural health research program.
529.22 This appropriation is available until June 30,
529.23 2027, and must be spent ~~on~~ for activities on
529.24 or associated with the CentraCare Health
529.25 System Campus in the greater St. Cloud area.
529.26 This is a onetime appropriation.

529.27 (h) \$374,000 the first year and \$110,000 the
529.28 second year are to pay the cost of supplies and
529.29 equipment necessary to provide access to
529.30 menstrual products for purposes of article 2,
529.31 section 2.

529.32 (i) The total operations and maintenance base
529.33 for fiscal year 2026 and later is \$672,294,000.

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

530.1 Sec. 6. **APPROPRIATION; KIDS ON CAMPUS INITIATIVE.**

530.2 \$500,000 in fiscal year 2025 is appropriated from the general fund to the Board of
530.3 Trustees of the Minnesota State Colleges and Universities to participate in the Kids on
530.4 Campus initiative with the National Head Start Association and the Association of
530.5 Community College Trustees. This appropriation may be used for a temporary statewide
530.6 project coordinator, stipends to campuses and Head Start centers where letters of intent to
530.7 officially form a partnership have been signed, engaging with local Head Start programs,
530.8 and other costs associated with creating campus Head Start partnerships. Stipends shall be
530.9 used to support the formation of parenting student advisory panels to gather perspective
530.10 and feedback on proposed partnerships. The duties of the temporary statewide project
530.11 coordinator include assessing the feasibility of partnerships between Minnesota State Colleges
530.12 and Universities campuses and Head Start programs across the state, consulting with the
530.13 Minnesota Head Start Association and existing Head Start partnership programs to develop
530.14 best practices, working with campus-based navigators for parenting students to provide
530.15 resources for financial aid and basic needs support to Head Start programs, and developing
530.16 strategies to grow the early childhood care and education workforce through partnerships
530.17 between Head Start programs and early childhood degree and certificate programs. This is
530.18 a onetime appropriation and is available until June 30, 2026.

530.19 **ARTICLE 35**530.20 **POLICY PROVISIONS**530.21 Section 1. **[135A.062] CONSIDERATION OF CRIMINAL RECORDS LIMITED.**

530.22 Subdivision 1. **Applicability.** This section applies to postsecondary institutions under
530.23 section 136A.155, clause (1), except that the Board of Regents of the University of Minnesota
530.24 is requested to comply with this section.

530.25 Subd. 2. **Definition.** As used in this section, "a violent felony or sexual assault" includes
530.26 a felony-level violation or attempted violation of section 609.185; 609.19; 609.195; 609.20;
530.27 609.221; 609.2242, subdivision 4; 609.2247; 609.245, subdivision 1; 609.247, subdivision
530.28 2; 609.282; 609.322; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3458; 609.561,
530.29 subdivision 1 or 2; 609.582, subdivision 1; 609.66, subdivision 1e; or 609.749; or a statute
530.30 from another state, the United States, or a foreign jurisdiction, in conformity with any of
530.31 these sections.

530.32 Subd. 3. **Consideration of criminal records limited.** A postsecondary institution may
530.33 not inquire into, consider, or require disclosure of the criminal record or criminal history

531.1 of an applicant for admission. After a postsecondary institution has made an offer of
531.2 admission, the postsecondary institution may inquire into, consider, or require disclosure
531.3 of a conviction or delinquency adjudication that occurred within the previous five years for
531.4 a violent felony or sexual assault. The postsecondary institution must provide the applicant
531.5 with an opportunity to submit an explanatory statement, letters of recommendation, evidence
531.6 of rehabilitation, and any other supporting documents. The institution must provide clear
531.7 and detailed instructions and guidance to applicants related to what criminal history requires
531.8 disclosure. The institution must not require the applicant to provide official records of
531.9 criminal history. A postsecondary institution that rescinds an offer of admission must:

531.10 (1) provide an explanation of the basis for the decision to rescind the offer of admission;

531.11 and

531.12 (2) provide the applicant with an opportunity to appeal the decision to rescind.

531.13 Subd. 4. **Other information.** This section shall not prohibit or limit a postsecondary
531.14 institution from inquiring about student conduct records at the applicant's prior postsecondary
531.15 institution after making an offer of admission. This section shall not prohibit or limit a
531.16 postsecondary institution from inquiring about a student's ability to meet licensure
531.17 requirements in a professional program after making an offer of admission.

531.18 Subd. 5. **Limitation on admissibility.** (a) A postsecondary institution that complies
531.19 with this section is immune from liability in a civil action arising out of the institution's
531.20 decision to admit a student with a criminal history or the institution's failure to conduct a
531.21 criminal background check.

531.22 (b) Nothing in this section creates or establishes a legal duty upon a postsecondary
531.23 institution to inquire into or require disclosure of the criminal history or criminal convictions
531.24 of a student or an applicant for admission.

531.25 Sec. 2. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is amended
531.26 to read:

531.27 Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

531.28 (1) be enrolled in an undergraduate certificate, diploma, or degree program at the
531.29 University of Minnesota or a Minnesota state college or university;

531.30 (2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled
531.31 member or citizen of a federally recognized American Indian Tribe or Canadian First Nation,
531.32 or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident
531.33 tuition status; ~~and~~

532.1 (3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for ~~180 credits~~ 12
532.2 semesters or the equivalent, excluding courses taken that qualify as developmental education
532.3 or below college-level; and

532.4 (4) meet satisfactory academic progress as defined under section 136A.101, subdivision
532.5 10.

532.6 Sec. 3. [135A.144] TRANSCRIPT ACCESS.

532.7 Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section.

532.8 (b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be
532.9 due or owed, from a student. Debt does not include the fee, if any, charged to all students
532.10 for the actual costs of providing the transcripts.

532.11 (c) "School" means a public institution governed by the Board of Trustees of the
532.12 Minnesota State Colleges and Universities, private postsecondary educational institution
532.13 as defined under section 136A.62 or 136A.821, or public or private entity that is responsible
532.14 for providing transcripts to current or former students of an educational institution.
532.15 Institutions governed by the Board of Regents of the University of Minnesota are requested
532.16 to comply with this section.

532.17 (d) "Transcript" means the statement of an individual's academic record, including
532.18 official transcripts or the certified statement of an individual's academic record provided
532.19 by a school, and unofficial transcripts or the uncertified statement of an individual's academic
532.20 record provided by a school.

532.21 Subd. 2. Prohibited practices. (a) A school must not refuse to provide a transcript for
532.22 a current or former student because the student owes a debt to the school if:

532.23 (1) the debt owed is less than \$1,000;

532.24 (2) the student has entered into and, as determined by the institution, is in compliance
532.25 with a payment plan with the school;

532.26 (3) the transcript request is made by a prospective employer for the student;

532.27 (4) the school has sent the debt for repayment to the Department of Revenue or to a
532.28 collection agency, as defined in section 332.31, subdivision 3, external to the institution
532.29 and the debt has not been returned to the institution unpaid; or

532.30 (5) the person is incarcerated at a Minnesota correctional facility.

533.1 (b) A school must not charge an additional or higher fee for obtaining a transcript or
533.2 provide less favorable treatment of a transcript request because a student owes a debt to the
533.3 originating school.

533.4 Subd. 3. **Institutional policy.** (a) A school that uses transcript issuance as a tool for debt
533.5 collection must have a policy accessible to students that outlines how the school collects
533.6 on debts owed to the school.

533.7 (b) A school shall seek to use transcript issuance as a tool for debt collection for the
533.8 fewest number of cases possible and in a manner that allows for the quickest possible
533.9 resolution of the debt benefitting the student's educational progress.

533.10 Sec. 4. Minnesota Statutes 2022, section 135A.15, as amended by Laws 2023, chapter 52,
533.11 article 5, section 79, is amended to read:

533.12 **135A.15 ~~CAMPUS SEXUAL HARASSMENT AND VIOLENCE~~ MISCONDUCT**
533.13 **POLICY.**

533.14 Subdivision 1. **Applicability; policy required.** (a) This section applies to the following
533.15 postsecondary institutions:

533.16 (1) institutions governed by the Board of Trustees of the Minnesota State Colleges and
533.17 Universities; and

533.18 (2) private postsecondary institutions that offer in-person courses on a campus located
533.19 in Minnesota and which are eligible institutions as defined in section 136A.103, ~~provided~~
533.20 ~~that a private postsecondary institution with a systemwide enrollment of fewer than 100~~
533.21 ~~students in the previous academic year is exempt from subdivisions 4 to 10 paragraph (a),~~
533.22 that are participating in the federal program under Title IV of the Higher Education Act of
533.23 1965, Public Law 89-329, as amended.

533.24 Institutions governed by the Board of Regents of the University of Minnesota are
533.25 requested to comply with this section.

533.26 (b) A postsecondary institution must adopt a clear, understandable written policy on
533.27 ~~sexual harassment and sexual violence~~ misconduct that informs victims of their rights under
533.28 the crime victims bill of rights, including the right to assistance from the Crime Victims
533.29 Reimbursement Board and the commissioner of public safety. The policy must apply to
533.30 students and employees and must provide information about their rights and duties. The
533.31 policy must apply to criminal incidents against a student or employee of a postsecondary
533.32 institution occurring on property owned or leased by the postsecondary system or institution
533.33 or at any activity, program, organization, or event sponsored by the system or institution,

534.1 or by a fraternity ~~and~~ or sorority, or any activity, program, organization, or event sponsored
534.2 by the system or institution, or by a fraternity or sorority, regardless of whether the activity,
534.3 program, organization, or event occurs on or off property owned or leased by the
534.4 postsecondary system or institution. It must include procedures for reporting incidents of
534.5 sexual ~~harassment or sexual violence~~ misconduct and for disciplinary actions against
534.6 violators. During student registration, a postsecondary institution shall provide each student
534.7 with information regarding its policy. A copy of the policy also shall be posted at appropriate
534.8 locations on campus at all times.

534.9 Subd. 1a. ~~Sexual assault definition~~ Definitions. (a) For the purposes of this section,
534.10 the following terms have the meanings given.

534.11 (b) "Advisor" means a person who is selected by a responding or reporting party to serve
534.12 as a support during a campus investigation and disciplinary process. This person may be
534.13 an attorney. An advisor serves as a support to a party by offering comfort or attending
534.14 meetings.

534.15 (c) "Domestic violence" has the meaning giving in section 518B.01, subdivision 2.

534.16 ~~(b)~~ (d) "Incident" means one report of sexual assault misconduct to a postsecondary
534.17 institution, regardless of the number of complainants included in the report, the number of
534.18 respondents included in the report, and whether or not the identity of any party is known
534.19 by the reporting postsecondary institution. Incident encompasses all nonconsensual events
534.20 included within one report if multiple events have been identified.

534.21 (e) "Intimate partner violence" means any physical or sexual harm or a pattern of any
534.22 other coercive behavior committed, enabled, or solicited to gain or maintain power and
534.23 control over a victim, including verbal, psychological, economic, or technological abuse
534.24 that may or may not constitute criminal behavior against an individual, that may be classified
534.25 as a sexual misconduct, dating violence, or domestic violence caused by:

534.26 (1) a current or former spouse of the individual; or

534.27 (2) a person in a sexual or romantic relationship with the individual.

534.28 (f) "Nonconsensual dissemination of sexual images" has the meaning given in section
534.29 617.261.

534.30 (g) "Reporting party" means the party in a disciplinary proceeding who has reported
534.31 being subjected to conduct or communication that could constitute sexual misconduct.

535.1 (h) "Responding party" means the party in a disciplinary proceeding who has been
535.2 reported to be the perpetrator of conduct or communication that could constitute sexual
535.3 misconduct.

535.4 ~~(e)~~ (i) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex
535.5 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart
535.6 D, appendix A, as amended.

535.7 (j) "Sexual extortion" has the meaning given in section 609.3458.

535.8 (k) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

535.9 (l) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

535.10 (m) "Sexual misconduct" means an incident of sexual violence, intimate partner violence,
535.11 domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual
535.12 images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate
535.13 parts or sexual acts, sex trafficking, or stalking.

535.14 (n) "Stalking" has the meaning given in section 609.749.

535.15 Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum,
535.16 require that students and employees be informed of the policy, and shall include provisions
535.17 for:

535.18 (1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases
535.19 defined as sexual misconduct that may constitute criminal behavior;

535.20 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying
535.21 the appropriate law enforcement officials and disciplinary authorities of a ~~sexual assault~~
535.22 misconduct incident;

535.23 (3) allowing ~~sexual assault~~ misconduct victims to decide whether to report a case to law
535.24 enforcement or not report altogether; participate in a campus investigation, disciplinary
535.25 proceeding, or nondisciplinary informal resolution; or not participate altogether;

535.26 (4) requiring campus authorities to treat ~~sexual assault~~ misconduct victims with dignity;

535.27 (5) requiring campus authorities to offer ~~sexual assault~~ misconduct victims fair and
535.28 respectful health care, counseling services, or referrals to such services;

535.29 (6) preventing campus authorities from suggesting to a victim of ~~sexual assault~~
535.30 misconduct that the victim is at fault for the crimes or violations that occurred;

- 536.1 (7) preventing campus authorities from suggesting to a victim of sexual ~~assault~~
536.2 misconduct that the victim should have acted in a different manner to avoid such a crime;
- 536.3 (8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~
536.4 misconduct victims by only disclosing data collected under this section to the victim, persons
536.5 whose work assignments reasonably require access, and, at a sexual ~~assault~~ misconduct
536.6 victim's request, police conducting a criminal investigation;
- 536.7 (9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus
536.8 disciplinary authorities;
- 536.9 (10) a sexual ~~assault~~ misconduct victim's participation in and the presence of the victim's
536.10 ~~attorney or other support person who is not a fact witness to the sexual assault~~ advisor at
536.11 any meeting with campus officials concerning the victim's sexual ~~assault~~ misconduct
536.12 complaint or campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct
536.13 complaint;
- 536.14 (11) ensuring that a sexual ~~assault~~ misconduct victim may decide when to repeat a
536.15 description of the incident of sexual ~~assault~~ misconduct;
- 536.16 (12) notice to a sexual ~~assault~~ misconduct victim of the availability of a campus or local
536.17 program providing ~~sexual assault~~ victim advocacy services and information on free legal
536.18 resources and services;
- 536.19 (13) notice to a sexual ~~assault~~ misconduct victim of the outcome of any campus
536.20 disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent with
536.21 laws relating to data practices;
- 536.22 (14) the complete and prompt assistance of campus authorities, at the direction of law
536.23 enforcement authorities, in obtaining, securing, and maintaining evidence in connection
536.24 with a sexual ~~assault~~ misconduct incident;
- 536.25 (15) the assistance of campus authorities, at the request of the sexual misconduct victim,
536.26 ~~in preserving for a sexual assault complainant or victim~~ materials relevant to a campus
536.27 disciplinary proceeding;
- 536.28 (16) during and after the process of investigating a complaint and conducting a campus
536.29 disciplinary procedure, the assistance of campus personnel, in cooperation with the
536.30 appropriate law enforcement authorities, at a sexual ~~assault~~ misconduct victim's request, in
536.31 shielding the victim from unwanted contact with the alleged assailant, including transfer of
536.32 the victim to alternative classes or to alternative college-owned housing, if alternative classes
536.33 or housing are available and feasible;

537.1 (17) forbidding retaliation, and establishing a process for investigating complaints of
537.2 retaliation, against sexual ~~assault~~ misconduct victims by campus authorities, the accused,
537.3 organizations affiliated with the accused, other students, and other employees;

537.4 (18) at the request of the victim, providing students who reported sexual ~~assaults~~
537.5 misconduct to the institution and subsequently choose to transfer to another postsecondary
537.6 institution with information about resources for victims of sexual ~~assault~~ misconduct at the
537.7 institution to which the victim is transferring; and

537.8 (19) consistent with laws governing access to student records, providing a student who
537.9 reported an incident of sexual ~~assault~~ misconduct with access to the student's description
537.10 of the incident as it was reported to the institution, including if that student transfers to
537.11 another postsecondary institution.

537.12 (b) None of the rights given to a student by the policy required by subdivision 1 may be
537.13 made contingent upon the victim entering into a nondisclosure agreement or other contract
537.14 restricting the victim's ability to discuss information in connection with a sexual misconduct
537.15 complaint, investigation, or hearing.

537.16 (c) A nondisclosure agreement or other contract restricting the victim's ability to discuss
537.17 information in connection with a sexual misconduct complaint, investigation, or hearing
537.18 may not be used as a condition of financial aid or remedial action.

537.19 Subd. 2a. **Campus investigation and disciplinary hearing procedures.** (a) A
537.20 postsecondary institution must provide a reporting party an opportunity for an impartial,
537.21 timely, and thorough investigation of a report of sexual misconduct against a student. If an
537.22 investigation reveals that sexual misconduct has occurred, the institution must take prompt
537.23 and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence,
537.24 and, as appropriate, remedy its effects.

537.25 (b) Throughout any investigation or disciplinary proceeding, a postsecondary institution
537.26 must treat the reporting parties, responding parties, witnesses, and other participants in the
537.27 proceeding with dignity and respect.

537.28 (c) If a postsecondary institution conducts a hearing, an advisor may provide opening
537.29 and closing remarks on behalf of a party or assist with formulating questions to the other
537.30 party or witnesses about related evidence or credibility.

537.31 **Subd. 3. Uniform amnesty.** The sexual ~~harassment and violence~~ misconduct policy
537.32 required by subdivision 1 must include a provision that a witness or victim of an incident
537.33 of sexual ~~assault~~ misconduct who reports the incident in good faith shall not be sanctioned

538.1 by the institution for admitting in the report to a violation of the institution's student conduct
538.2 policy on the personal use of drugs or alcohol.

538.3 Subd. 4. **Coordination with local law enforcement.** (a) A postsecondary institution
538.4 must enter into a memorandum of understanding with the primary local law enforcement
538.5 agencies that serve its campus. The memorandum must be entered into no later than January
538.6 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate
538.7 responsibilities and require information sharing, in accordance with applicable state and
538.8 federal privacy laws, about certain crimes including, but not limited to, sexual assault. This
538.9 memorandum of understanding shall provide:

538.10 (1) delineation and sharing protocols of investigative responsibilities;

538.11 (2) protocols for investigations, including standards for notification and communication
538.12 and measures to promote evidence preservation; and

538.13 (3) a method of sharing information about specific crimes, when directed by the victim,
538.14 and a method of sharing crime details anonymously in order to better protect overall campus
538.15 safety.

538.16 (b) Prior to the start of each academic year, a postsecondary institution shall distribute
538.17 an electronic copy of the memorandum of understanding to all employees on the campus
538.18 that are subject to the memorandum.

538.19 (c) An institution is exempt from the requirement that it develop a memorandum of
538.20 understanding under this section if the institution and local or county law enforcement
538.21 agencies establish a sexual ~~assault~~ misconduct protocol team to facilitate effective cooperation
538.22 and collaboration between the institution and law enforcement.

538.23 Subd. 5. **Online reporting system.** (a) A postsecondary institution must provide an
538.24 online reporting system to receive complaints of sexual ~~harassment and sexual violence~~
538.25 misconduct from students and employees. The system must permit anonymous reports,
538.26 provided that the institution is not obligated to investigate an anonymous report unless a
538.27 formal report is submitted through the process established in the institution's sexual
538.28 ~~harassment and sexual violence~~ misconduct policy.

538.29 (b) A postsecondary institution must provide students making reports under this
538.30 subdivision with information about who will receive and have access to the reports filed,
538.31 how the information gathered through the system will be used, and contact information for
538.32 on-campus and off-campus organizations serving victims of sexual ~~violence~~ misconduct.

539.1 (c) Data collected under this subdivision is classified as private data on individuals as
539.2 defined by section 13.02, subdivision 12. Postsecondary institutions not otherwise subject
539.3 to chapter 13 must limit access to the data to only the data subject and persons whose work
539.4 assignments reasonably require access.

539.5 Subd. 6. **Data collection and reporting.** (a) Postsecondary institutions must annually
539.6 report statistics on sexual ~~assault~~ misconduct. This report must be prepared in addition to
539.7 any federally required reporting on campus security, including reports required by the Jeanne
539.8 Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States
539.9 Code, title 20, section 1092(f). The report must include, but not be limited to, the number
539.10 of incidents of sexual ~~assault~~ misconduct of each offense listed under the definition in
539.11 subdivision 1a, reported to the institution in the previous calendar year, as follows:

539.12 (1) the number that were investigated by the institution;

539.13 (2) the number that were referred for a disciplinary proceeding at the institution;

539.14 (3) the number the victim chose to report to local or state law enforcement;

539.15 (4) the number for which a campus disciplinary proceeding is pending, but has not
539.16 reached a final resolution;

539.17 (5) the number in which the alleged perpetrator was found responsible by the disciplinary
539.18 proceeding at the institution;

539.19 (6) the number that resulted in any action by the institution greater than a warning issued
539.20 to the accused;

539.21 (7) the number that resulted in a disciplinary proceeding at the institution that closed
539.22 without resolution;

539.23 (8) the number that resulted in a disciplinary proceeding at the institution that closed
539.24 without resolution because the accused withdrew from the institution;

539.25 (9) the number that resulted in a disciplinary proceeding at the institution that closed
539.26 without resolution because the victim chose not to participate in the procedure; and

539.27 (10) the number of reports made through the online reporting system established in
539.28 subdivision 5, excluding reports submitted anonymously.

539.29 (b) If an institution previously submitted a report indicating that one or more disciplinary
539.30 proceedings was pending, but had not reached a final resolution, and one or more of those
539.31 disciplinary proceedings reached a final resolution within the previous calendar year, that

540.1 institution must submit updated totals from the previous year that reflect the outcome of
540.2 the pending case or cases.

540.3 (c) The reports required by this subdivision must be submitted to the Office of Higher
540.4 Education by October 1 of each year. Each report must contain the data required under
540.5 paragraphs (a) and (b) from the previous calendar year.

540.6 (d) The commissioner of the Office of Higher Education shall calculate statewide numbers
540.7 for each data item reported by an institution under this subdivision. The statewide numbers
540.8 must include data from postsecondary institutions that the commissioner could not publish
540.9 due to federal laws governing access to student records.

540.10 (e) The Office of Higher Education shall publish on its website:

540.11 (1) the statewide data calculated under paragraph (d); and

540.12 (2) the data items required under paragraphs (a) and (b) for each postsecondary institution
540.13 in the state.

540.14 Each postsecondary institution shall publish on the institution's website the data items
540.15 required under paragraphs (a) and (b) for that institution.

540.16 (f) Reports and data required under this subdivision must be prepared and published as
540.17 summary data, as defined in section 13.02, subdivision 19, and must be consistent with
540.18 applicable law governing access to educational data. If an institution or the Office of Higher
540.19 Education does not publish data because of applicable law, the publication must explain
540.20 why data are not included.

540.21 **Subd. 7. Access to data; audit trail.** (a) Data on incidents of sexual ~~assault~~ misconduct
540.22 shared with campus security officers or campus administrators responsible for investigating
540.23 or adjudicating complaints of sexual ~~assault~~ misconduct are classified as private data on
540.24 individuals as defined by section 13.02, subdivision 12, for the purposes of postsecondary
540.25 institutions subject to the requirements of chapter 13. Postsecondary institutions not otherwise
540.26 subject to chapter 13 must limit access to the data to only the data subject and persons whose
540.27 work assignments reasonably require access.

540.28 (b) Only individuals with explicit authorization from an institution may enter, update,
540.29 or access electronic data related to an incident of sexual ~~assault~~ misconduct collected,
540.30 created, or maintained under this section. The ability of authorized individuals to enter,
540.31 update, or access these data must be limited through the use of role-based access that
540.32 corresponds to the official duties or training level of the individual and the institutional
540.33 authorization that grants access for that purpose. All actions in which the data related to an

541.1 incident of sexual ~~assault~~ misconduct are entered, updated, accessed, shared, or disseminated
541.2 outside of the institution must be recorded in a data audit trail. An institution shall
541.3 immediately and permanently revoke the authorization of any individual determined to have
541.4 willfully entered, updated, accessed, shared, or disseminated data in violation of this
541.5 subdivision or any provision of chapter 13. If an individual is determined to have willfully
541.6 gained access to data without explicit authorization, the matter shall be forwarded to a
541.7 county attorney for prosecution.

541.8 Subd. 8. **Comprehensive training.** (a) A postsecondary institution must provide campus
541.9 security officers and campus administrators responsible for investigating or adjudicating
541.10 complaints of sexual ~~assault~~ misconduct with comprehensive training on preventing and
541.11 responding to sexual ~~assault~~ misconduct in collaboration with the Bureau of Criminal
541.12 Apprehension or another law enforcement agency with expertise in criminal sexual conduct.
541.13 The training for campus security officers shall include a presentation on the dynamics of
541.14 sexual assault, neurobiological responses to trauma, and best practices for preventing,
541.15 responding to, and investigating sexual ~~assault~~ misconduct. The training for campus
541.16 administrators responsible for investigating or adjudicating complaints on sexual ~~assault~~
541.17 misconduct shall include presentations on preventing sexual ~~assault~~ misconduct, responding
541.18 to incidents of sexual ~~assault~~ misconduct, the dynamics of sexual assault, neurobiological
541.19 responses to trauma, and compliance with state and federal laws on sexual ~~assault~~ misconduct.

541.20 (b) The following categories of students who attend, or will attend, one or more courses
541.21 on campus or will participate in on-campus activities must be provided sexual ~~assault~~
541.22 misconduct training:

541.23 (1) students pursuing a degree or certificate;

541.24 (2) students who are taking courses through the Postsecondary Enrollment Options Act;
541.25 and

541.26 (3) any other categories of students determined by the institution.

541.27 Students must complete such training no later than ten business days after the start of a
541.28 student's first semester of classes. Once a student completes the training, institutions must
541.29 document the student's completion of the training and provide proof of training completion
541.30 to a student at the student's request. Students enrolled at more than one institution within
541.31 the same system at the same time are only required to complete the training once.

541.32 The training shall include information about topics including but not limited to sexual
541.33 ~~assault~~ misconduct as defined in subdivision 1a; consent as defined in section 609.341,
541.34 subdivision 4; preventing and reducing the prevalence of sexual ~~assault~~ misconduct;

542.1 procedures for reporting campus sexual ~~assault~~ misconduct; and campus resources on sexual
542.2 ~~assault~~ misconduct, including organizations that support victims of sexual ~~assault~~ misconduct.

542.3 (c) A postsecondary institution shall annually train individuals responsible for responding
542.4 to reports of sexual ~~assault~~ misconduct. This training shall include information about best
542.5 practices for interacting with victims of sexual ~~assault~~ misconduct, including how to reduce
542.6 the emotional distress resulting from the reporting, investigatory, and disciplinary process.

542.7 (d) To the extent possible, trainings must be culturally responsive and address the unique
542.8 experiences and challenges faced by students based on race, ethnicity, color, national origin,
542.9 disability, socioeconomic status, religion, sex, gender identity, sexual orientation, and
542.10 pregnancy or parenting status.

542.11 Subd. 9. **Student health services.** (a) An institution's student health service providers
542.12 must screen students for incidents of sexual ~~violence and sexual harassment~~ misconduct.
542.13 Student health service providers shall offer students information on resources available to
542.14 victims and survivors of sexual ~~violence and sexual harassment~~ misconduct including
542.15 counseling, mental health services, and procedures for reporting incidents to the institution.

542.16 (b) Each institution offering student health or counseling services must designate an
542.17 existing staff member or existing staff members as confidential resources for victims of
542.18 sexual ~~violence or sexual harassment~~ misconduct. The confidential resource must be available
542.19 to meet with victims of sexual ~~violence and sexual harassment~~ misconduct. The confidential
542.20 resource must provide victims with information about locally available resources for victims
542.21 of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, mental
542.22 health services and legal assistance. The confidential resource must provide victims with
542.23 information about the process for reporting an incident of sexual ~~violence and sexual~~
542.24 ~~harassment~~ misconduct to campus authorities or local law enforcement. The victim shall
542.25 decide whether to report an incident of sexual ~~violence and sexual harassment~~ misconduct
542.26 to campus authorities or local law enforcement. Confidential resources must be trained in
542.27 all aspects of responding to incidents of sexual ~~violence and sexual harassment~~ misconduct
542.28 including, but not limited to, best practices for interacting with victims of trauma, preserving
542.29 evidence, campus disciplinary and local legal processes, and locally available resources for
542.30 victims. Data shared with a confidential resource is classified as sexual assault
542.31 communication data as defined by section 13.822, subdivision 1.

542.32 Subd. 10. **Applicability of other laws.** This section does not exempt mandatory reporters
542.33 from the requirements of section 626.557 or chapter 260E governing the reporting of
542.34 maltreatment of minors or vulnerable adults. Nothing in this section limits the authority of

543.1 an institution to comply with other applicable state or federal laws related to investigations
543.2 or reports of sexual harassment, sexual violence, or sexual assault misconduct.

543.3 **EFFECTIVE DATE.** This section is effective August 1, 2025.

543.4 Sec. 5. **[135A.1581] NAVIGATORS FOR PARENTING STUDENTS.**

543.5 Subdivision 1. **Applicability.** (a) This section applies to the following postsecondary
543.6 institutions:

543.7 (1) institutions governed by the Board of Trustees of the Minnesota State Colleges and
543.8 Universities; and

543.9 (2) private postsecondary institutions that offer in-person courses on a campus located
543.10 in Minnesota and which are eligible institutions as defined in section 136A.103.

543.11 (b) Institutions governed by the Board of Regents of the University of Minnesota are
543.12 requested to comply with this section.

543.13 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
543.14 meanings given.

543.15 (b) "Institutions of higher education" means an institution of higher education under
543.16 subdivision 1.

543.17 (c) "Parenting student" means a student enrolled at an institution of higher education
543.18 who is the parent or legal guardian of or can claim as a dependent a child under the age of
543.19 18.

543.20 Subd. 3. **Navigators.** An institution of higher education must designate at least one
543.21 employee of the institution to act as a college navigator for current or incoming students at
543.22 the institution who are parenting students. The navigator must provide to the students
543.23 information regarding support services and other resources available to the students at the
543.24 institution, including:

543.25 (1) medical and behavioral health coverage and services;

543.26 (2) public benefit programs, including programs related to food security, affordable
543.27 housing, and housing subsidies;

543.28 (3) parenting and child care resources;

543.29 (4) employment assistance;

543.30 (5) transportation assistance; and

544.1 (6) any other resources developed by the institution to assist the students, including
544.2 student academic success strategies.

544.3 Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish
544.4 a process for collecting the parenting status of each enrolled student. By November 30,
544.5 2026, the Office of Higher Education shall establish a process for collecting this information
544.6 from institutions.

544.7 (b) Annually, beginning January 15, 2028, the Office of Higher Education must submit
544.8 a report to the chairs and ranking minority members of the legislative committees with
544.9 jurisdiction over higher education and children, youth, and families. The report must include
544.10 the following for parenting students:

544.11 (1) summary demographic data;

544.12 (2) enrollment patterns;

544.13 (3) retention rates;

544.14 (4) completion rates;

544.15 (5) average cumulative debt at exit or graduation as possible; and

544.16 (6) time to completion.

544.17 Data must be disaggregated by institution, academic year, race and ethnicity, gender, and
544.18 other factors determined to be relevant by the commissioner.

544.19 Sec. 6. **[135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING**
544.20 **STUDENTS.**

544.21 Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has
544.22 the meaning given.

544.23 (b) "Parenting student" means a student enrolled at a public college or university who
544.24 is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

544.25 Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not
544.26 require and the University of Minnesota is requested not to require a pregnant or parenting
544.27 student, solely because of the student's status as a pregnant or parenting student or due to
544.28 issues related to the student's pregnancy or parenting, to:

544.29 (1) take a leave of absence or withdraw from the student's degree or certificate program;

544.30 (2) limit the student's studies;

- 545.1 (3) participate in an alternative program;
- 545.2 (4) change the student's major, degree, or certificate program; or
- 545.3 (5) refrain from joining or cease participating in any course, activity, or program at the
545.4 college or university.
- 545.5 (b) A Minnesota state college or university shall provide and the University of Minnesota
545.6 is requested to provide reasonable modifications to a pregnant student, including
545.7 modifications that:
- 545.8 (1) would be provided to a student with a temporary medical condition; or
- 545.9 (2) are related to the health and safety of the student and the student's unborn child, such
545.10 as allowing the student to maintain a safe distance from substances, areas, and activities
545.11 known to be hazardous to pregnant women or unborn children.
- 545.12 (c) A Minnesota state college or university must and the University of Minnesota is
545.13 requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical
545.14 status or condition:
- 545.15 (1) excuse the student's absence;
- 545.16 (2) allow the student to make up missed assignments or assessments;
- 545.17 (3) allow the student additional time to complete assignments in the same manner as the
545.18 institution allows for a student with a temporary medical condition; and
- 545.19 (4) provide the student with access to instructional materials and video recordings of
545.20 lectures for classes for which the student has an excused absence under this section to the
545.21 same extent that instructional materials and video recordings of lectures are made available
545.22 to any other student with an excused absence.
- 545.23 (d) A Minnesota state college or university must and the University of Minnesota is
545.24 requested to allow a pregnant or parenting student to:
- 545.25 (1) take a leave of absence; and
- 545.26 (2) if in good academic standing at the time the student takes a leave of absence, return
545.27 to the student's degree or certificate program in good academic standing without being
545.28 required to reapply for admission.
- 545.29 (e) If a public college or university provides early registration for courses or programs
545.30 at the institution for any group of students, the Minnesota state college or university must

546.1 provide and the University of Minnesota is requested to provide early registration for those
546.2 courses or programs for pregnant or parenting students in the same manner.

546.3 Subd. 3. **Policy on discrimination.** Each Minnesota state college or university must
546.4 adopt and the University of Minnesota is requested to adopt a policy for students on
546.5 pregnancy and parenting discrimination. The policy must:

546.6 (1) include the contact information of the Title IX coordinator who is the designated
546.7 point of contact for a student requesting each protection or modification under this section.
546.8 Contact information must include the Title IX coordinator's name, phone number, email,
546.9 and office;

546.10 (2) be posted in an easily accessible, straightforward format on the college or university's
546.11 website; and

546.12 (3) be made available annually to faculty, staff, and employees of the college or
546.13 university.

546.14 Subd. 4. **Administration.** The commissioner of the Office of Higher Education must,
546.15 in consultation with the Board of Trustees of the Minnesota State Colleges and Universities
546.16 and the Board of Regents of the University of Minnesota, establish guidelines, as necessary,
546.17 to administer this section. The guidelines must establish minimum periods for which a
546.18 pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph
546.19 (d). In establishing the minimum periods, the Office of Higher Education shall consider the
546.20 maximum amount of time a student may be absent without significantly interfering with
546.21 the student's ability to complete the student's degree or certificate program.

546.22 Sec. 7. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding a
546.23 subdivision to read:

546.24 Subd. 5. **Reporting.** The director must evaluate the development and implementation
546.25 of the Minnesota inclusive higher education initiatives receiving a grant under section
546.26 135A.162. The director must submit an annual report by October 1 on the progress to expand
546.27 Minnesota inclusive higher education options for students with intellectual disabilities to
546.28 the commissioner and chairs and ranking minority members of the legislative committees
546.29 with jurisdiction over higher education policy and finance. The report must include statutory
546.30 and budget recommendations.

547.1 Sec. 8. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended
547.2 to read:

547.3 Subd. 2. **Eligible grantees.** A Tribal college or public or nonprofit postsecondary
547.4 two-year or four-year institution is eligible to apply for a grant under this section if the
547.5 institution:

547.6 (1) is accredited by the Higher Learning Commission; and

547.7 (2) meets the eligibility requirements under section 136A.103.

547.8 Sec. 9. **[135A.163] STUDENTS WITH DISABILITIES; ACCOMMODATIONS;**
547.9 **GENERAL REQUIREMENTS.**

547.10 Subdivision 1. **Short title.** This act may be cited as the "Minnesota Respond, Innovate,
547.11 Succeed, and Empower (RISE) Act."

547.12 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
547.13 meanings given.

547.14 (b) "Institution of higher education" means a public institution of higher education,
547.15 Tribal college, and private institution of higher education that receives federal funding. The
547.16 Board of Regents of the University of Minnesota is requested to comply with this section.

547.17 (c) "Plain language" means communication the audience can understand the first time
547.18 the audience reads or hears it.

547.19 (d) "Student with a disability" means an admitted or enrolled student who meets the
547.20 definition of an individual with a disability under the Americans with Disabilities Act and
547.21 includes a student with an intellectual disability as defined in Code of Federal Regulations,
547.22 title 34, section 668.231, who is admitted or enrolled in a comprehensive transition and
547.23 postsecondary program.

547.24 Subd. 3. **Students with disabilities policy; dissemination of policy.** (a) Each institution
547.25 of higher education shall adopt a policy making self-disclosure by a student with a disability
547.26 sufficient to start the interactive process for reasonable accommodations under subdivision
547.27 4.

547.28 (b) The policy adopted under this section must be transparent and explicit. The policy
547.29 must include information describing the process by which the institution of higher education
547.30 determines eligibility for accommodations for an individual with a disability and information
547.31 about the disability resource center and other areas within the institution that provide student
547.32 accommodations, such as housing and residence life. Each institution of higher education

548.1 shall disseminate the information to applicants, students, parents, and faculty in plain
548.2 language and in accessible formats. The information must be available during the student
548.3 application process, during student orientation, in academic catalogs, and on the institution's
548.4 public website.

548.5 **Subd. 4. Establishment of reasonable accommodation; documentation.** (a) An
548.6 institution of higher education shall engage in an interactive process to document the student's
548.7 accommodation needs to establish a reasonable accommodation. An institution may request
548.8 documentation as part of the interactive process to establish accommodations for the student
548.9 with a disability.

548.10 (b) The following documentation submitted by an admitted or enrolled student is
548.11 sufficient documentation for the interactive process to establish reasonable accommodations
548.12 for a student with a disability:

548.13 (1) documentation that the individual has had an individualized education program (IEP).
548.14 The institution of higher education may request additional documentation from an individual
548.15 who has had an IEP if the IEP was not in effect immediately before the date when the
548.16 individual exited high school;

548.17 (2) documentation that the individual has received services or accommodations under
548.18 a section 504 plan. The institution of higher education may request additional documentation
548.19 from an individual who has received services or accommodations provided to the individual
548.20 under a section 504 plan if the section 504 plan was not in effect immediately before the
548.21 date when the individual exited high school;

548.22 (3) documentation of a plan or record of service for the individual from a private school,
548.23 a local educational agency, a state educational agency, or an institution of higher education
548.24 provided under a section 504 plan or in accordance with the Americans with Disabilities
548.25 Act of 1990;

548.26 (4) a record or evaluation from an appropriately qualified health or other service
548.27 professional who is knowledgeable about the individual's condition, finding that the
548.28 individual has a disability;

548.29 (5) a plan or record of a disability from another institution of higher education;

548.30 (6) documentation of a disability due to military service; or

548.31 (7) additional information from an appropriately qualified health or other service
548.32 professional who is knowledgeable about the student's condition and can clarify the need
548.33 for a new accommodation not included in subdivision 4, paragraph (b), clauses (1) to (6).

549.1 (c) An institution of higher education may establish less burdensome criteria to determine
549.2 reasonable accommodations for an enrolled or admitted student with a disability.

549.3 (d) An institution of higher education shall include a representative list of potential
549.4 reasonable accommodations and disability resources for individuals with a disability that
549.5 is accessible to applicants, students, parents, and faculty in plain language and in accessible
549.6 formats. The information must be provided during the student application process, during
549.7 student orientation, in academic catalogs, and on the institution's public website. The
549.8 reasonable accommodations and disability resources available to students are individualized
549.9 and not limited to the list.

549.10 Subd. 5. **Higher education requirements for students with disabilities.** Institutions
549.11 of higher education shall:

549.12 (1) before the beginning of each academic term, offer an opportunity for admitted students
549.13 to self-identify as having a disability for which they may request an accommodation. The
549.14 person or office responsible for arranging accommodations at the institution must initiate
549.15 contact with any student who has self-identified under this clause. This does not preclude
549.16 a student from requesting an accommodation for a disability at any other time;

549.17 (2) not require a student to be reevaluated for or submit documentation to prove the
549.18 presence of a permanent disability if the student previously provided proof of their disability
549.19 status and is not requesting any new accommodations;

549.20 (3) provide the student's accommodation letter to the student's instructors, if the student
549.21 gives affirmative permission to share the information, and, if requested by the student,
549.22 facilitate communication between the student and the student's instructors;

549.23 (4) if a course instructor cannot provide an accommodation because it would
549.24 fundamentally alter the nature of that course, require an instructor to provide a notification
549.25 detailing why an accommodation cannot be provided to the student and submit that
549.26 information to the student and the person or office responsible for arranging accommodations;
549.27 and

549.28 (5) provide a student with a disability who is denied accommodations the option to
549.29 include the person or office responsible for arranging accommodations in the institution's
549.30 grievance or appeal process, to resolve equitable access barriers and prevent academic or
549.31 financial penalty due to no fault of the student.

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

550.1 Sec. 10. [135A.195] REQUIREMENTS RELATED TO ONLINE PROGRAM
550.2 MANAGEMENT COMPANIES.

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

550.5 (b) "Contract" means an agreement entered into by an institution of higher education
550.6 with an online program management company. Contract includes any amendment or
550.7 addendum to the agreement.

550.8 (c) "Institution of higher education" means an institution governed by either the Board
550.9 of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the
550.10 University of Minnesota. The Board of Regents of the University of Minnesota is requested
550.11 to comply with this section.

550.12 (d) "Managed program" means an online course or program that is fully delivered online
550.13 in a virtual space.

550.14 (e) "Online program management company" means a private, for-profit, third-party
550.15 entity that enters into a contract with an institution of higher education to provide bundled
550.16 products and services to develop, deliver, or provide managed programs, when the services
550.17 provided include recruitment and marketing.

550.18 (f) "Tuition sharing" means compensation or payment to an online program management
550.19 company based on a percentage of revenue or fees collected from managed programs.

550.20 Subd. 2. Contract stipulations. A contract must not contain any provision that:

550.21 (1) includes or allows for tuition sharing;

550.22 (2) grants the online program management company ownership rights to any or all
550.23 intellectual property rights, patentable discoveries, or inventions of faculty members of an
550.24 institution of higher education; or

550.25 (3) grants the online program management company decision making authority over:

550.26 (i) curriculum development, design, or maintenance;

550.27 (ii) student assessment and grading;

550.28 (iii) course assessment;

550.29 (iv) admissions requirements;

550.30 (v) appointment of faculty;

550.31 (vi) faculty assessment;

551.1 (vii) decision to award course credit or credential; or

551.2 (viii) institutional governance.

551.3 **Subd. 3. Mandatory contract review and approval.** Prior to being executed, a contract
551.4 must be reviewed and approved by the institution of higher education's governing board.

551.5 The Board of Regents of the University of Minnesota is requested to comply with this

551.6 subdivision. The review must include an analysis of the contract's compliance with

551.7 subdivision 2 prior to approval. A governing board must not approve a contract unless the

551.8 contract complies with subdivision 2.

551.9 **Subd. 4. Reporting requirements.** An institution of higher education that contracts

551.10 with an online program management company shall annually submit to the chairs and

551.11 ranking minority members of the committees in the senate and house of representatives

551.12 with jurisdiction over higher education finance an assessment and analysis that provides

551.13 for a rigorous review and monitoring of online program management. The Board of Regents

551.14 of the University of Minnesota is requested to comply with this subdivision. The report

551.15 must, at a minimum, include:

551.16 (1) a comparison of the actual enrollment and revenue and the enrollment and revenue

551.17 projections outlined in the financial pro forma;

551.18 (2) enrollment data reporting in 2026 and each year thereafter that includes measures

551.19 of student persistence and completion;

551.20 (3) evidence of good standing and engagement with the Higher Learning Commission

551.21 and any applicable specialized accreditors and licensing bodies, and evidence of any

551.22 approvals that may be required to offer courses and programs;

551.23 (4) an assessment of the degree to which the programs offered compete with similar

551.24 programs;

551.25 (5) a description and evidence of how institutions gather student feedback and student

551.26 complaints related to online program management courses and program offerings, and the

551.27 process for addressing any concerns and complaints; and

551.28 (6) the most recent compliance analysis under subdivision 3.

551.29 **Subd. 5. Marketing requirements.** (a) An institution of higher education that retains

551.30 an online program management company to provide marketing services for its academic

551.31 degree programs shall require that:

552.1 (1) the online program management company must clearly disclose the third-party
552.2 relationship between the online program management company and the institution each
552.3 time it engages in recruitment or marketing activities for an academic program of the
552.4 institution; and

552.5 (2) all recruitment and marketing communications from the online program management
552.6 company receive prior approval from the institution.

552.7 (b) An institution of higher education that contracts with an online program management
552.8 company shall make publicly available on its website a list of the online programs that are
552.9 supported by the online program management company.

552.10 Subd. 6. **Exemption.** Notwithstanding subdivision 1, paragraph (b), this section does
552.11 not apply to an addendum or amendment to a contract entered into by an institution of higher
552.12 education on or before July 1, 2023, that increases or decreases the number of managed
552.13 programs. This subdivision expires July 1, 2028.

552.14 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to contracts
552.15 entered into on or after that date, subject to the exemption in subdivision 6.

552.16 **Sec. 11. [136A.053] CONSOLIDATED STUDENT AID REPORTING.**

552.17 (a) The commissioner of the Office of Higher Education shall report annually beginning
552.18 February 15, 2026, to the chairs and ranking minority members of the legislative committees
552.19 with jurisdiction over higher education, on the details of programs administered under
552.20 sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

552.21 (1) total funds appropriated and expended;

552.22 (2) total number of students applying for funds;

552.23 (3) total number of students receiving funds;

552.24 (4) average and total award amounts;

552.25 (5) summary demographic data on award recipients;

552.26 (6) retention rates of award recipients;

552.27 (7) completion rates of award recipients;

552.28 (8) average cumulative debt at exit or graduation; and

552.29 (9) average time to completion.

553.1 (b) Data must be disaggregated by program, institution, aid year, race and ethnicity,
553.2 gender, income, family type, dependency status, and any other factors determined to be
553.3 relevant by the commissioner. The commissioner must report any additional data and
553.4 outcomes relevant to the evaluation of programs administered under sections 136A.091 to
553.5 136A.1276, 136A.1465, and 136A.231 to 136A.246 as evidenced by activities funded under
553.6 each program.

553.7 Sec. 12. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

553.8 Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for
553.9 free or reduced-price school meals under the national school lunch program. Student
553.10 eligibility shall be verified by sponsors of approved academic programs. The office shall
553.11 award stipends for students within the limits of available appropriations for this section. If
553.12 the amount appropriated is insufficient, the office shall allocate the available appropriation
553.13 in the manner it determines. A stipend must not exceed \$1,000 per student.

553.14 Sec. 13. **[136A.097] ORDER OF AID CALCULATIONS.**

553.15 The commissioner must calculate aid for programs in the order of their original enactment
553.16 from oldest to most recent. The commissioner may determine the order of calculating state
553.17 financial aid if:

553.18 (1) a student is eligible for multiple state financial aid programs; and

553.19 (2) two or more of those programs calculate funding after accounting for other state aid.

553.20 If the commissioner determines that a greater amount of financial aid would be available
553.21 to students by calculating aid in a particular order, the commissioner may calculate aid in
553.22 that order.

553.23 Sec. 14. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:

553.24 Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training
553.25 Voucher Program is eligible for a foster grant.

553.26 (b) If the individual is not eligible for the Education and Training Voucher Program, in
553.27 order to receive a foster grant, an individual must:

553.28 (1) meet the definition of a resident student under section 136A.101, subdivision 8;

553.29 (2) be at least 13 years of age but fewer than 27 years of age;

554.1 (3) after the individual's 13th birthday, be in or have been in foster care in Minnesota
554.2 before, on, or after June 27, 2021, including any of the following:

554.3 (i) placement in foster care at any time while 13 years of age or older;

554.4 (ii) adoption from foster care at any time after reaching 13 years of age; or

554.5 (iii) placement from foster care with a permanent legal custodian at any time after
554.6 reaching 13 years of age;

554.7 (4) have graduated from high school or completed the equivalent as approved by the
554.8 Department of Education;

554.9 (5) have been accepted for admission to, or be currently attending, an eligible institution;

554.10 (6) have submitted a FAFSA; ~~and~~

554.11 (7) be meeting satisfactory academic progress as defined under section 136A.101,
554.12 subdivision 10;

554.13 (8) not be in default, as defined by the office, of any federal or state student educational
554.14 loan;

554.15 (9) not be more than 30 days in arrears in court-ordered child support that is collected
554.16 or enforced by the public authority responsible for child support enforcement or, if the
554.17 applicant is more than 30 days in arrears in court-ordered child support that is collected or
554.18 enforced by the public authority responsible for child support enforcement, be complying
554.19 with a written payment agreement under section 518A.69 or order for arrearages; and

554.20 (10) not have been convicted of or pled nolo contendere or guilty to a crime involving
554.21 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
554.22 subtitle B, chapter VI, part 668, subpart C.

554.23 Sec. 15. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is
554.24 amended to read:

554.25 Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded
554.26 a foster grant based on the federal need analysis. Applicants are encouraged to apply for all
554.27 other sources of financial aid. The amount of the foster grant must be equal to the applicant's
554.28 recognized cost of attendance after accounting for:

554.29 (1) the results of the federal need analysis;

554.30 (2) the amount of a federal Pell Grant award for which the applicant is eligible;

554.31 (3) the amount of the state grant;

- 555.1 (4) the Federal Supplemental Educational Opportunity Grant;
- 555.2 (5) the sum of all Tribal scholarships;
- 555.3 (6) the amount of any other state and federal gift aid;
- 555.4 (7) the Education and Training Voucher Program;
- 555.5 (8) extended foster care benefits under section 260C.451;
- 555.6 (9) the amount of any private grants or scholarships, excluding grants and scholarships
- 555.7 provided by the private institution of higher education in which the eligible student is
- 555.8 enrolled; and
- 555.9 (10) for public institutions, the sum of all institutional grants, scholarships, tuition
- 555.10 waivers, and tuition remission amounts.
- 555.11 (b) The foster grant shall be paid directly to the eligible institution where the student is
- 555.12 enrolled.
- 555.13 (c) An eligible private institution may opt out of participating in the foster grant program
- 555.14 established under this section. To opt out, the institution shall provide notice to the office
- 555.15 by March 1 for the next academic year. An institution that opts out of participating, but
- 555.16 participated in the program a previous year, must hold harmless currently enrolled recipients
- 555.17 by continuing to provide the benefit under paragraph (d) as long as the student remains
- 555.18 eligible.
- 555.19 (d) An eligible private institution that does not opt out under paragraph (c) and accepts
- 555.20 the student's application to attend the institution must provide institutional grants,
- 555.21 scholarships, tuition waivers, or tuition remission in an amount equal to the difference
- 555.22 between:
- 555.23 (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b),
- 555.24 clause (1); and
- 555.25 (2) the sum of the foster grant under this subdivision and the sum of the amounts in
- 555.26 paragraph (a), clauses (1) to (9).
- 555.27 (e) An undergraduate student who is eligible may apply for and receive a foster grant
- 555.28 in any year of undergraduate study unless the student has obtained a baccalaureate degree
- 555.29 or received foster grant funds for a period of ten full-time semesters or the equivalent for a
- 555.30 four-year undergraduate degree. A foster grant student enrolled in a two-year degree,
- 555.31 certificate, or diploma program may apply for and receive a foster grant in any year of

556.1 undergraduate study unless the student has obtained a baccalaureate degree or received
556.2 foster grant funds for a period of six full-time semesters or the equivalent.

556.3 (f) Foster grants may be awarded to an eligible student for four quarters, three semesters,
556.4 or the equivalent during the course of a single fiscal year. In calculating the award amount,
556.5 the office must use the same calculation it would for any other term.

556.6 (g) The commissioner shall establish a priority application deadline.

556.7 (h) If there is a projected shortfall in available resources, the commissioner must
556.8 proportionately reduce awards to keep spending within available resources.

556.9 (i) Applicants applying after the priority deadline for whom the office has received a
556.10 completed application must be placed on a waiting list in order of application completion
556.11 date. Awards must be made on a first-come, first-served basis in the order complete
556.12 applications are received. Students who received the Fostering Independence Grant in the
556.13 previous year shall be given priority. If there are multiple applications with identical
556.14 completion dates, those applications must be further sorted by application receipt date.
556.15 Awards must be made to eligible students until the appropriation is expended.

556.16 Sec. 16. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is
556.17 amended to read:

556.18 Subdivision 1. **Definitions.** The following terms have the meanings given:

556.19 (1) "eligible student" means a resident student under section 136A.101, subdivision 8,
556.20 who is enrolled in any public postsecondary educational institution or Tribal college and
556.21 who meets the eligibility requirements in subdivision 2;

556.22 (2) "gift aid" ~~means all~~ includes:

556.23 (i) all federal financial aid that is not a loan or pursuant to a work-study program;

556.24 (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant
556.25 to a work-study program;

556.26 (iii) institutional financial aid ~~designated for the student's educational expenses~~, including
556.27 a grant, scholarship, tuition waiver, fellowship stipend, or other ~~third-party~~ payment, unless
556.28 designated for other expenses, that is not a loan or pursuant to a work-study program; and

556.29 (iv) all private financial aid that is not a loan or pursuant to a work-study program.

557.1 Financial aid from the state, public postsecondary educational institutions, and Tribal colleges
 557.2 that is specifically designated for other expenses is not gift aid for purposes of the North
 557.3 Star Promise scholarship.

557.4 ~~(3) "office" means the Office of Higher Education;~~

557.5 (3) "other expenses" includes books, required supplies, child care, emergency assistance,
 557.6 food, and housing;

557.7 (4) "public postsecondary educational institution" means an institution operated by this
 557.8 state, or the Board of Regents of the University of Minnesota, ~~or a Tribal college;~~

557.9 (5) "recognized cost of attendance" has the meaning given in United States Code, title
 557.10 20, chapter 28, subchapter IV, part F, section 10871l;

557.11 ~~(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after~~
 557.12 ~~deducting grants and other scholarships;~~

557.13 (6) "Tribal college" means a college defined in section 136A.1796, subdivision 1,
 557.14 paragraph (c); and

557.15 (7) "tuition and fees" means the actual tuition and mandatory fees charged by an
 557.16 institution.

557.17 Sec. 17. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is
 557.18 amended to read:

557.19 Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student
 557.20 who:

557.21 (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state
 557.22 aid application;

557.23 (2) has a family adjusted gross income below \$80,000;

557.24 (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over
 557.25 and has met all requirements for admission as a student to an eligible college or university;

557.26 ~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

557.27 ~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

557.28 (6) is enrolled in a program or course of study that applies to a degree, diploma, or
 557.29 certificate;

558.1 (7) is not in default, as defined by the office, of any federal or state student educational
558.2 loan;

558.3 (8) is not more than 30 days in arrears in court-ordered child support that is collected or
558.4 enforced by the public authority responsible for child support enforcement or, if the applicant
558.5 is more than 30 days in arrears in court-ordered child support that is collected or enforced
558.6 by the public authority responsible for child support enforcement, but is complying with a
558.7 written payment agreement under section 518A.69 or order for arrearages;

558.8 (9) has not been convicted of or pled nolo contendere or guilty to a crime involving
558.9 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
558.10 subtitle B, chapter VI, part 668, subpart C; and

558.11 ~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101,
558.12 subdivision 10.

558.13 Sec. 18. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is
558.14 amended to read:

558.15 Subd. 3. **Scholarship.** (a) Beginning in the fall term of the 2024-2025 academic year,
558.16 scholarships shall be awarded to eligible students in an amount not to exceed 100 percent
558.17 of tuition and fees after ~~grants and other scholarships are~~ gift aid is deducted.

558.18 (b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after
558.19 scholarships are awarded under paragraph (a), supplemental grants shall be awarded to
558.20 eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to~~
558.21 ~~available funds,~~ up to 50 percent of the amount of a Pell grant the student would receive
558.22 based on household size, family adjusted gross income, and results of the federal needs
558.23 analysis ~~after other gift aid is deducted,~~ not to exceed the student's recognized cost of
558.24 attendance. The commissioner may adjust the supplemental grant amount based on the
558.25 availability of funds.

558.26 Sec. 19. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is
558.27 amended to read:

558.28 Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with
558.29 the 2024-2025 academic year, a public postsecondary educational institution or Tribal
558.30 college shall not reduce the institutional gift aid offered or awarded to a student who is
558.31 eligible to receive funds under this program unless the student's gift aid exceeds the student's
558.32 annual recognized cost of attendance.

559.1 (b) The public postsecondary educational institution or Tribal college may reduce the
559.2 institutional gift aid offer of a student who is eligible to receive funds under this program
559.3 by no more than the amount of the student's gift aid that is in excess of the student's annual
559.4 recognized cost of attendance.

559.5 (c) The public postsecondary educational institution or Tribal college shall not consider
559.6 receipt or anticipated receipt of funds under this program when considering a student for
559.7 qualification for institutional gift aid.

559.8 (d) To ensure financial aid is maximized, a public postsecondary educational institution
559.9 or Tribal college is encouraged to implement efforts to avoid scholarship displacement
559.10 through consultation with the Office of Higher Education ~~and students to avoid situations~~
559.11 ~~where institutional gift aid can only be used for specific purposes.~~

559.12 Sec. 20. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is
559.13 amended to read:

559.14 Subd. 5. **Duration of scholarship authorized; scholarship paid to institution.** (a)
559.15 Each scholarship is for a period of one semester. A scholarship may be renewed provided
559.16 that the eligible student continues to meet the conditions of eligibility.

559.17 (b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing~~
559.18 ~~the completion of a certificate or an associate degree and up to 120 credits for the completion~~
559.19 ~~of a bachelor's degree who has not previously received the scholarship for four full-time~~
559.20 semesters or the equivalent. Scholarships may be provided to an eligible student pursuing
559.21 the completion of a bachelor's degree who has not previously received the scholarship for
559.22 eight full-time semesters or the equivalent. The maximum credits for which a student is
559.23 eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken
559.24 that qualify as developmental education or below college-level shall be excluded from the
559.25 limit.

559.26 (c) A student is entitled to an additional semester or the equivalent of grant eligibility
559.27 if the student withdraws from enrollment:

559.28 (1) for active military service because the student was ordered to active military service
559.29 as defined in section 190.05, subdivision 5b or 5c;

559.30 (2) for a serious health condition, while under the care of a medical professional, that
559.31 substantially limits the student's ability to complete the term; or

559.32 (3) while providing care that substantially limits the student's ability to complete the
559.33 term to the student's spouse, child, or parent who has a serious health condition.

560.1 ~~(e) The commissioner shall determine a time frame by which the eligible student must~~
560.2 ~~complete the credential.~~

560.3 (d) The scholarship must be paid directly to the eligible institution where the student is
560.4 enrolled.

560.5 Sec. 21. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

560.6 Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such
560.7 terms and conditions as the office may prescribe.

560.8 (b) The minimum loan amount and a maximum loan amount to students must be
560.9 determined annually by the office. Loan limits are defined based on the type of program
560.10 enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate
560.11 program. The aggregate principal amount of all loans made subject to this paragraph to a
560.12 student as an undergraduate and graduate student must not exceed \$140,000. The amount
560.13 of the loan must not exceed the cost of attendance as determined by the eligible institution
560.14 less all other financial aid, including PLUS loans or other similar parent loans borrowed on
560.15 the student's behalf. A student may borrow up to the maximum amount twice in the same
560.16 grade level.

560.17 (c) The cumulative borrowing maximums must be determined annually by the office
560.18 and are defined based on program enrollment. In determining the cumulative borrowing
560.19 maximums, the office shall, among other considerations, take into consideration the maximum
560.20 SELF loan amount, student financing needs, funding capacity for the SELF program,
560.21 delinquency and default loss management, and current financial market conditions.

560.22 Sec. 22. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

560.23 Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans
560.24 made under this section in accordance with the policies, rules, and conditions authorized
560.25 under section 136A.16, subdivision 2. The office will take into consideration the loan limits
560.26 and current financial market conditions when establishing repayment terms. The office shall
560.27 not require a minimum annual payment, though the office may require minimum monthly
560.28 payments.

560.29 Sec. 23. Minnesota Statutes 2022, section 136A.29, subdivision 9, is amended to read:

560.30 Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue
560.31 revenue bonds whose aggregate principal amount at any time shall not exceed \$1,300,000,000
560.32 \$2,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds

561.1 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
561.2 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
561.3 furnishing, or equipping one or more projects or parts thereof.

561.4 Sec. 24. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended
561.5 to read:

561.6 Subd. 3. **School.** "School" means:

561.7 (1) a Tribal college that has a physical presence in Minnesota;

561.8 (2) any partnership, company, firm, society, trust, association, corporation, or any
561.9 combination thereof, with a physical presence in Minnesota, which: (i) is, owns, or operates
561.10 a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private,
561.11 for-profit postsecondary education institution; or (iii) provides a postsecondary instructional
561.12 program or course leading to a degree whether or not for profit; or

561.13 (3) any public or private postsecondary educational institution located in another state
561.14 or country ~~which offers or makes available to a Minnesota resident any course, program or~~
561.15 ~~educational activity which does not require the leaving of the state for its completion; or~~
561.16 with a physical presence in Minnesota.

561.17 ~~(4) any individual, entity, or postsecondary institution located in another state that~~
561.18 ~~contracts with any school located within the state of Minnesota for the purpose of providing~~
561.19 ~~educational programs, training programs, or awarding postsecondary credits or continuing~~
561.20 ~~education credits to Minnesota residents that may be applied to a degree program.~~

561.21 Sec. 25. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
561.22 to read:

561.23 Subd. 8. **Postsecondary education.** "Postsecondary education" means the range of
561.24 formal learning opportunities beyond high school, including those aimed at learning an
561.25 occupation or earning an academic credential.

561.26 Sec. 26. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
561.27 to read:

561.28 Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of
561.29 Minnesota for the purpose of conducting activity related to any program at the degree level
561.30 or courses that may be applied to a degree program. Physical presence includes:

561.31 (1) operating a location within the state;

562.1 (2) offering instruction within or originating from Minnesota designed to impart
562.2 knowledge with response utilizing teachers, trainers, counselors or computer resources,
562.3 computer linking, or any form of electronic means; and

562.4 (3) granting an educational credential from a location within the state or to a student
562.5 within the state.

562.6 Physical presence does not include field trips, sanctioned sports recruiting activities, or
562.7 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,
562.8 allow an individual to sign any agreement obligating the person to the school, accept any
562.9 moneys from the individual, or follow up with an individual by means of an in-person
562.10 meeting in Minnesota at a college fair or assembly.

562.11 Sec. 27. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

562.12 Subdivision 1. **Annual registration.** All schools ~~located within Minnesota and all schools~~
562.13 ~~located outside Minnesota~~ with a physical presence in Minnesota which offer degree
562.14 programs or courses within Minnesota shall register annually with the office.

562.15 Sec. 28. Minnesota Statutes 2022, section 136A.646, is amended to read:

562.16 **136A.646 ADDITIONAL SECURITY.**

562.17 (a) New institutions that have been granted conditional approval for degrees or names
562.18 to allow them the opportunity to apply for and receive accreditation under section 136A.65,
562.19 subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue
562.20 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the
562.21 bond be less than \$10,000.

562.22 (b) Any registered institution that is notified by the United States Department of Education
562.23 that it has fallen below minimum financial standards and that its continued participation in
562.24 Title IV will be conditioned upon its satisfying ~~either the Zone Alternative, an alternative~~
562.25 standard set forth in Code of Federal Regulations, title 34, section 668.175, paragraph (f),
562.26 ~~or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175,~~
562.27 ~~paragraph (e),~~ shall provide a surety bond in a sum equal to the "letter of credit" required
562.28 by the United States Department of Education in the Letter of Credit Alternative, but in no
562.29 event shall such bond be less than \$10,000 nor more than \$250,000. If the letter of credit
562.30 required by the United States Department of Education is higher than ten percent of the
562.31 Title IV, Higher Education Act program funds received by the institution during its most
562.32 recently completed fiscal year, the office shall reduce the office's surety requirement to

563.1 represent ten percent of the Title IV, Higher Education Act program funds received by the
563.2 institution during its most recently completed fiscal year, subject to the minimum and
563.3 maximum in this paragraph.

563.4 (c) In lieu of a bond, the applicant may deposit with the commissioner of management
563.5 and budget:

563.6 (1) a sum equal to the amount of the required surety bond in cash;

563.7 (2) securities, as may be legally purchased by savings banks or for trust funds, in an
563.8 aggregate market value equal to the amount of the required surety bond; or

563.9 (3) an irrevocable letter of credit issued by a financial institution to the amount of the
563.10 required surety bond.

563.11 (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to the
563.12 office and shall be relieved of liability for any breach of condition occurring after the
563.13 effective date of cancellation.

563.14 (e) In the event of a school closure, the additional security must first be used to destroy
563.15 any private educational data under section 13.32 left at a physical campus in Minnesota
563.16 after all other governmental agencies have recovered or retrieved records under their record
563.17 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs
563.18 to students that were enrolled at the time of the closure or had withdrawn in the previous
563.19 ~~120~~ 180 calendar days but did not graduate. Priority for refunds will be given to students
563.20 in the following order:

563.21 (1) cash payments made by the student or on behalf of a student;

563.22 (2) private student loans; and

563.23 (3) Veteran Administration education benefits that are not restored by the Veteran
563.24 Administration. If there are additional security funds remaining, the additional security
563.25 funds may be used to cover any administrative costs incurred by the office related to the
563.26 closure of the school.

563.27 Sec. 29. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

563.28 Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its
563.29 degree or degrees and name approved must substantially meet the following criteria:

563.30 (1) the school has an organizational framework with administrative and teaching personnel
563.31 to provide the educational programs offered;

564.1 (2) the school has financial resources sufficient to meet the school's financial obligations,
564.2 including refunding tuition and other charges consistent with its stated policy if the institution
564.3 is dissolved, or if claims for refunds are made, to provide service to the students as promised,
564.4 and to provide educational programs leading to degrees as offered;

564.5 (3) the school operates in conformity with generally accepted accounting principles
564.6 according to the type of school;

564.7 (4) the school provides an educational program leading to the degree it offers;

564.8 (5) the school provides appropriate and accessible library, laboratory, and other physical
564.9 facilities to support the educational program offered;

564.10 (6) the school has a policy on freedom or limitation of expression and inquiry for faculty
564.11 and students which is published or available on request;

564.12 (7) the school uses only publications and advertisements which are truthful and do not
564.13 give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,
564.14 its personnel, programs, services, or occupational opportunities for its graduates for promotion
564.15 and student recruitment;

564.16 (8) the school's compensated recruiting agents who are operating in Minnesota identify
564.17 themselves as agents of the school when talking to or corresponding with students and
564.18 prospective students;

564.19 (9) the school provides information to students and prospective students concerning:

564.20 (i) comprehensive and accurate policies relating to student admission, evaluation,
564.21 suspension, and dismissal;

564.22 (ii) clear and accurate policies relating to granting credit for prior education, training,
564.23 and experience and for courses offered by the school;

564.24 (iii) current schedules of fees, charges for tuition, required supplies, student activities,
564.25 housing, and all other standard charges;

564.26 (iv) policies regarding refunds and adjustments for withdrawal or modification of
564.27 enrollment status; and

564.28 (v) procedures and standards used for selection of recipients and the terms of payment
564.29 and repayment for any financial aid program;

564.30 (10) the school must not withhold a student's official transcript because the student is
564.31 in arrears or in default on any loan issued by the school to the student if the loan qualifies
564.32 as an institutional loan under United States Code, title 11, section 523(a)(8)(b); ~~and~~

565.1 (11) the school has a process to receive and act on student complaints;

565.2 (12) the school includes a joint and several liability provision for torts and compliance
565.3 with the requirements of sections 136A.61 to 136A.71 in any contract effective after July
565.4 1, 2026, with any individual, entity, or postsecondary school located in another state for the
565.5 purpose of providing educational or training programs or awarding postsecondary credits
565.6 or continuing education credits to Minnesota residents that may be applied to a degree
565.7 program; and

565.8 (13) the school must not use nondisclosure agreements or other contracts restricting a
565.9 student's ability to disclose information in connection with school actions or conduct that
565.10 would be covered under section 136A.672.

565.11 (b) An application for degree approval must also include:

565.12 (i) title of degree and formal recognition awarded;

565.13 (ii) location where such degree will be offered;

565.14 (iii) proposed implementation date of the degree;

565.15 (iv) admissions requirements for the degree;

565.16 (v) length of the degree;

565.17 (vi) projected enrollment for a period of five years;

565.18 (vii) the curriculum required for the degree, including course syllabi or outlines;

565.19 (viii) statement of academic and administrative mechanisms planned for monitoring the
565.20 quality of the proposed degree;

565.21 (ix) statement of satisfaction of professional licensure criteria, if applicable;

565.22 (x) documentation of the availability of clinical, internship, externship, or practicum
565.23 sites, if applicable; and

565.24 (xi) statement of how the degree fulfills the institution's mission and goals, complements
565.25 existing degrees, and contributes to the school's viability.

565.26 Sec. 30. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

565.27 Subd. 2. **Additional reporting.** (a) In addition to the information required for the
565.28 indicators in subdivision 1, an institution must notify the office within ten business days if
565.29 any of the events in paragraphs (b) to (e) occur.

565.30 (b) Related to revenue, debt, and cash flow, notice is required if:

566.1 (1) the institution defaulted on a debt payment or covenant and has not received a waiver
566.2 of the violation from the financial institution within 60 days;

566.3 (2) for institutions with a federal composite score of less than 1.5, the institution's owner
566.4 withdraws equity that directly results in a composite score of less than 1.0, unless the
566.5 withdrawal is a transfer between affiliated entities included in a common composite score;

566.6 (3) the United States Department of Education requires a 25 percent or greater Letter of
566.7 Credit, except when the Letter of Credit is imposed due to a change of ownership;

566.8 (4) the United States Department of Education requires Heightened Cash Monitoring 2;

566.9 (5) the institution receives written notification that it violated the United States
566.10 Department of Education's revenue requirement under United States Code, title 20, section
566.11 1094(a)(24), as amended; or

566.12 (6) the institution receives written notification by the United States Department of
566.13 Education that it has fallen below minimum financial standards and that its continued
566.14 participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an~~
566.15 alternative standard set forth in Code of Federal Regulations, title 34, section 668.175,
566.16 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~
566.17 ~~668.175, paragraph (e).~~

566.18 (c) Related to accreditation and licensing, notice is required if:

566.19 (1) the institution receives written notification of probation, warning, show-cause, or
566.20 loss of institutional accreditation;

566.21 (2) the institution receives written notification that its institutional accreditor lost federal
566.22 recognition; or

566.23 (3) the institution receives written notification that it has materially violated state
566.24 authorization or institution licensing requirements in a different state that may lead to or
566.25 has led to the termination of the institution's ability to continue to provide educational
566.26 programs or otherwise continue to operate in that state.

566.27 (d) Related to securities, notice is required if:

566.28 (1) the Securities and Exchange Commission (i) issues an order suspending or revoking
566.29 the registration of the institution's securities, or (ii) suspends trading of the institution's
566.30 securities on any national securities exchange;

567.1 (2) the national securities exchange on which the institution's securities are traded notifies
 567.2 the institution that it is not in compliance with the exchange's listing requirements and the
 567.3 institution's securities are delisted; or

567.4 (3) the Securities and Exchange Commission is not in timely receipt of a required report
 567.5 and did not issue an extension to file the report.

567.6 (e) Related to criminal and civil investigations, notice is required if:

567.7 (1) the institution receives written notification of a felony criminal indictment or charges
 567.8 of the institution's owner;

567.9 (2) the institution receives written notification of criminal indictment or charges of the
 567.10 institution's officers related to operations of the institution; or

567.11 (3) there has been a criminal, civil, or administrative adjudication of fraud or
 567.12 misrepresentation in Minnesota or in another state or jurisdiction against the institution or
 567.13 its owner, officers, agents, or sponsoring organization.

567.14 Sec. 31. Minnesota Statutes 2022, section 136A.69, subdivision 1, is amended to read:

567.15 Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees
 567.16 that are sufficient to recover, but do not exceed, its costs of administering the registration
 567.17 program. The office shall charge the fees listed in paragraphs (b) ~~and (e)~~ to (d) for new
 567.18 registrations.

567.19 (b) A new school offering no more than one degree at each level during its first year
 567.20 must pay registration fees for each applicable level in the following amounts:

567.21	associate degree	\$2,000
567.22	baccalaureate degree	\$2,500
567.23	master's degree	\$3,000
567.24	doctorate degree	\$3,500

567.25 (c) A new school that will offer more than one degree per level during its first year must
 567.26 pay registration fees in an amount equal to the fee for the first degree at each degree level
 567.27 under paragraph (b), plus fees for each additional nondegree program or degree as follows:

567.28	nondegree program	\$250
567.29	additional associate degree	\$250
567.30	additional baccalaureate degree	\$500
567.31	additional master's degree	\$750
567.32	additional doctorate degree	\$1,000

568.1 (d) In addition to the fees under paragraphs (b) and (c), a fee of \$600 must be paid for
568.2 an initial application that: (1) has had four revisions, corrections, amendment requests, or
568.3 application reminders for the same application or registration requirement; or (2) cumulatively
568.4 has had six revisions, corrections, amendment requests, or application reminders for the
568.5 same license application and the school seeks to continue with the application process with
568.6 additional application submissions. If this fee is paid, the school may submit two final
568.7 application submissions for review prior to application denial under section 136A.65,
568.8 subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications
568.9 initiated by the school before the submission of the application, initial interpretation questions
568.10 or inquiries from the office regarding a completed application, and initial requests from the
568.11 office for verification or validation of a completed application.

568.12 ~~(d)~~ (e) The annual renewal registration fee is \$1,500.

568.13 (f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal
568.14 application that: (1) has had four revisions, corrections, amendment requests, or application
568.15 reminders for the same application or registration requirement; or (2) cumulatively has had
568.16 six revisions, corrections, amendment requests, or application reminders for the same license
568.17 application and the school seeks to continue with the application process with additional
568.18 application submissions. If this fee is paid, the school may submit two final application
568.19 submissions for review prior to application denial under section 136A.65, subdivision 8.
568.20 This provision excludes from its scope nonrepetitive questions or clarifications initiated by
568.21 the school before the submission of the application, initial interpretation questions or inquiries
568.22 from the office regarding a completed application, and initial requests from the office for
568.23 verification or validation of a completed application.

568.24 Sec. 32. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

568.25 Subd. 5. **Private career school.** "Private career school" means a person who maintains;
568.26 ~~advertises, administers, solicits for, or conducts~~ a physical presence for any program at less
568.27 than an associate degree level; is not registered as a private institution under sections 136A.61
568.28 to 136A.71; and is not specifically exempted by section 136A.833.

568.29 Sec. 33. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision
568.30 to read:

568.31 Subd. 20. **Physical presence.** "Physical presence" means presence within the state of
568.32 Minnesota for the purpose of conducting activity related to any program at less than an
568.33 associate degree level. Physical presence includes:

- 569.1 (1) operating a location within the state;
- 569.2 (2) offering instruction within or originating from Minnesota designed to impart
569.3 knowledge with response utilizing teachers, trainers, counselors or computer resources,
569.4 computer linking, or any form of electronic means;
- 569.5 (3) granting an educational credential from a location within the state or to a student
569.6 within the state; and
- 569.7 (4) using an agent, recruiter, institution, or business that solicits for enrollment or credits
569.8 or for the award of an educational credential.
- 569.9 Physical presence does not include field trips, sanctioned sports recruiting activities, or
569.10 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,
569.11 allow an individual to sign any agreement obligating the person to the school, accept any
569.12 moneys from the individual, or follow up with an individual by means of an in-person
569.13 meeting in Minnesota at a college fair or assembly.

569.14 Sec. 34. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

569.15 Subdivision 1. **Required.** A private career school must not maintain, ~~advertise, solicit~~
569.16 ~~for, administer, or conduct~~ a physical presence for any program in Minnesota without first
569.17 obtaining a license from the office.

569.18 Sec. 35. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

569.19 Subd. 2. **Contract unenforceable.** A contract entered into with a person for a program
569.20 by or on behalf of a person operating a private career school with a physical presence in
569.21 Minnesota to which a license has not been issued under sections 136A.821 to 136A.833, is
569.22 unenforceable in any action.

569.23 Sec. 36. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

569.24 Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which~~
569.25 ~~maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of
569.26 Minnesota for any program, unless the applicant files with the office a continuous corporate
569.27 surety bond written by a company authorized to do business in Minnesota conditioned upon
569.28 the faithful performance of all contracts and agreements with students made by the applicant.

569.29 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net
569.30 revenue from student tuition, fees, and other required institutional charges collected, but in
569.31 no event less than \$10,000, except that a private career school may deposit a greater amount

570.1 at its own discretion. A private career school in each annual application for licensure must
570.2 compute the amount of the surety bond and verify that the amount of the surety bond complies
570.3 with this subdivision. A private career school that operates at two or more locations may
570.4 combine net revenue from student tuition, fees, and other required institutional charges
570.5 collected for all locations for the purpose of determining the annual surety bond requirement.
570.6 The net revenue from tuition and fees used to determine the amount of the surety bond
570.7 required for a private career school having a license for the sole purpose of recruiting students
570.8 in Minnesota shall be only that paid to the private career school by the students recruited
570.9 from Minnesota.

570.10 (2) A person required to obtain a private career school license due to the use of
570.11 "academy," "institute," "college," or "university" in its name and which is also licensed by
570.12 another state agency or board, except not including those schools licensed exclusively in
570.13 order to participate in state grants or SELF loan financial aid programs, shall be required
570.14 to provide a school bond of \$10,000.

570.15 (c) The bond shall run to the state of Minnesota and to any person who may have a cause
570.16 of action against the applicant arising at any time after the bond is filed and before it is
570.17 canceled for breach of any contract or agreement made by the applicant with any student.
570.18 The aggregate liability of the surety for all breaches of the conditions of the bond shall not
570.19 exceed the principal sum deposited by the private career school under paragraph (b). The
570.20 surety of any bond may cancel it upon giving 60 days' notice in writing to the office and
570.21 shall be relieved of liability for any breach of condition occurring after the effective date
570.22 of cancellation.

570.23 (d) In lieu of bond, the applicant may deposit with the commissioner of management
570.24 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable
570.25 letter of credit issued by a financial institution equal to the amount of the required surety
570.26 bond, or securities as may be legally purchased by savings banks or for trust funds in an
570.27 aggregate market value equal to the amount of the required surety bond.

570.28 (e) Failure of a private career school to post and maintain the required surety bond or
570.29 deposit under paragraph (d) may result in denial, suspension, or revocation of the school's
570.30 license.

570.31 Sec. 37. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

570.32 Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota
570.33 ~~that offer, advertise, solicit for, or conduct any program~~ have a physical presence within
570.34 the state of Minnesota shall first file with the secretary of state a sworn statement designating

571.1 a resident agent authorized to receive service of process. The statement shall designate the
571.2 secretary of state as resident agent for service of process in the absence of a designated
571.3 agent. If a private career school fails to file the statement, the secretary of state is designated
571.4 as the resident agent authorized to receive service of process. The authorization shall be
571.5 irrevocable as to causes of action arising out of transactions occurring prior to the filing of
571.6 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

571.7 Sec. 38. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

571.8 Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

571.9 (1) that the applicant has a sound financial condition with sufficient resources available
571.10 to:

571.11 (i) meet the private career school's financial obligations;

571.12 (ii) refund all tuition and other charges, within a reasonable period of time, in the event
571.13 of dissolution of the private career school or in the event of any justifiable claims for refund
571.14 against the private career school by the student body;

571.15 (iii) provide adequate service to its students and prospective students; and

571.16 (iv) maintain and support the private career school;

571.17 (2) that the applicant has satisfactory facilities with sufficient tools and equipment and
571.18 the necessary number of work stations to prepare adequately the students currently enrolled,
571.19 and those proposed to be enrolled;

571.20 (3) that the applicant employs a sufficient number of qualified teaching personnel to
571.21 provide the educational programs contemplated;

571.22 (4) that the private career school has an organizational framework with administrative
571.23 and instructional personnel to provide the programs and services it intends to offer;

571.24 (5) that the quality and content of each occupational course or program of study provides
571.25 education and adequate preparation to enrolled students for entry level positions in the
571.26 occupation for which prepared;

571.27 (6) that the premises and conditions where the students work and study and the student
571.28 living quarters which are owned, maintained, recommended, or approved by the applicant
571.29 are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the
571.30 municipality or county where the private career school is physically situated, a fire inspection
571.31 by the local or state fire marshal, or another verification deemed acceptable by the office;

572.1 (7) that the contract or enrollment agreement used by the private career school complies
572.2 with the provisions in section 136A.826;

572.3 (8) that contracts and agreements do not contain a wage assignment provision or a
572.4 confession of judgment clause; ~~and~~

572.5 (9) that there has been no adjudication of fraud or misrepresentation in any criminal,
572.6 civil, or administrative proceeding in any jurisdiction against the private career school or
572.7 its owner, officers, agents, or sponsoring organization;

572.8 (10) that the private career school or its owners, officers, agents, or sponsoring
572.9 organization has not had a license revoked under section 136A.829 or its equivalent in other
572.10 states or has closed the institution prior to all students, enrolled at the time of the closure,
572.11 completing their program within two years of the effective date of the revocation; and

572.12 (11) that the school includes a joint and several liability provision for torts and compliance
572.13 with the requirements of sections 136A.82 to 136A.834 in any contract effective after July
572.14 1, 2026, with any individual, entity, or postsecondary school located in another state for the
572.15 purpose of providing educational or training programs or awarding postsecondary credits
572.16 to Minnesota residents that may be applied to a program.

572.17 Sec. 39. Minnesota Statutes 2022, section 136A.824, subdivision 1, is amended to read:

572.18 Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure
572.19 application is:

572.20 (1) \$2,500 for a private career school that will offer no more than one program during
572.21 its first year of operation;

572.22 (2) \$750 for a private career school licensed exclusively due to the use of the term
572.23 "college," "university," "academy," or "institute" in its name, or licensed exclusively in
572.24 order to participate in state grant or SELF loan financial aid programs; and

572.25 (3) \$2,500, plus \$500 for each additional program offered by the private career school,
572.26 for a private career school during its first year of operation.

572.27 (b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial
572.28 application that: (1) has had four revisions, corrections, amendment requests, or application
572.29 reminders for the same application or licensure requirement; or (2) cumulatively has had
572.30 six revisions, corrections, amendment requests, or application reminders for the same license
572.31 application and the private career school seeks to continue with the application process with
572.32 additional application submissions. If this fee is paid, the private career school may submit

573.1 two final application submissions for review prior to application denial under section
573.2 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive
573.3 questions or clarifications initiated by the school before the submission of the application,
573.4 initial interpretation questions or inquiries from the office regarding a completed application,
573.5 and initial requests from the office for verification or validation of a completed application.

573.6 Sec. 40. Minnesota Statutes 2022, section 136A.824, subdivision 2, is amended to read:

573.7 Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal
573.8 licensure application is:

573.9 (1) for a private career school that offers one program, the license renewal fee is \$1,150;

573.10 (2) for a private career school that offers more than one program, the license renewal
573.11 fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing
573.12 fee of \$2,000;

573.13 (3) for a private career school licensed exclusively due to the use of the term "college,"
573.14 "university," "academy," or "institute" in its name, the license renewal fee is \$750; and

573.15 (4) for a private career school licensed by another state agency and also licensed with
573.16 the office exclusively in order to participate in state student aid programs, the license renewal
573.17 fee is \$750.

573.18 (b) If a license renewal application is not received by the office by the close of business
573.19 at least 60 days before the expiration of the current license, a late fee of \$100 per business
573.20 day, not to exceed \$3,000, shall be assessed.

573.21 (c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal
573.22 application that: (1) has had four revisions, corrections, amendment requests, or application
573.23 reminders for the same application or licensure requirement; or (2) cumulatively has had
573.24 six revisions, corrections, amendment requests, or application reminders for the same license
573.25 application and the private career school seeks to continue with the application process with
573.26 additional application submissions. If this fee is paid, the private career school may submit
573.27 two final application submissions for review prior to application denial under section
573.28 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive
573.29 questions or clarifications initiated by the school before the submission of the application,
573.30 initial interpretation questions or inquiries from the office regarding a completed application,
573.31 and initial requests from the office for verification or validation of a completed application.

574.1 Sec. 41. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

574.2 Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make,
574.3 or cause to be made, any statement or representation, oral, written or visual, in connection
574.4 with the offering or publicizing of a program, if the private career school, agent, or solicitor
574.5 knows or reasonably should have known the statement or representation to be false,
574.6 fraudulent, deceptive, substantially inaccurate, or misleading.

574.7 (b) Other than opinion-based statements or puffery, a school shall only make claims that
574.8 are evidence-based, can be validated, and are based on current conditions and not on
574.9 conditions that are no longer relevant.

574.10 (c) A school shall not guarantee or imply the guarantee of employment.

574.11 (d) A school shall not guarantee or advertise any certain wage or imply earnings greater
574.12 than the prevailing wage for entry-level wages in the field of study for the geographic area
574.13 unless advertised wages are based on verifiable wage information from graduates.

574.14 (e) If placement statistics are used in advertising or other promotional materials, the
574.15 school must be able to substantiate the statistics with school records. These records must
574.16 be made available to the office upon request. A school is prohibited from reporting the
574.17 following in placement statistics:

574.18 (1) a student required to receive a job offer or start a job to be classified as a graduate;

574.19 (2) a graduate if the graduate held a position before enrolling in the program, unless
574.20 graduating enabled the graduate to maintain the position or the graduate received a promotion
574.21 or raise upon graduation;

574.22 (3) a graduate who works less than 20 hours per week; and

574.23 (4) a graduate who is not expected to maintain the position for at least 180 days.

574.24 (f) A school shall not use endorsements, commendations, or recommendations by a
574.25 student in favor of a school except with the consent of the student and without any offer of
574.26 financial or other material compensation. Endorsements may be used only when they portray
574.27 current conditions.

574.28 (g) A school may advertise that the school or its programs have been accredited by an
574.29 accrediting agency recognized by the United States Department of Education or the Council
574.30 for Higher Education Accreditation, but shall not advertise any other accreditation unless
574.31 approved by the office. The office may approve an institution's advertising of accreditation
574.32 that is not recognized by the United States Department of Education or the Council for

575.1 Higher Education if that accreditation is industry specific. Clear distinction must be made
575.2 when the school is in candidacy or application status versus full accreditation.

575.3 (h) A school may advertise that financial aid is available, including a listing of the
575.4 financial aid programs in which the school participates, but federal or state financial aid
575.5 shall not be used as a primary incentive in advertisement, promotion, or recruitment.

575.6 (i) A school may advertise placement or career assistance, if offered, but shall not use
575.7 the words "wanted," "help wanted," or "trainee," either in the headline or the body of the
575.8 advertisement.

575.9 (j) A school shall not be advertised under any "help wanted," "employment," or similar
575.10 classification.

575.11 (k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar
575.12 test.

575.13 (l) A school shall not make a claim that its program qualifies for a national certification
575.14 if that national certification entity is not accepted or recognized by Minnesota employers.
575.15 A school may validate that a national certification is accepted or recognized by Minnesota
575.16 employers by providing three certified letters from employers that the national certification
575.17 entity is recognized in Minnesota by employers.

575.18 ~~(l)~~ (m) The commissioner, at any time, may require a retraction of a false, misleading,
575.19 or deceptive claim. To the extent reasonable, the retraction must be published in the same
575.20 manner as the original claim.

575.21 Sec. 42. Minnesota Statutes 2022, section 136A.828, is amended by adding a subdivision
575.22 to read:

575.23 Subd. 7. **Nondisclosure agreements.** No private career school shall use nondisclosure
575.24 agreements or other contracts restricting a student's ability to disclose information in
575.25 connection with school actions or conduct that would be covered under section 136A.8295.

575.26 Sec. 43. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

575.27 Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties
575.28 now vested therein by law) the following powers and duties:

575.29 (a) To negotiate and enter into interstate reciprocity agreements with similar agencies
575.30 in other states, if in the judgment of the office such agreements are or will be helpful in
575.31 effectuating the purposes of Laws 1973, chapter 714;

576.1 (b) To grant conditional private career school license for periods of less than one year
576.2 if in the judgment of the office correctable deficiencies exist at the time of application and
576.3 when refusal to issue private career school license would adversely affect currently enrolled
576.4 students;

576.5 (c) The office may upon its own motion, and shall upon the verified complaint in writing
576.6 of any person setting forth fact which, if proved, would constitute grounds for refusal or
576.7 revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any
576.8 person or persons holding or claiming to hold a license or permit. However, before proceeding
576.9 to a hearing on the question of whether a license or permit shall be refused, revoked or
576.10 suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable
576.11 time to the holder of or applicant for a license or permit to correct the situation. If within
576.12 such time the situation is corrected and the private career school is in compliance with the
576.13 provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation,
576.14 or suspension shall be taken.

576.15 (d) To grant a private career school a probationary license for periods of less than three
576.16 years if, in the judgment of the office, correctable deficiencies exist at the time of application
576.17 that need more than one year to correct and when the risk of harm to students can be
576.18 minimized through the use of restrictions and requirements as conditions of the license.
576.19 Probationary licenses may include requirements and restrictions for:

576.20 (1) periodic monitoring and submission of reports on the school's deficiencies to ascertain
576.21 whether compliance improves;

576.22 (2) periodic collaborative consultations with the school on noncompliance with sections
576.23 136A.82 to 136A.834 or how the institution is managing compliance;

576.24 (3) the submission of contingency plans such as teach-out plans or transfer pathways
576.25 for students;

576.26 (4) a prohibition from accepting tuition and fee payments prior to the add/drop period
576.27 of the current period of instruction or before the funds have been earned by the school
576.28 according to the refund requirements of section 136A.827;

576.29 (5) a prohibition from enrolling new students;

576.30 (6) enrollment caps;

576.31 (7) the initiation of alternative processes and communications with students enrolled at
576.32 the school to notify students of deficiencies or probation status;

577.1 (8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),
577.2 clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition,
577.3 fees, and other required institutional charges collected; or

577.4 (9) submission of closure information under section 136A.8225.

577.5 Sec. 44. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision
577.6 to read:

577.7 Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization
577.8 is prohibited from applying for licensure under section 136A.822 within two years of the
577.9 effective date of a revocation or within two years from the last date of instruction if the
577.10 school closed prior to all students completing their courses and programs. A school applying
577.11 for licensure must:

577.12 (1) meet the requirements for licensure under section 136A.822;

577.13 (2) pay the licensure fees as a new school under section 136A.824, subdivision 1;

577.14 (3) correct any deficiencies that were identified in the revocation order or closed school
577.15 requests under section 136A.8225;

577.16 (4) pay any outstanding fines or penalties under section 136A.832; and

577.17 (5) pay any outstanding student refunds under section 136A.827.

577.18 Sec. 45. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended
577.19 to read:

577.20 **Subd. 2. Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the
577.21 following:

577.22 (1) public postsecondary institutions;

577.23 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

577.24 (3) postsecondary institutions exempt from registration under sections 136A.653,
577.25 subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;

577.26 ~~(4) private career schools of nursing accredited by the state Board of Nursing or an~~
577.27 ~~equivalent public board of another state or foreign country;~~

577.28 ~~(5)~~(4) private schools complying with the requirements of section 120A.22, subdivision
577.29 4;

578.1 ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United
578.2 States Department of Labor or Minnesota Department of Labor and taught by or required
578.3 by a trade union. A trade union is an organization of workers in the same skilled occupation
578.4 or related skilled occupations who act together to secure all members favorable wages,
578.5 hours, and other working conditions;

578.6 ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally
578.7 disabled persons ~~for the state of Minnesota;~~

578.8 ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota
578.9 law to issue licenses for training programs except private career schools required to obtain
578.10 a private career school license due to the use of "academy," "institute," "college," or
578.11 "university" in their names;

578.12 ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted
578.13 for by persons, firms, corporations, government agencies, or associations, for the training
578.14 of their own employees, for which no fee is charged the employee, regardless of whether
578.15 that fee is reimbursed by the employer or third party after the employee successfully
578.16 completes the training;

578.17 ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational,
578.18 recreational, or remedial subjects that are not advertised or maintained for vocational or
578.19 career advancement, including adult basic education, as determined by the office except
578.20 private career schools required to obtain a private career school license due to the use of
578.21 "academy," "institute," "college," or "university" in their names ~~unless the private career~~
578.22 ~~school used "academy" or "institute" in its name prior to August 1, 2008;~~

578.23 ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or
578.24 fraternal organization, solely for that organization's membership and not available to the
578.25 public. In making the determination that the organization is bona fide, the office may request
578.26 the school provide three certified letters from persons that qualify as evaluators under section
578.27 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;

578.28 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under
578.29 section 290.05 and registered with the attorney general under chapter 309. For the purposes
578.30 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance
578.31 of works of the imagination which are engaged in for the primary purpose of creative
578.32 expression rather than commercial sale, vocational or career advancement, or employment.
578.33 In making this determination the office may seek the advice and recommendation of the
578.34 Minnesota Board of the Arts;

579.1 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education
579.2 requirements for a bona fide licensure or certification in a profession, that have been approved
579.3 by a legislatively or judicially established board or agency responsible for regulating the
579.4 practice of the profession or by an industry-specific certification entity, and that are offered
579.5 exclusively to individuals with the professional licensure or certification. In making the
579.6 determination that the licensure or certification is bona fide, the office may request the
579.7 school provide three certified letters from persons that qualify as evaluators under section
579.8 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in
579.9 Minnesota;

579.10 ~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for
579.11 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance
579.12 examinations and does not include the instruction to prepare students for that license,
579.13 occupation, certification, or exam;

579.14 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

579.15 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal development
579.16 that is not advertised or maintained for vocational or career advancement, modeling, or
579.17 acting;

579.18 ~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined~~
579.19 ~~by the office,~~ engaged exclusively in offering distance instruction that are located in and
579.20 regulated by other states or jurisdictions if the distance education instruction does not include
579.21 internships, externships, field placements, or clinical placements for residents of Minnesota;
579.22 and

579.23 ~~(18)~~ (17) private career schools providing exclusively training, instructional programs,
579.24 or courses where tuition, fees, and any other charges, regardless of payment or reimbursement
579.25 method, for a student to participate do not exceed \$100.

579.26 Sec. 46. Minnesota Statutes 2023 Supplement, section 136F.38, subdivision 3, is amended
579.27 to read:

579.28 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible
579.29 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following
579.30 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health
579.31 care services; (4) information technology; (5) early childhood; (6) transportation; (7)
579.32 construction; (8) education; (9) public safety; (10) energy; or ~~(10)~~ (11) a program of study
579.33 under paragraph (b).

580.1 (b) Each institution may add one additional area of study or certification, based on a
580.2 workforce shortage for full-time employment requiring postsecondary education that is
580.3 unique to the institution's specific region, as reported in the most recent Department of
580.4 Employment and Economic Development job vacancy survey data for the economic
580.5 development region in which the institution is located. A workforce shortage area is one in
580.6 which the job vacancy rate for full-time employment in a specific occupation in a region is
580.7 higher than the state average vacancy rate for that same occupation. The institution may
580.8 change the area of study or certification based on new data once every two years.

580.9 (c) The student must be enrolled for at least nine credits in a two-year college in the
580.10 Minnesota State Colleges and Universities system to be eligible for first- and second-year
580.11 scholarships.

580.12 (d) The student is eligible for a one-year transfer scholarship if the student transfers from
580.13 a two-year college after two or more terms, and the student is enrolled for at least nine
580.14 credits in a four-year university in the Minnesota State Colleges and Universities system.

580.15 **Sec. 47. [137.375] DISABLED VETERANS; UNIVERSITY OF MINNESOTA**
580.16 **LANDSCAPE ARBORETUM.**

580.17 (a) For purposes of this section, "disabled veteran" means a veteran as defined in section
580.18 197.447 who is certified as disabled. "Certified as disabled" means certified in writing by
580.19 the United States Department of Veterans Affairs or the state commissioner of veterans
580.20 affairs as having a permanent service-connected disability.

580.21 (b) The University of Minnesota Landscape Arboretum is requested to provide a disabled
580.22 veteran unlimited access to the University of Minnesota Landscape Arboretum located in
580.23 the city of Chaska free of charge. The disabled veteran must provide a veteran photo
580.24 identification card with the term "service-connected" on the identification card, verifying
580.25 that the disabled veteran has a service-connected disability.

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

580.27 **Sec. 48. REPEALER.**

580.28 (a) Minnesota Statutes 2022, section 135A.16, is repealed.

580.29 (b) Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7, is repealed.

580.30 **EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2025.

581.1 **ARTICLE 36**
581.2 **FIREARMS**

581.3 Section 1. Minnesota Statutes 2023 Supplement, section 299A.642, subdivision 15, is
581.4 amended to read:

581.5 Subd. 15. **Required reports.** (a) By February 1 of each year, the commissioner of public
581.6 safety shall submit the following reports to the chairs and ranking minority members of the
581.7 senate and house of representatives committees and divisions having jurisdiction over
581.8 criminal justice policy and funding:

581.9 (1) a report containing a summary of all audits conducted on multijurisdictional entities
581.10 under subdivision 4;

581.11 (2) a report on the results of audits conducted on data submitted to the criminal gang
581.12 investigative data system under section 299C.091;

581.13 (3) a report on the activities and goals of the coordinating council; and

581.14 (4) a report on how funds appropriated for violent crime reduction strategies were used.

581.15 (b) The report submitted under paragraph (a), clause (4), must include the following
581.16 information regarding actions taken by the Bureau of Criminal Apprehension and Violent
581.17 Crime Enforcement Teams receiving funding under this section:

581.18 (1) the number of firearms seized;

581.19 (2) the number of gun trafficking investigations conducted; and

581.20 (3) a summary of the types of investigations conducted.

581.21 Sec. 2. Minnesota Statutes 2023 Supplement, section 609.67, subdivision 1, is amended
581.22 to read:

581.23 Subdivision 1. **Definitions.** (a) "Machine gun" means any firearm designed to discharge,
581.24 or capable of discharging automatically more than once by a single function of the trigger.

581.25 (b) "Shotgun" means a weapon designed, redesigned, made or remade which is intended
581.26 to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell
581.27 to fire through a smooth bore either a number of ball shot or a single projectile for each
581.28 single pull of the trigger.

581.29 (c) "Short-barreled shotgun" means a shotgun having one or more barrels less than 18
581.30 inches in length and any weapon made from a shotgun if such weapon as modified has an
581.31 overall length less than 26 inches.

582.1 (d) "Trigger activator" means:

582.2 (1) a removable manual or power driven trigger activating device constructed and
582.3 designed so that, when attached to a firearm, the rate at which the trigger may be pulled
582.4 increases and the rate of fire of the firearm increases to that of a machine gun; ~~or~~

582.5 (2) a device that allows a semiautomatic firearm to shoot more than one shot with a
582.6 single pull of the trigger or by harnessing the recoil of energy of the semiautomatic firearm
582.7 to which it is affixed so that the trigger resets and continues firing without additional physical
582.8 manipulation of the trigger; or

582.9 (3) a device that allows a firearm to shoot one shot on the pull of the trigger and a second
582.10 shot on the release of the trigger without requiring a subsequent pull of the trigger.

582.11 (e) "Machine gun conversion kit" means any part or combination of parts designed and
582.12 intended for use in converting a weapon into a machine gun, and any combination of parts
582.13 from which a machine gun can be assembled, but does not include a spare or replacement
582.14 part for a machine gun that is possessed lawfully under section 609.67, subdivision 3.

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

582.16 Sec. 3. Minnesota Statutes 2022, section 624.7141, is amended to read:

582.17 **624.7141 TRANSFER TO INELIGIBLE PERSON.**

582.18 Subdivision 1. **Transfer prohibited.** (a) A person is guilty of a gross misdemeanor who
582.19 felony and may be sentenced to imprisonment for up to two years and to payment of a fine
582.20 of not more than \$10,000 if the person intentionally transfers a ~~pistol or semiautomatic~~
582.21 ~~military-style assault weapon~~ firearm to another if and the person knows or reasonably
582.22 should know that the transferee:

582.23 (1) has been denied a permit to carry under section 624.714 because the transferee is
582.24 not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault
582.25 weapon or any other firearm;

582.26 (2) has been found ineligible to possess a pistol or semiautomatic military-style assault
582.27 weapon by a chief of police or sheriff as a result of an application for a transferee permit
582.28 or a transfer report; or

582.29 (3) is disqualified under section 624.713 from possessing a pistol or semiautomatic
582.30 military-style assault weapon or any other firearm.

583.1 (b) Paragraph (a) does not apply to the transfer of a firearm other than a pistol or
583.2 semiautomatic military-style assault weapon to a person under the age of 18 who is not
583.3 disqualified from possessing any other firearm.

583.4 Subd. 2. **Felony Aggravated offense.** ~~A violation of this section is a felony~~ person who
583.5 violates this section may be sentenced to imprisonment for up to five years and to payment
583.6 of a fine of not more than \$20,000 if the transferee possesses or uses the weapon within one
583.7 year after the transfer in furtherance of a felony crime of violence.

583.8 Subd. 3. **Subsequent eligibility.** This section is not applicable to a transfer to a person
583.9 who became eligible to possess a pistol or semiautomatic military-style assault weapon
583.10 under section 624.713 after the transfer occurred but before the transferee used or possessed
583.11 the weapon in furtherance of any crime.

583.12 Subd. 4. **Affirmative defense.** (a) As used in this subdivision, "family or household
583.13 member" has the meaning given in section 518B.01, subdivision 2, paragraph (b).

583.14 (b) If proven by clear and convincing evidence, it is an affirmative defense to a violation
583.15 of this section that the defendant was a family or household member of the transferee and
583.16 committed the violation only under compulsion by the transferee who, by explicit or implicit
583.17 threats or other acts, created a reasonable apprehension in the mind of the defendant that
583.18 the refusal of the defendant to participate in the violation would result in the transferee
583.19 inflicting substantial bodily harm or death on the defendant or a family or household member
583.20 of the defendant.

583.21 (c) The fact finder may consider any evidence of past acts that would constitute domestic
583.22 abuse, domestic or nondomestic assault, criminal sexual conduct, sexual extortion, sex
583.23 trafficking, labor trafficking, harassment or stalking, or any other crime that is a crime of
583.24 violence as defined in section 624.712, subdivision 5, or threats to commit any of these
583.25 crimes by the transferee toward the defendant or another when determining if the defendant
583.26 has proven the affirmative defense. Past prosecution is not required for the fact finder to
583.27 consider evidence of these acts. Nothing in this paragraph limits the ability of the fact finder
583.28 to consider other relevant evidence when determining if the defendant has proven the
583.29 affirmative defense.

583.30 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes
583.31 committed on or after that date.

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ARTICLE 37

AGRICULTURE APPROPRIATIONS

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

Sec. 2. DEPARTMENT OF AGRICULTURE

		92,025,000	72,223,000
Subdivision 1. Total Appropriation	\$	<u>88,325,000</u>	\$ <u>80,243,000</u>

Appropriations by Fund

	2024	2025
General	91,626,000 <u>87,926,000</u>	71,824,000 <u>79,844,000</u>
Remediation	399,000	399,000

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

Subd. 2. Protection Services

Appropriations by Fund

	2024	2025
General	32,034,000 <u>32,084,000</u>	18,743,000 <u>22,113,000</u>
Remediation	399,000	399,000

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

(b) ~~\$625,000~~ \$1,120,000 the first year and ~~\$625,000~~ \$495,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. Of the second year amount, \$495,000 is for projects located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, or Winona County. The commissioner may use up to 6.5 percent of

585.1 this appropriation for costs incurred to
585.2 administer the program. Any unencumbered
585.3 balance does not cancel at the end of the first
585.4 year and is available in the second year.
585.5 Appropriations encumbered under contract on
585.6 or before June 30, 2025, for soil health
585.7 financial assistance grants are available until
585.8 June 30, 2027. The base for this appropriation
585.9 is \$639,000 in fiscal year 2026 and each year
585.10 thereafter.

585.11 (c) \$800,000 the first year ~~is~~ and \$75,000 the
585.12 second year are for transfer to the pollinator
585.13 research account established under Minnesota
585.14 Statutes, section 18B.051. The base for this
585.15 transfer is \$100,000 in fiscal year 2026 and
585.16 each year thereafter.

585.17 (d) \$150,000 the first year and \$150,000 the
585.18 second year are for transfer to the noxious
585.19 weed and invasive plant species assistance
585.20 account established under Minnesota Statutes,
585.21 section 18.89, to award grants under
585.22 Minnesota Statutes, section 18.90, to counties,
585.23 municipalities, and other weed management
585.24 entities, including Minnesota Tribal
585.25 governments as defined in Minnesota Statutes,
585.26 section 10.65. This is a onetime appropriation.

585.27 (e) \$175,000 the first year and \$175,000 the
585.28 second year are for compensation for
585.29 destroyed or crippled livestock under
585.30 Minnesota Statutes, section 3.737. The first
585.31 year appropriation may be spent to compensate
585.32 for livestock that were destroyed or crippled
585.33 during fiscal year 2023. If the amount in the
585.34 first year is insufficient, the amount in the
585.35 second year is available in the first year. The

586.1 commissioner may use up to \$5,000 each year
586.2 to reimburse expenses incurred by university
586.3 extension educators to provide fair market
586.4 values of destroyed or crippled livestock. If
586.5 the commissioner receives federal dollars to
586.6 pay claims for destroyed or crippled livestock,
586.7 an equivalent amount of this appropriation
586.8 may be used to reimburse nonlethal prevention
586.9 methods performed by federal wildlife services
586.10 staff.

586.11 (f) \$155,000 the first year and \$155,000 the
586.12 second year are for compensation for crop
586.13 damage under Minnesota Statutes, section
586.14 3.7371. If the amount in the first year is
586.15 insufficient, the amount in the second year is
586.16 available in the first year. The commissioner
586.17 may use up to \$10,000 of the appropriation
586.18 each year to reimburse expenses incurred by
586.19 the commissioner or the commissioner's
586.20 approved agent to investigate and resolve
586.21 claims, as well as for costs associated with
586.22 training for approved agents. The
586.23 commissioner may use up to \$40,000 of the
586.24 appropriation each year to make grants to
586.25 producers for measures to protect stored crops
586.26 from elk damage. If the commissioner
586.27 determines that claims made under Minnesota
586.28 Statutes, section 3.737 or 3.7371, are
586.29 unusually high, amounts appropriated for
586.30 either program may be transferred to the
586.31 appropriation for the other program.

586.32 (g) \$825,000 the first year and \$825,000 the
586.33 second year are to replace capital equipment
586.34 in the Department of Agriculture's analytical
586.35 laboratory.

587.1 (h) \$75,000 the first year and \$75,000 the
587.2 second year are to support a meat processing
587.3 liaison position to assist new or existing meat
587.4 and poultry processing operations in getting
587.5 started, expanding, growing, or transitioning
587.6 into new business models.

587.7 (i) \$2,200,000 the first year and \$1,650,000
587.8 the second year are additional funding to
587.9 maintain the current level of service delivery
587.10 for programs under this subdivision. The base
587.11 for this appropriation is \$1,925,000 for fiscal
587.12 year 2026 and each year thereafter.

587.13 (j) \$250,000 the first year and \$250,000 the
587.14 second year are for grants to organizations in
587.15 Minnesota to develop enterprises, supply
587.16 chains, and markets for continuous-living
587.17 cover crops and cropping systems in the early
587.18 stages of commercial development. For the
587.19 purposes of this paragraph, "continuous-living
587.20 cover crops and cropping systems" refers to
587.21 agroforestry, perennial biomass, perennial
587.22 forage, perennial grains, and winter-annual
587.23 cereal grains and oilseeds that have market
587.24 value as harvested or grazed commodities. By
587.25 February 1 each year, the commissioner must
587.26 submit a report to the chairs and ranking
587.27 minority members of the legislative
587.28 committees with jurisdiction over agriculture
587.29 finance and policy detailing uses of the funds
587.30 in this paragraph, including administrative
587.31 costs, and the achievements these funds
587.32 contributed to. The commissioner may use up
587.33 to 6.5 percent of this appropriation for
587.34 administrative costs. This is a onetime
587.35 appropriation.

588.1 (k) \$45,000 the first year and \$45,000 the
588.2 second year are appropriated for
588.3 wolf-livestock conflict-prevention grants. The
588.4 commissioner may use some of this
588.5 appropriation to support nonlethal prevention
588.6 work performed by federal wildlife services.
588.7 This is a onetime appropriation.

588.8 (l) \$10,000,000 the first year is for transfer to
588.9 the grain indemnity account established in
588.10 Minnesota Statutes, section 223.24. This is a
588.11 onetime transfer.

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

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

588.18 (o) \$2,800,000 the second year is for nitrate
588.19 home water treatment, including reverse
588.20 osmosis, for private drinking-water wells with
588.21 nitrate in excess of the maximum contaminant
588.22 level of ten milligrams per liter and located in
588.23 Dodge, Fillmore, Goodhue, Houston, Mower,
588.24 Olmsted, Wabasha, or Winona County. The
588.25 commissioner must prioritize households at
588.26 or below 300 percent of the federal poverty
588.27 guideline and households with infants or
588.28 pregnant individuals. The commissioner may
588.29 also use this appropriation for education,
588.30 outreach, and technical assistance to
588.31 homeowners. The commissioner of agriculture
588.32 may transfer money to the commissioner of
588.33 health to establish and administer a mitigation
588.34 program for contaminated wells located in
588.35 Dodge, Fillmore, Goodhue, Houston, Mower,

589.1 Olmsted, Wabasha, or Winona County.
 589.2 Notwithstanding Minnesota Statutes, section
 589.3 16B.98, subdivision 14, the commissioner may
 589.4 use up to 6.5 percent of this appropriation for
 589.5 administrative costs. This is a onetime
 589.6 appropriation and is available until June 30,
 589.7 2027.

589.8 (p) \$50,000 the first year is to convene a
 589.9 working group of interested parties, including
 589.10 representatives from the Department of
 589.11 Natural Resources, to investigate and
 589.12 recommend options for addressing crop and
 589.13 fence destruction due to Cervidae. By
 589.14 February 1, 2025, the commissioner must
 589.15 submit a report on the findings and
 589.16 recommendations of the working group to the
 589.17 chairs and ranking minority members of the
 589.18 legislative committees with jurisdiction over
 589.19 agriculture policy and finance.

589.20 Notwithstanding Minnesota Statutes, section
 589.21 16A.28, any unencumbered balance does not
 589.22 cancel at the end of the first year and is
 589.23 available in the second year. This is a onetime
 589.24 appropriation.

589.25 **Subd. 3. Agricultural Marketing and**
 589.26 **Development**

5,165,000

4,985,000

589.27 (a) \$150,000 the first year and \$150,000 the
 589.28 second year are to expand international trade
 589.29 opportunities and markets for Minnesota
 589.30 agricultural products.

589.31 (b) \$186,000 the first year and \$186,000 the
 589.32 second year are for transfer to the Minnesota
 589.33 grown account and may be used as grants for
 589.34 Minnesota grown promotion under Minnesota
 589.35 Statutes, section 17.102. Notwithstanding

590.1 Minnesota Statutes, section 16A.28, the
590.2 appropriations encumbered under contract on
590.3 or before June 30, 2025, for Minnesota grown
590.4 grants in this paragraph are available until June
590.5 30, 2027.

590.6 (c) \$634,000 the first year and \$634,000 the
590.7 second year are for the continuation of the
590.8 dairy development and profitability
590.9 enhancement programs, including dairy
590.10 profitability teams and dairy business planning
590.11 grants under Minnesota Statutes, section
590.12 32D.30.

590.13 (d) The commissioner may use funds
590.14 appropriated in this subdivision for annual
590.15 cost-share payments to resident farmers or
590.16 entities that sell, process, or package
590.17 agricultural products in this state for the costs
590.18 of organic certification. The commissioner
590.19 may allocate these funds for assistance to
590.20 persons transitioning from conventional to
590.21 organic agriculture.

590.22 (e) \$600,000 the first year and \$420,000 the
590.23 second year are to maintain the current level
590.24 of service delivery. The base for this
590.25 appropriation is ~~\$490,000~~ \$510,000 for fiscal
590.26 year 2026 and each year thereafter.

590.27 (f) \$100,000 the first year and \$100,000 the
590.28 second year are for mental health outreach and
590.29 support to farmers, ranchers, and others in the
590.30 agricultural community and for farm safety
590.31 grant and outreach programs under Minnesota
590.32 Statutes, section 17.1195. Mental health
590.33 outreach and support may include a 24-hour
590.34 hotline, stigma reduction, and education.
590.35 Notwithstanding Minnesota Statutes, section

591.1 16A.28, any unencumbered balance does not
 591.2 cancel at the end of the first year and is
 591.3 available in the second year. This is a onetime
 591.4 appropriation.

591.5 (g) \$100,000 the first year and \$100,000 the
 591.6 second year are to award and administer grants
 591.7 ~~for infrastructure~~ and other forms of financial
 591.8 assistance to support EBT, SNAP, SFMNP,
 591.9 and related programs at farmers markets.

591.10 Notwithstanding Minnesota Statutes, section
 591.11 16A.28, any unencumbered balance does not
 591.12 cancel at the end of the first year and is
 591.13 available in the second year. This is a onetime
 591.14 appropriation.

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

591.18 The commissioner may use up to 6.5 percent
 591.19 of the appropriation each year to administer
 591.20 the grant program. Notwithstanding Minnesota
 591.21 Statutes, section 16A.28, any unencumbered
 591.22 balance does not cancel at the end of the first
 591.23 year and is available in the second year. This
 591.24 is a onetime appropriation.

591.25 Subd. 4. Agriculture, Bioenergy, and Bioproduct	37,809,000	33,809,000
591.26 Advancement	<u>34,034,000</u>	<u>38,159,000</u>

591.27 (a) \$10,702,000 the first year and \$10,702,000
 591.28 the second year are for the agriculture
 591.29 research, education, extension, and technology
 591.30 transfer program under Minnesota Statutes,
 591.31 section 41A.14. Except as provided below,
 591.32 the appropriation each year is for transfer to
 591.33 the agriculture research, education, extension,
 591.34 and technology transfer account under
 591.35 Minnesota Statutes, section 41A.14,

592.1 subdivision 3, and the commissioner shall
592.2 transfer funds each year to the Board of
592.3 Regents of the University of Minnesota for
592.4 purposes of Minnesota Statutes, section
592.5 41A.14. To the extent practicable, money
592.6 expended under Minnesota Statutes, section
592.7 41A.14, subdivision 1, clauses (1) and (2),
592.8 must supplement and not supplant existing
592.9 sources and levels of funding. The
592.10 commissioner may use up to one percent of
592.11 this appropriation for costs incurred to
592.12 administer the program.

592.13 Of the amount appropriated for the agriculture
592.14 research, education, extension, and technology
592.15 transfer grant program under Minnesota
592.16 Statutes, section 41A.14:

592.17 (1) \$600,000 the first year and \$600,000 the
592.18 second year are for the Minnesota Agricultural
592.19 Experiment Station's agriculture rapid
592.20 response fund under Minnesota Statutes,
592.21 section 41A.14, subdivision 1, clause (2);

592.22 (2) up to \$1,000,000 the first year and up to
592.23 \$1,000,000 the second year are for research
592.24 on avian influenza, salmonella, and other
592.25 turkey-related diseases and disease prevention
592.26 measures;

592.27 (3) \$2,250,000 the first year and \$2,250,000
592.28 the second year are for grants to the Minnesota
592.29 Agricultural Education Leadership Council to
592.30 enhance agricultural education with priority
592.31 given to Farm Business Management
592.32 challenge grants;

592.33 (4) \$450,000 the first year is for the cultivated
592.34 wild rice breeding project at the North Central

593.1 Research and Outreach Center to include a
593.2 tenure track/research associate plant breeder;
593.3 (5) \$350,000 the first year and \$350,000 the
593.4 second year are for potato breeding;
593.5 (6) \$802,000 the first year and \$802,000 the
593.6 second year are to fund the Forever Green
593.7 Initiative and protect the state's natural
593.8 resources while increasing the efficiency,
593.9 profitability, and productivity of Minnesota
593.10 farmers by incorporating perennial and
593.11 winter-annual crops into existing agricultural
593.12 practices. The base for the allocation under
593.13 this clause is \$802,000 in fiscal year 2026 and
593.14 each year thereafter. By February 1 each year,
593.15 the dean of the College of Food, Agricultural
593.16 and Natural Resource Sciences must submit
593.17 a report to the chairs and ranking minority
593.18 members of the legislative committees with
593.19 jurisdiction over agriculture finance and policy
593.20 and higher education detailing uses of the
593.21 funds in this paragraph, including
593.22 administrative costs, and the achievements
593.23 these funds contributed to; ~~and~~
593.24 (7) \$350,000 each year is for farm-scale winter
593.25 greenhouse research and development
593.26 coordinated by University of Minnesota
593.27 Extension Regional Sustainable Development
593.28 Partnerships. The allocation in this clause is
593.29 onetime; ;
593.30 (8) \$200,000 the second year is for research
593.31 on natural stands of wild rice; and
593.32 (9) \$250,000 the second year is for the
593.33 cultivated wild rice forward selection project
593.34 at the North Central Research and Outreach

594.1 Center, including a tenure track or research
594.2 associate plant scientist.

594.3 (b) The base for the agriculture research,
594.4 education, extension, and technology transfer
594.5 program is \$10,352,000 in fiscal year 2026
594.6 and \$10,352,000 in fiscal year 2027.

594.7 (c) ~~\$27,107,000~~ \$23,332,000 the first year ~~and~~
594.8 ~~\$23,107,000 the second year are~~ is for the
594.9 agricultural growth, research, and innovation
594.10 program under Minnesota Statutes, section
594.11 41A.12. Except as provided below, the
594.12 commissioner may allocate this appropriation
594.13 ~~each year~~ among the following areas:
594.14 facilitating the start-up, modernization,
594.15 improvement, or expansion of livestock
594.16 operations, including beginning and
594.17 transitioning livestock operations with
594.18 preference given to robotic dairy-milking
594.19 equipment; assisting value-added agricultural
594.20 businesses to begin or expand, to access new
594.21 markets, or to diversify, including aquaponics
594.22 systems, with preference given to hemp fiber
594.23 processing equipment; facilitating the start-up,
594.24 modernization, or expansion of other
594.25 beginning and transitioning farms, including
594.26 by providing loans under Minnesota Statutes,
594.27 section 41B.056; sustainable agriculture
594.28 on-farm research and demonstration; the
594.29 development or expansion of food hubs and
594.30 other alternative community-based food
594.31 distribution systems; enhancing renewable
594.32 energy infrastructure and use; crop research,
594.33 including basic and applied turf seed research;
594.34 Farm Business Management tuition assistance;
594.35 and good agricultural practices and good

595.1 handling practices certification assistance. The
595.2 commissioner may use up to 6.5 percent of
595.3 this appropriation for costs incurred to
595.4 administer the program.

595.5 Of the amount appropriated for the agricultural
595.6 growth, research, and innovation program
595.7 under Minnesota Statutes, section 41A.12:

595.8 (1) \$1,000,000 the first year ~~and \$1,000,000~~
595.9 ~~the second year are~~ is for distribution in equal
595.10 amounts to each of the state's county fairs to
595.11 preserve and promote Minnesota agriculture;

595.12 (2) \$5,750,000 the first year ~~and \$5,750,000~~
595.13 ~~the second year are~~ is for incentive payments
595.14 under Minnesota Statutes, sections 41A.16,
595.15 41A.17, 41A.18, and 41A.20. Notwithstanding
595.16 Minnesota Statutes, section 16A.28, the first
595.17 year appropriation is available until June 30,
595.18 2025, ~~and the second year appropriation is~~
595.19 ~~available until June 30, 2026.~~ If this
595.20 appropriation exceeds the total amount for
595.21 which all producers are eligible in a fiscal
595.22 year, the balance of the appropriation is
595.23 available for other purposes under this
595.24 paragraph. ~~The base under this clause is~~
595.25 ~~\$3,000,000 in fiscal year 2026 and each year~~
595.26 ~~thereafter;~~

595.27 (3) \$3,375,000 the first year ~~and \$3,375,000~~
595.28 ~~the second year are~~ is for grants that enable
595.29 retail petroleum dispensers, fuel storage tanks,
595.30 and other equipment to dispense biofuels to
595.31 the public in accordance with the biofuel
595.32 replacement goals established under
595.33 Minnesota Statutes, section 239.7911. A retail
595.34 petroleum dispenser selling petroleum for use
595.35 in spark ignition engines for vehicle model

596.1 years after 2000 is eligible for grant money
596.2 under this clause if the retail petroleum
596.3 dispenser has no more than 10 retail petroleum
596.4 dispensing sites and each site is located in
596.5 Minnesota. The grant money must be used to
596.6 replace or upgrade equipment that does not
596.7 have the ability to be certified for E25. A grant
596.8 award must not exceed 65 percent of the cost
596.9 of the appropriate technology. A grant award
596.10 must not exceed \$200,000 per station. The
596.11 commissioner must cooperate with biofuel
596.12 stakeholders in the implementation of the grant
596.13 program. The commissioner, in cooperation
596.14 with any economic or community development
596.15 financial institution and any other entity with
596.16 which the commissioner contracts, must
596.17 submit a report on the biofuels infrastructure
596.18 financial assistance program by January 15 of
596.19 each year to the chairs and ranking minority
596.20 members of the legislative committees and
596.21 divisions with jurisdiction over agriculture
596.22 policy and finance. The annual report must
596.23 include but not be limited to a summary of the
596.24 following metrics: (i) the number and types
596.25 of projects financed; (ii) the amount of dollars
596.26 leveraged or matched per project; (iii) the
596.27 geographic distribution of financed projects;
596.28 (iv) any market expansion associated with
596.29 upgraded infrastructure; (v) the demographics
596.30 of the areas served; (vi) the costs of the
596.31 program; and (vii) the number of grants to
596.32 minority-owned or female-owned businesses:
596.33 ~~The base under this clause is \$3,000,000 for~~
596.34 ~~fiscal year 2026 and each year thereafter;~~
596.35 (4) \$1,250,000 the first year ~~and \$1,250,000~~
596.36 ~~the second year are~~ is for grants to facilitate

597.1 the start-up, modernization, or expansion of
597.2 meat, poultry, egg, and milk processing
597.3 facilities. A grant award under this clause must
597.4 not exceed \$200,000. Any unencumbered
597.5 balance at the end of the second year does not
597.6 cancel until June 30, 2026, and may be used
597.7 for other purposes under this paragraph. ~~The~~
597.8 ~~base under this clause is \$250,000 in fiscal~~
597.9 ~~year 2026 and each year thereafter;~~

597.10 (5) \$1,150,000 the first year ~~and \$1,150,000~~
597.11 ~~the second year are~~ is for providing more
597.12 fruits, vegetables, meat, poultry, grain, and
597.13 dairy for children in school and early
597.14 childhood education ~~centers~~ settings,
597.15 including, at the commissioner's discretion,
597.16 providing grants to reimburse schools and
597.17 early childhood education ~~centers~~ and child
597.18 care providers for purchasing equipment and
597.19 agricultural products. Organizations must
597.20 participate in the National School Lunch
597.21 Program or the Child and Adult Care Food
597.22 Program to be eligible. Of the amount
597.23 appropriated, \$150,000 ~~each year~~ is for a
597.24 statewide coordinator of farm-to-institution
597.25 strategy and programming. The coordinator
597.26 must consult with relevant stakeholders and
597.27 provide technical assistance and training for
597.28 participating farmers and eligible grant
597.29 recipients. ~~The base under this clause is~~
597.30 ~~\$1,294,000 in fiscal year 2026 and each year~~
597.31 ~~thereafter;~~

597.32 ~~(6) \$4,000,000 the first year is for Dairy~~
597.33 ~~Assistance, Investment, Relief Initiative~~
597.34 ~~(DAIRI) grants and other forms of financial~~
597.35 ~~assistance to Minnesota dairy farms that enroll~~

598.1 ~~in coverage under a federal dairy risk~~
598.2 ~~protection program and produced no more~~
598.3 ~~than 16,000,000 pounds of milk in 2022. The~~
598.4 ~~commissioner must make DAIRI payments~~
598.5 ~~based on the amount of milk produced in~~
598.6 ~~2022, up to 5,000,000 pounds per participating~~
598.7 ~~farm, at a rate determined by the commissioner~~
598.8 ~~within the limits of available funding. Any~~
598.9 ~~unencumbered balance does not cancel at the~~
598.10 ~~end of the first year and is available in the~~
598.11 ~~second year. Any unencumbered balance at~~
598.12 ~~the end of the second year does not cancel~~
598.13 ~~until June 30, 2026, and may be used for other~~
598.14 ~~purposes under this paragraph. The allocation~~
598.15 ~~in this clause is onetime;~~
598.16 ~~(7) (6) \$2,000,000 the first year and~~
598.17 ~~\$2,000,000 the second year are is for urban~~
598.18 ~~youth agricultural education or urban~~
598.19 ~~agriculture community development; and~~
598.20 ~~(8) (7) \$1,000,000 the first year and~~
598.21 ~~\$1,000,000 the second year are is for the good~~
598.22 ~~food access program under Minnesota~~
598.23 ~~Statutes, section 17.1017; and~~
598.24 (8) \$225,000 the first year is to provide grants
598.25 to secondary career and technical education
598.26 programs for the purpose of offering
598.27 instruction in meat cutting and butchery.
598.28 Notwithstanding Minnesota Statutes, section
598.29 16B.98, subdivision 14, the commissioner may
598.30 use up to 6.5 percent of this appropriation for
598.31 administrative costs. This is a onetime
598.32 appropriation. Grants may be used for costs,
598.33 including but not limited to:
598.34 (i) equipment required for a meat cutting
598.35 program;

599.1 (ii) facility renovation to accommodate meat
599.2 cutting; and

599.3 (iii) training faculty to teach the fundamentals
599.4 of meat processing.

599.5 A grant recipient may be awarded a grant of
599.6 up to \$75,000 and may use up to ten percent
599.7 of the grant for faculty training. Priority may
599.8 be given to applicants who are coordinating
599.9 with meat cutting and butchery programs at
599.10 Minnesota State Colleges and Universities
599.11 institutions or with local industry partners.

599.12 By January 15, 2025, the commissioner must
599.13 report to the chairs and ranking minority
599.14 members of the legislative committees with
599.15 jurisdiction over agriculture finance and
599.16 education finance by listing the grants made
599.17 under this paragraph by county and noting the
599.18 number and amount of grant requests not
599.19 fulfilled. The report may include additional
599.20 information as determined by the
599.21 commissioner, including but not limited to
599.22 information regarding the outcomes produced
599.23 by these grants. If additional grants are
599.24 awarded under this paragraph that were not
599.25 covered in the report due by January 15, 2025,
599.26 the commissioner must submit an additional
599.27 report to the chairs and ranking minority
599.28 members of the legislative committees with
599.29 jurisdiction over agriculture finance and
599.30 education finance regarding all grants issued
599.31 under this paragraph by November 1, 2025.

599.32 Notwithstanding Minnesota Statutes, section
599.33 16A.28, any unencumbered balance does not
599.34 cancel at the end of the first year and is
599.35 available for the second year, and

600.1 appropriations encumbered under contract on
600.2 or before June 30, 2025, for agricultural
600.3 growth, research, and innovation grants are
600.4 available until June 30, 2028.

600.5 (d) \$27,457,000 the second year is for the
600.6 agricultural growth, research, and innovation
600.7 program under Minnesota Statutes, section
600.8 41A.12. Except as provided below, the
600.9 commissioner may allocate this appropriation
600.10 among the following areas: facilitating the
600.11 start-up, modernization, improvement, or
600.12 expansion of livestock operations, including
600.13 beginning and transitioning livestock
600.14 operations with preference given to robotic
600.15 dairy-milking equipment; assisting
600.16 value-added agricultural businesses to begin
600.17 or expand, to access new markets, or to
600.18 diversify, including aquaponics systems, with
600.19 preference given to hemp fiber processing
600.20 equipment; facilitating the start-up,
600.21 modernization, or expansion of other
600.22 beginning and transitioning farms, including
600.23 by providing loans under Minnesota Statutes,
600.24 section 41B.056; sustainable agriculture
600.25 on-farm research and demonstration; the
600.26 development or expansion of food hubs and
600.27 other alternative community-based food
600.28 distribution systems; enhancing renewable
600.29 energy infrastructure and use; crop research,
600.30 including basic and applied turf seed research;
600.31 Farm Business Management tuition assistance;
600.32 and good agricultural practices and good
600.33 handling practices certification assistance. The
600.34 commissioner may use up to 6.5 percent of
600.35 this appropriation for costs incurred to
600.36 administer the program.

601.1 Of the amount appropriated for the agricultural
601.2 growth, research, and innovation program
601.3 under Minnesota Statutes, section 41A.12:
601.4 (1) \$1,000,000 the second year is for
601.5 distribution in equal amounts to each of the
601.6 state's county fairs to preserve and promote
601.7 Minnesota agriculture;
601.8 (2) \$5,750,000 the second year is for incentive
601.9 payments under Minnesota Statutes, sections
601.10 41A.16, 41A.17, 41A.18, and 41A.20.
601.11 Notwithstanding Minnesota Statutes, section
601.12 16A.28, this appropriation is available until
601.13 June 30, 2027. If this appropriation exceeds
601.14 the total amount for which all producers are
601.15 eligible in a fiscal year, the balance of the
601.16 appropriation is available for other purposes
601.17 under this paragraph. The base under this
601.18 clause is \$3,000,000 in fiscal year 2026 and
601.19 each year thereafter;
601.20 (3) \$3,375,000 the second year is for grants
601.21 that enable retail petroleum dispensers, fuel
601.22 storage tanks, and other equipment to dispense
601.23 biofuels to the public in accordance with the
601.24 biofuel replacement goals established under
601.25 Minnesota Statutes, section 239.7911. A retail
601.26 petroleum dispenser selling petroleum for use
601.27 in spark ignition engines for vehicle model
601.28 years after 2000 is eligible for grant money
601.29 under this clause if the retail petroleum
601.30 dispenser has no more than ten retail
601.31 petroleum dispensing sites and each site is
601.32 located in Minnesota. The grant money must
601.33 be used to replace or upgrade equipment that
601.34 does not have the ability to be certified for
601.35 E25. A grant award must not exceed 65

602.1 percent of the cost of the appropriate
602.2 technology. A grant award must not exceed
602.3 \$200,000 per station. The commissioner must
602.4 cooperate with biofuel stakeholders in the
602.5 implementation of the grant program. The
602.6 commissioner, in cooperation with any
602.7 economic or community development
602.8 financial institution and any other entity with
602.9 which the commissioner contracts, must
602.10 submit a report on the biofuels infrastructure
602.11 financial assistance program by January 15 of
602.12 each year to the chairs and ranking minority
602.13 members of the legislative committees and
602.14 divisions with jurisdiction over agriculture
602.15 policy and finance. The annual report must
602.16 include but not be limited to a summary of the
602.17 following metrics: (i) the number and types
602.18 of projects financed; (ii) the amount of money
602.19 leveraged or matched per project; (iii) the
602.20 geographic distribution of financed projects;
602.21 (iv) any market expansion associated with
602.22 upgraded infrastructure; (v) the demographics
602.23 of the areas served; (vi) the costs of the
602.24 program; and (vii) the number of grants to
602.25 minority-owned or female-owned businesses.
602.26 The base under this clause is \$3,000,000 for
602.27 fiscal year 2026 and each year thereafter;
602.28 (4) \$1,250,000 the second year is for grants
602.29 to facilitate the start-up, modernization, or
602.30 expansion of meat, poultry, egg, and milk
602.31 processing facilities. A grant award under this
602.32 clause must not exceed \$200,000. Any
602.33 unencumbered balance at the end of the second
602.34 year does not cancel until June 30, 2027, and
602.35 may be used for other purposes under this
602.36 paragraph. The base under this clause is

603.1 \$250,000 in fiscal year 2026 and each year
603.2 thereafter;

603.3 (5) \$1,275,000 the second year is for providing
603.4 more fruits, vegetables, meat, poultry, grain,
603.5 and dairy for children in school and early
603.6 childhood education settings, including, at the
603.7 commissioner's discretion, providing grants
603.8 to reimburse schools and early childhood
603.9 education and child care providers for
603.10 purchasing equipment and agricultural
603.11 products. Organizations must participate in
603.12 the National School Lunch Program or the
603.13 Child and Adult Care Food Program to be
603.14 eligible. Of the amount appropriated, \$150,000
603.15 is for a statewide coordinator of
603.16 farm-to-institution strategy and programming.
603.17 The coordinator must consult with relevant
603.18 stakeholders and provide technical assistance
603.19 and training for participating farmers and
603.20 eligible grant recipients. The base under this
603.21 clause is \$1,294,000 in fiscal year 2026 and
603.22 each year thereafter;

603.23 (6) \$4,000,000 the second year is for Dairy
603.24 Assistance, Investment, Relief Initiative
603.25 (DAIRI) grants and other forms of financial
603.26 assistance to Minnesota dairy farms that enroll
603.27 in coverage under a federal dairy risk
603.28 protection program and produced no more
603.29 than 16,000,000 pounds of milk in 2022. The
603.30 commissioner must make DAIRI payments
603.31 based on the amount of milk produced in
603.32 2022, up to 5,000,000 pounds per participating
603.33 farm, at a rate determined by the commissioner
603.34 within the limits of available funding. Any
603.35 unencumbered balance on June 30, 2026, may

604.1 be used for other purposes under this
604.2 paragraph. The allocation in this clause is
604.3 onetime;
604.4 (7) \$2,000,000 the second year is for urban
604.5 youth agricultural education or urban
604.6 agriculture community development;
604.7 (8) \$1,000,000 the second year is for the good
604.8 food access program under Minnesota
604.9 Statutes, section 17.1017; and
604.10 (9) \$225,000 the second year is for the
604.11 protecting livestock grant program for
604.12 producers to support the installation of
604.13 measures to prevent the transmission of avian
604.14 influenza. For the appropriation in this
604.15 paragraph, a grant applicant must document
604.16 a cost-share of 20 percent. An applicant's
604.17 cost-share amount may be reduced up to
604.18 \$2,000 to cover time and labor costs.
604.19 Notwithstanding Minnesota Statutes, section
604.20 16B.98, subdivision 14, the commissioner may
604.21 use up to 6.5 percent of this appropriation for
604.22 administrative costs. This appropriation is
604.23 available until June 30, 2027. This is a onetime
604.24 appropriation. Notwithstanding Minnesota
604.25 Statutes, section 16A.28, this appropriation
604.26 does not cancel at the end of the second year
604.27 and is available until June 30, 2027.
604.28 Appropriations encumbered under contract on
604.29 or before June 30, 2027, for agricultural
604.30 growth, research, and innovation grants are
604.31 available until June 30, 2030.
604.32 ~~(d)~~ (e) The base for the agricultural growth,
604.33 research, and innovation program is
604.34 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026

605.1 and each year thereafter and includes \$200,000
 605.2 each year for cooperative development grants.

605.3	Subd. 5. Administration and Financial	16,618,000	14,287,000
605.4	Assistance	<u>16,643,000</u>	<u>14,587,000</u>

605.5 (a) \$474,000 the first year and \$474,000 the
 605.6 second year are for payments to county and
 605.7 district agricultural societies and associations
 605.8 under Minnesota Statutes, section 38.02,
 605.9 subdivision 1. Aid payments to county and
 605.10 district agricultural societies and associations
 605.11 must be disbursed no later than July 15 of each
 605.12 year. These payments are the amount of aid
 605.13 from the state for an annual fair held in the
 605.14 previous calendar year.

605.15 (b) \$350,000 the first year and \$350,000 the
 605.16 second year are for grants to the Minnesota
 605.17 Agricultural Education and Leadership
 605.18 Council for programs of the council under
 605.19 Minnesota Statutes, chapter 41D. The base for
 605.20 this appropriation is \$250,000 in fiscal year
 605.21 2026 and each year thereafter.

605.22 (c) \$2,000 the first year is for a grant to the
 605.23 Minnesota State Poultry Association. This is
 605.24 a onetime appropriation. Notwithstanding
 605.25 Minnesota Statutes, section 16A.28, any
 605.26 unencumbered balance does not cancel at the
 605.27 end of the first year and is available for the
 605.28 second year.

605.29 (d) \$18,000 the first year and \$18,000 the
 605.30 second year are for grants to the Minnesota
 605.31 Livestock Breeders Association. This is a
 605.32 onetime appropriation.

605.33 (e) \$60,000 the first year and \$60,000 the
 605.34 second year are for grants to the Northern

606.1 Crops Institute that may be used to purchase
606.2 equipment. This is a onetime appropriation.

606.3 (f) \$34,000 the first year and \$34,000 the
606.4 second year are for grants to the Minnesota
606.5 State Horticultural Society. This is a onetime
606.6 appropriation.

606.7 (g) \$25,000 the first year and \$25,000 the
606.8 second year are for grants to the Center for
606.9 Rural Policy and Development. This is a
606.10 onetime appropriation.

606.11 (h) \$75,000 the first year and \$75,000 the
606.12 second year are appropriated from the general
606.13 fund to the commissioner of agriculture for
606.14 grants to the Minnesota Turf Seed Council for
606.15 basic and applied research on: (1) the
606.16 improved production of forage and turf seed
606.17 related to new and improved varieties; and (2)
606.18 native plants, including plant breeding,
606.19 nutrient management, pest management,
606.20 disease management, yield, and viability. The
606.21 Minnesota Turf Seed Council may subcontract
606.22 with a qualified third party for some or all of
606.23 the basic or applied research. Any
606.24 unencumbered balance does not cancel at the
606.25 end of the first year and is available in the
606.26 second year. The Minnesota Turf Seed Council
606.27 must prepare a report outlining the use of the
606.28 grant money and related accomplishments. No
606.29 later than January 15, 2025, the council must
606.30 submit the report to the chairs and ranking
606.31 minority members of the legislative
606.32 committees and divisions with jurisdiction
606.33 over agriculture finance and policy. This is a
606.34 onetime appropriation.

607.1 (i) \$100,000 the first year and \$100,000 the
607.2 second year are for grants to GreenSeam for
607.3 assistance to agriculture-related businesses to
607.4 support business retention and development,
607.5 business attraction and creation, talent
607.6 development and attraction, and regional
607.7 branding and promotion. These are onetime
607.8 appropriations. No later than December 1,
607.9 2024, and December 1, 2025, GreenSeam
607.10 must report to the chairs and ranking minority
607.11 members of the legislative committees with
607.12 jurisdiction over agriculture and rural
607.13 development with information on new and
607.14 existing businesses supported, number of new
607.15 jobs created in the region, new educational
607.16 partnerships and programs supported, and
607.17 regional branding and promotional efforts.

607.18 (j) \$1,950,000 the first year and \$1,950,000
607.19 the second year are for grants to Second
607.20 Harvest Heartland on behalf of Minnesota's
607.21 six Feeding America food banks for the
607.22 following purposes:

607.23 (1) at least \$850,000 each year must be
607.24 allocated to purchase milk for distribution to
607.25 Minnesota's food shelves and other charitable
607.26 organizations that are eligible to receive food
607.27 from the food banks. Milk purchased under
607.28 the grants must be acquired from Minnesota
607.29 milk processors and based on low-cost bids.
607.30 The milk must be allocated to each Feeding
607.31 America food bank serving Minnesota
607.32 according to the formula used in the
607.33 distribution of United States Department of
607.34 Agriculture commodities under The
607.35 Emergency Food Assistance Program. Second

608.1 Harvest Heartland may enter into contracts or
608.2 agreements with food banks for shared funding
608.3 or reimbursement of the direct purchase of
608.4 milk. Each food bank that receives funding
608.5 under this clause may use up to two percent
608.6 for administrative expenses. Notwithstanding
608.7 Minnesota Statutes, section 16A.28, any
608.8 unencumbered balance the first year does not
608.9 cancel and is available the second year;

608.10 (2) to compensate agricultural producers and
608.11 processors for costs incurred to harvest and
608.12 package for transfer surplus fruits, vegetables,
608.13 and other agricultural commodities that would
608.14 otherwise go unharvested, be discarded, or be
608.15 sold in a secondary market. Surplus
608.16 commodities must be distributed statewide to
608.17 food shelves and other charitable organizations
608.18 that are eligible to receive food from the food
608.19 banks. Surplus food acquired under this clause
608.20 must be from Minnesota producers and
608.21 processors. Second Harvest Heartland may
608.22 use up to 15 percent of each grant awarded
608.23 under this clause for administrative and
608.24 transportation expenses; and

608.25 (3) to purchase and distribute protein products,
608.26 including but not limited to pork, poultry, beef,
608.27 dry legumes, cheese, and eggs to Minnesota's
608.28 food shelves and other charitable organizations
608.29 that are eligible to receive food from the food
608.30 banks. Second Harvest Heartland may use up
608.31 to two percent of each grant awarded under
608.32 this clause for administrative expenses. Protein
608.33 products purchased under the grants must be
608.34 acquired from Minnesota processors and
608.35 producers.

609.1 Second Harvest Heartland must submit
609.2 quarterly reports to the commissioner and the
609.3 chairs and ranking minority members of the
609.4 legislative committees with jurisdiction over
609.5 agriculture finance in the form prescribed by
609.6 the commissioner. The reports must include
609.7 but are not limited to information on the
609.8 expenditure of funds, the amount of milk or
609.9 other commodities purchased, and the
609.10 organizations to which this food was
609.11 distributed. The base for this appropriation is
609.12 \$1,700,000 for fiscal year 2026 and each year
609.13 thereafter.

609.14 (k) \$25,000 the first year and \$25,000 the
609.15 second year are for grants to the Southern
609.16 Minnesota Initiative Foundation to promote
609.17 local foods through an annual event that raises
609.18 public awareness of local foods and connects
609.19 local food producers and processors with
609.20 potential buyers.

609.21 (l) \$300,000 the first year and \$300,000 the
609.22 second year are for grants to The Good Acre
609.23 for the Local Emergency Assistance Farmer
609.24 Fund (LEAFF) program to compensate
609.25 emerging farmers for crops donated to hunger
609.26 relief organizations in Minnesota. This is a
609.27 onetime appropriation.

609.28 (m) \$750,000 the first year and \$750,000 the
609.29 second year are to expand the Emerging
609.30 Farmers Office and provide services to
609.31 beginning and emerging farmers to increase
609.32 connections between farmers and market
609.33 opportunities throughout the state. This
609.34 appropriation may be used for grants,
609.35 translation services, training programs, or

610.1 other purposes in line with the
610.2 recommendations of the Emerging Farmer
610.3 Working Group established under Minnesota
610.4 Statutes, section 17.055, subdivision 1. The
610.5 base for this appropriation is \$1,000,000 in
610.6 fiscal year 2026 and each year thereafter.

610.7 (n) \$50,000 the first year is to provide
610.8 technical assistance and leadership in the
610.9 development of a comprehensive and
610.10 well-documented state aquaculture plan. The
610.11 commissioner must provide the state
610.12 aquaculture plan to the legislative committees
610.13 with jurisdiction over agriculture finance and
610.14 policy by February 15, 2025.

610.15 (o) \$337,000 the first year and \$337,000 the
610.16 second year are for farm advocate services.
610.17 Of these amounts, \$50,000 the first year and
610.18 \$50,000 the second year are for the
610.19 continuation of the farmland transition
610.20 programs and may be used for grants to
610.21 farmland access teams to provide technical
610.22 assistance to potential beginning farmers.
610.23 Farmland access teams must assist existing
610.24 farmers and beginning farmers with
610.25 transitioning farm ownership and farm
610.26 operation. Services provided by teams may
610.27 include but are not limited to mediation
610.28 assistance, designing contracts, financial
610.29 planning, tax preparation, estate planning, and
610.30 housing assistance.

610.31 (p) \$260,000 the first year and \$260,000 the
610.32 second year are for a pass-through grant to
610.33 Region Five Development Commission to
610.34 provide, in collaboration with Farm Business
610.35 Management, statewide mental health

611.1 counseling support to Minnesota farm
611.2 operators, families, and employees, and
611.3 individuals who work with Minnesota farmers
611.4 in a professional capacity. Region Five
611.5 Development Commission may use up to 6.5
611.6 percent of the grant awarded under this
611.7 paragraph for administration.

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

611.11 (r) \$1,084,000 the first year and \$500,000 the
611.12 second year are to support IT modernization
611.13 efforts, including laying the technology
611.14 foundations needed for improving customer
611.15 interactions with the department for licensing
611.16 and payments. This is a onetime appropriation.

611.17 (s) \$275,000 the first year is for technical
611.18 assistance grants to certified community
611.19 development financial institutions that
611.20 participate in United States Department of
611.21 Agriculture loan or grant programs for small
611.22 or emerging farmers, including but not limited
611.23 to the Increasing Land, Capital, and Market
611.24 Access Program. For purposes of this
611.25 paragraph, "emerging farmer" has the meaning
611.26 given in Minnesota Statutes, section 17.055,
611.27 subdivision 1. The commissioner may use up
611.28 to 6.5 percent of this appropriation for costs
611.29 incurred to administer the program.

611.30 Notwithstanding Minnesota Statutes, section
611.31 16A.28, any unencumbered balance does not
611.32 cancel at the end of the first year and is
611.33 available in the second year. This is a onetime
611.34 appropriation.

- 612.1 (t) \$1,425,000 the first year and \$1,425,000
612.2 the second year are for transfer to the
612.3 agricultural and environmental revolving loan
612.4 account established under Minnesota Statutes,
612.5 section 17.117, subdivision 5a, for low-interest
612.6 loans under Minnesota Statutes, section
612.7 17.117.
- 612.8 (u) \$150,000 the first year and \$150,000 the
612.9 second year are for administrative support for
612.10 the Rural Finance Authority.
- 612.11 (v) The base in fiscal years 2026 and 2027 is
612.12 \$150,000 each year to coordinate
612.13 climate-related activities and services within
612.14 the Department of Agriculture and
612.15 counterparts in local, state, and federal
612.16 agencies and to hire a full-time climate
612.17 implementation coordinator. The climate
612.18 implementation coordinator must coordinate
612.19 efforts seeking federal funding for Minnesota's
612.20 agricultural climate adaptation and mitigation
612.21 efforts and develop strategic partnerships with
612.22 the private sector and nongovernment
612.23 organizations.
- 612.24 (w) \$1,200,000 the first year and \$930,000 the
612.25 second year are to maintain the current level
612.26 of service delivery. The base for this
612.27 appropriation is ~~\$1,085,000~~ \$1,065,000 in
612.28 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000
612.29 in fiscal year 2027 and each year thereafter.
- 612.30 (x) \$250,000 the first year is for a grant to the
612.31 Board of Regents of the University of
612.32 Minnesota to purchase equipment for the
612.33 Veterinary Diagnostic Laboratory to test for
612.34 chronic wasting disease, African swine fever,
612.35 avian influenza, and other animal diseases.

613.1 The Veterinary Diagnostic Laboratory must
613.2 report expenditures under this paragraph to
613.3 the legislative committees with jurisdiction
613.4 over agriculture finance and higher education
613.5 with a report submitted by January 3, 2024,
613.6 and a final report submitted by December 31,
613.7 2024. The reports must include a list of
613.8 equipment purchased, including the cost of
613.9 each item.

613.10 (y) \$1,000,000 the first year and \$1,000,000
613.11 the second year are to award and administer
613.12 down payment assistance grants under
613.13 Minnesota Statutes, section 17.133, with
613.14 priority given to ~~emerging farmers as defined~~
613.15 ~~in Minnesota Statutes, section 17.055,~~
613.16 ~~subdivision 1~~ eligible applicants with no more
613.17 than \$100,000 in annual gross farm product
613.18 sales and eligible applicants who are producers
613.19 of industrial hemp, cannabis, or one or more
613.20 of the following specialty crops as defined by
613.21 the United States Department of Agriculture
613.22 for purposes of the specialty crop block grant
613.23 program: fruits and vegetables, tree nuts, dried
613.24 fruits, medicinal plants, culinary herbs and
613.25 spices, horticulture crops, floriculture crops,
613.26 and nursery crops. Notwithstanding Minnesota
613.27 Statutes, section 16A.28, any unencumbered
613.28 balance at the end of the first year does not
613.29 cancel and is available in the second year and
613.30 appropriations encumbered under contract by
613.31 June 30, 2025, are available until June 30,
613.32 2027.

613.33 (z) \$222,000 the first year and \$322,000 the
613.34 second year are for meat processing training
613.35 and retention incentive grants under section

614.1 5. The commissioner may use up to 6.5
614.2 percent of this appropriation for costs incurred
614.3 to administer the program. Notwithstanding
614.4 Minnesota Statutes, section 16A.28, any
614.5 unencumbered balance does not cancel at the
614.6 end of the first year and is available in the
614.7 second year. This is a onetime appropriation.

614.8 (aa) \$300,000 the first year and \$300,000 the
614.9 second year are for transfer to the Board of
614.10 Regents of the University of Minnesota to
614.11 evaluate, propagate, and maintain the genetic
614.12 diversity of oilseeds, grains, grasses, legumes,
614.13 and other plants including flax, timothy,
614.14 barley, rye, triticale, alfalfa, orchard grass,
614.15 clover, and other species and varieties that
614.16 were in commercial distribution and use in
614.17 Minnesota before 1970, excluding wild rice.
614.18 This effort must also protect traditional seeds
614.19 brought to Minnesota by immigrant
614.20 communities. This appropriation includes
614.21 funding for associated extension and outreach
614.22 to small and Black, Indigenous, and People of
614.23 Color (BIPOC) farmers. This is a onetime
614.24 appropriation.

614.25 (bb) \$300,000 the second year is to award and
614.26 administer beginning farmer equipment and
614.27 infrastructure grants under Minnesota Statutes,
614.28 section 17.055. This is a onetime
614.29 appropriation.

614.30 (cc) \$25,000 the first year is for the credit
614.31 market report. Notwithstanding Minnesota
614.32 Statutes, section 16A.28, any unencumbered
614.33 balance does not cancel at the end of the first
614.34 year and is available in the second year. This
614.35 is a onetime appropriation.

615.1 ~~(bb)~~ (dd) The commissioner shall continue to
 615.2 increase connections with ethnic minority and
 615.3 immigrant farmers to farming opportunities
 615.4 and farming programs throughout the state.

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

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

615.7	Sec. 4. AGRICULTURAL UTILIZATION		6,143,000	
615.8	RESEARCH INSTITUTE	\$	<u>6,368,000</u>	\$ 4,343,000

615.9 (a) \$300,000 the first year is for equipment
 615.10 upgrades, equipment replacement, installation
 615.11 expenses, and laboratory infrastructure at the
 615.12 Agricultural Utilization Research Institute's
 615.13 laboratories in the cities of Crookston,
 615.14 Marshall, and Waseca.

615.15 (b) \$1,500,000 the first year is to replace
 615.16 analytical and processing equipment and make
 615.17 corresponding facility upgrades at Agricultural
 615.18 Utilization Research Institute facilities in the
 615.19 cities of Marshall, Crookston, and Waseca. Of
 615.20 this amount, up to \$500,000 may be used for
 615.21 renewable natural gas and anaerobic digestion
 615.22 projects. This is a onetime appropriation and
 615.23 is available until June 30, 2026.

615.24 (c) \$300,000 the first year and \$300,000 the
 615.25 second year are to maintain the current level
 615.26 of service delivery.

615.27 (d) \$225,000 the first year is to support food
 615.28 businesses. This is a onetime appropriation
 615.29 and is available until June 30, 2026.

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

ARTICLE 38

AGRICULTURE POLICY

616.1

616.2

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

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

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

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

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

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

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

616.17 Subd. 2. **Claim form and reporting.** (a) The owner must prepare a claim on forms
616.18 provided by the commissioner and available on the Department of Agriculture's Agriculture
616.19 website or by request from the commissioner. ~~The claim form must be filed with the~~
616.20 ~~commissioner.~~

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

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

616.28 Subd. 2a. **Investigation and crop valuation.** (a) Upon receiving notification of crop or
616.29 fence damage suspected to be caused by elk, an approved agent must promptly investigate
616.30 the damage in a timely manner. An approved agent must make written findings on the claim

617.1 form regarding whether the crop or fence was destroyed or damaged by elk. The approved
617.2 agent's findings must be based on physical and circumstantial evidence, including:

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

617.4 (2) the presence of elk tracks;

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

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

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

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

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

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

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

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

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

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

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

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

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

618.9 Subd. 3. **Compensation.** (a) ~~The crop~~ An owner is entitled to the target price or the
618.10 market price, whichever is greater, estimated value of the damaged or destroyed crop ~~plus~~
618.11 ~~adjustments for yield loss determined according to agricultural stabilization and conservation~~
618.12 ~~service programs for individual farms, adjusted annually, as determined by the commissioner,~~
618.13 ~~upon recommendation of the commissioner's approved agent for the owner's county or~~
618.14 fence. Verification of crop or fence damage or destruction by elk may be provided by
618.15 submitting photographs or other evidence and documentation ~~together with a statement~~
618.16 ~~from an independent witness~~ using forms prescribed by the commissioner. The commissioner,
618.17 upon recommendation of the commissioner's approved agent, shall determine whether the
618.18 crop damage or destruction or damage to or destruction of a fence surrounding a crop or
618.19 pasture is caused by elk and, if so, the amount of the crop or fence that is damaged or
618.20 destroyed. In any fiscal year, an owner may not be compensated for a damaged or destroyed
618.21 crop or fence surrounding a crop or pasture that is less than \$100 in value and may be
618.22 compensated up to \$20,000, as determined under this section, ~~if normal harvest procedures~~
618.23 ~~for the area are followed.~~ An owner may not be compensated more than \$1,800 per fiscal
618.24 year for damage to fencing surrounding a crop or pasture.

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

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

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

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

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

619.4 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

619.5 Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers; and organizations such as
619.6 farms, agricultural cooperatives, educational institutions, individuals at educational
619.7 institutions, ~~or~~ nonprofit organizations, Tribal governments, or local units of government
619.8 residing or located in the state for research or demonstrations on farms in the state.

619.9 (b) Grants may only be made for projects that show:

619.10 (1) the ability to maximize direct or indirect energy savings or production;

619.11 (2) a positive effect or reduced adverse effect on the environment; or

619.12 (3) increased profitability for the individual farm by reducing costs or improving
619.13 marketing opportunities.

619.14 Sec. 8. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

620.9 (e) "Limited land access" means farming without ownership of land and:

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

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

620.14 (f) "Limited market access" means the individual has gross sales of no more than
620.15 \$100,000 per year from the sale of farm products.

620.16 Sec. 9. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended
620.17 to read:

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

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

620.26 (2) the number and amount of grants;

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

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

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

620.31 ~~(5)~~ (6) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

621.1 ~~(6)~~ (7) the number of farmers who cease to own land and are subject to payment of a
621.2 penalty, along with the reasons for the land ownership cessation; and

621.3 ~~(7)~~ (8) the number and amount of grant applications that exceeded the allocation available
621.4 in each year.

621.5 Sec. 10. Minnesota Statutes 2023 Supplement, section 17.134, subdivision 3, is amended
621.6 to read:

621.7 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
621.8 this section. The commissioner must give preference to owners and lessees that have not
621.9 previously implemented an eligible project and owners and lessees that are certified or
621.10 assessed and pursuing certification under sections 17.9891 to 17.993. Local government
621.11 units, including cities; towns; counties; soil and water conservation districts; Minnesota
621.12 Tribal governments as defined in section 10.65; and joint powers boards, are also eligible
621.13 for a grant. A local government unit that receives a grant for equipment or technology must
621.14 make those purchases available for use by the public.

621.15 Sec. 11. Minnesota Statutes 2023 Supplement, section 17.134, is amended by adding a
621.16 subdivision to read:

621.17 Subd. 3a. **Equipment sales limitation.** In addition to the applicable grants management
621.18 requirements imposed under sections 16B.97 to 16B.991, an owner or lessee that receives
621.19 a grant under this section to purchase equipment must certify to the commissioner that the
621.20 owner or lessee will not sell the equipment for at least ten years.

621.21 Sec. 12. Minnesota Statutes 2023 Supplement, section 17.710, is amended to read:

621.22 **17.710 AGRICULTURAL CONTRACTS.**

621.23 (a) A production or marketing contract entered into, renewed, or amended on or after
621.24 July 1, ~~1999~~ 2024, between an agricultural producer and a processor, marketer, or other
621.25 purchaser of agricultural products, including a cooperative organized under chapter 308A
621.26 or 308B must not contain provisions that prohibit the producer from disclosing terms,
621.27 conditions, and prices contained in the contract. Any provision prohibiting disclosure by
621.28 the producer is void.

621.29 (b) A contract entered into, renewed, or amended on or after July 1, 2023, between an
621.30 agricultural producer and an entity buying, selling, certifying, or otherwise participating in
621.31 a market for stored carbon must not contain provisions that prohibit the producer from

622.1 disclosing terms, conditions, and prices contained in the contract. Any provision prohibiting
622.2 disclosure by the producer is void.

622.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

622.4 Sec. 13. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
622.5 read:

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

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

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

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

622.14 Sec. 14. Minnesota Statutes 2022, section 18B.26, subdivision 6, is amended to read:

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

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

622.20 (2) initiate and complete a total recall of the pesticide from all distribution in the state
622.21 within 60 days from the date of notification to the commissioner of intent to discontinue
622.22 registration; or

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

622.25 (b) Upon the request of a registrant, the commissioner may immediately cancel
622.26 registration of a pesticide product. The commissioner may immediately cancel registration
622.27 of a pesticide product at the commissioner's discretion. When requesting that the
622.28 commissioner immediately cancel registration of a pesticide product, a registrant must
622.29 provide the commissioner with:

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

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

623.3 Sec. 15. Minnesota Statutes 2022, section 18B.28, is amended by adding a subdivision to
623.4 read:

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

623.10 Sec. 16. Minnesota Statutes 2022, section 18B.305, subdivision 2, is amended to read:

623.11 **Subd. 2. Training manual and examination development.** The commissioner, in
623.12 consultation with University of Minnesota Extension and other higher education institutions,
623.13 shall continually revise and update pesticide applicator training manuals and examinations.
623.14 The manuals and examinations must be written to meet or exceed the minimum competency
623.15 standards required by the United States Environmental Protection Agency and pertinent
623.16 state specific information. Pesticide applicator training manuals and examinations must
623.17 meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171.
623.18 Competency standards for training manuals and examinations must be published on the
623.19 Department of Agriculture website. Questions in the examinations must be determined by
623.20 the commissioner in consultation with other responsible agencies. Manuals and examinations
623.21 must include pesticide management practices that discuss prevention of pesticide occurrence
623.22 in groundwater and surface water of the state, and economic thresholds and guidance for
623.23 insecticide use.

623.24 Sec. 17. Minnesota Statutes 2022, section 18B.32, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

625.4 Sec. 19. Minnesota Statutes 2022, section 18B.32, subdivision 4, is amended to read:

625.5 Subd. 4. **Renewal.** (a) An applicator may apply to renew a structural pest control
625.6 applicator license ~~may be renewed~~ on or before the expiration of an existing license subject
625.7 to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the
625.8 commissioner, or other requirements imposed by the commissioner to provide the applicator
625.9 with information regarding changing technology and to help assure a continuing level of
625.10 competency and ability to use pesticides safely and properly. A recertification workshop
625.11 must meet or exceed the competency standards in Code of Federal Regulations, title 40,
625.12 part 171. Competency standards for a recertification workshop must be published on the
625.13 Department of Agriculture website. If the commissioner requires an applicator to attend a
625.14 recertification workshop and the applicator fails to attend the workshop, the commissioner
625.15 may require the applicator to pass a reexamination. The commissioner may require an
625.16 additional demonstration of applicator qualification if the applicator has had a license
625.17 suspended or revoked or has otherwise had a history of violations of this chapter.

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

625.21 Sec. 20. Minnesota Statutes 2022, section 18B.32, subdivision 5, is amended to read:

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

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

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

625.30 (b) The bond or insurance must cover a period of time at least equal to the term of the
625.31 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license
625.32 of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The

626.1 performance bond or insurance policy must contain a provision requiring the insurance or
626.2 bonding company to notify the commissioner by ten days before the effective date of
626.3 cancellation, termination, or any other change of the bond or insurance. If there is recovery
626.4 against the bond or insurance, additional coverage must be secured by the applicator to
626.5 maintain financial responsibility equal to the original amount required.

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

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

626.10 Sec. 21. Minnesota Statutes 2022, section 18B.33, subdivision 1, is amended to read:

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

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

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

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

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

626.25 Sec. 22. Minnesota Statutes 2022, section 18B.33, subdivision 5, is amended to read:

626.26 Subd. 5. **Renewal application.** (a) ~~A person~~ An applicator must apply to the
626.27 commissioner to renew a commercial applicator license. The commissioner may renew a
626.28 commercial applicator license accompanied by the application fee, subject to reexamination,
626.29 attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other
626.30 requirements imposed by the commissioner to provide the applicator with information
626.31 regarding changing technology and to help assure a continuing level of competence and
626.32 ability to use pesticides safely and properly. ~~The applicant~~ A recertification workshop must

627.1 meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171.
627.2 Competency standards for a recertification workshop must be published on the Department
627.3 of Agriculture website. Upon the receipt of an applicator's renewal application, the
627.4 commissioner may require the applicator to attend a recertification workshop. Depending
627.5 on the application category, the commissioner may require an applicator to complete a
627.6 recertification workshop once per year, once every two years, or once every three years. If
627.7 the commissioner requires an applicator to attend a recertification workshop and the
627.8 applicator fails to attend the workshop, the commissioner may require the applicator to pass
627.9 a reexamination. An applicator may renew a commercial applicator license within 12 months
627.10 after expiration of the license without having to meet initial testing requirements. The
627.11 commissioner may require an additional demonstration of applicator qualification if a person
627.12 the applicator has had a license suspended or revoked or has had a history of violations of
627.13 this chapter.

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

627.17 Sec. 23. Minnesota Statutes 2022, section 18B.33, subdivision 6, is amended to read:

627.18 Subd. 6. **Financial responsibility.** (a) ~~A commercial applicator license may not be issued~~
627.19 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may
627.20 suspend or revoke an applicator's commercial applicator license if the applicator fails to
627.21 provide proof of financial responsibility upon the commissioner's request. Financial
627.22 responsibility may be demonstrated by: (1) proof of net assets equal to or greater than
627.23 \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined
627.24 by the commissioner.

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

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

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

628.3 Sec. 24. Minnesota Statutes 2022, section 18B.34, subdivision 1, is amended to read:

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

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

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

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

628.17 Sec. 25. Minnesota Statutes 2022, section 18B.34, subdivision 4, is amended to read:

628.18 Subd. 4. **Renewal.** (a) ~~A person~~ An applicator must apply to the commissioner to renew
628.19 a noncommercial applicator license. The commissioner may renew a license subject to
628.20 reexamination, attendance at ~~workshops~~ a recertification workshop approved by the
628.21 commissioner, or other requirements imposed by the commissioner to provide the applicator
628.22 with information regarding changing technology and to help assure a continuing level of
628.23 competence and ability to use pesticides safely and properly. A recertification workshop
628.24 must meet or exceed the competency standards in Code of Federal Regulations, title 40,
628.25 part 171. Competency standards for a recertification website must be published on the
628.26 Department of Agriculture website. Upon the receipt of an applicator's renewal application,
628.27 the commissioner may require the applicator to attend a recertification workshop. Depending
628.28 on the application category, the commissioner may require an applicator to complete a
628.29 recertification workshop once per year, once every two years, or once every three years. If
628.30 the commissioner requires an applicator to attend a recertification workshop and the
628.31 applicator fails to attend the workshop, the commissioner may require the applicator to pass
628.32 a reexamination. The commissioner may require an additional demonstration of applicator

629.1 qualification if the applicator has had a license suspended or revoked or has otherwise had
629.2 a history of violations of this chapter.

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

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

629.8 Sec. 26. Minnesota Statutes 2022, section 18B.35, subdivision 1, is amended to read:

629.9 Subdivision 1. **Establishment.** (a) The commissioner may establish categories of
629.10 structural pest control, commercial applicator, ~~and~~ noncommercial applicator licenses ~~for~~
629.11 ~~administering and enforcing this chapter,~~ and private applicator certification consistent
629.12 with federal requirements in Code of Federal Regulations, title 40, sections 171.101 and
629.13 171.105, including but not limited to the federal categories that are applicable to the state.
629.14 Application categories must meet or exceed the competency standards in Code of Federal
629.15 Regulations, title 40, part 171. Competency standards for application categories must be
629.16 published on the Department of Agriculture website. The categories may include pest control
629.17 operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators.
629.18 Separate subclassifications of categories may be specified as to ground, aerial, or manual
629.19 methods to apply pesticides or to the use of pesticides to control insects, plant diseases,
629.20 rodents, or weeds.

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

629.22 Sec. 27. Minnesota Statutes 2022, section 18B.36, subdivision 1, is amended to read:

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

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

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

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

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

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

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

630.5 Sec. 28. Minnesota Statutes 2022, section 18B.36, subdivision 2, is amended to read:

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

630.15 (b) A person must apply to the commissioner for certification as a private applicator.
630.16 After completing the certification requirements, which must include ~~an~~ a proctored
630.17 examination as determined by the commissioner, an applicant must be certified as a private
630.18 applicator to use restricted use pesticides. The certification shall expire March 1 of the third
630.19 calendar year after the initial year of certification.

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

630.21 Sec. 29. Minnesota Statutes 2022, section 18B.37, subdivision 2, is amended to read:

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

630.26 (1) date of the pesticide use;

630.27 (2) time the pesticide application was completed;

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

630.30 (4) number of units treated;

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

- 631.1 (6) location of the site where the pesticide was applied;
- 631.2 (7) name and address of the customer;
- 631.3 (8) name of applicator, name of company, license number of applicator, and address of
631.4 applicator company; and
- 631.5 (9) any other information required by the commissioner.
- 631.6 (b) Portions of records not relevant to a specific type of application may be omitted upon
631.7 approval from the commissioner.
- 631.8 (c) All information for this record requirement must be contained in a document for each
631.9 pesticide application, except a map may be attached to identify treated areas. An invoice
631.10 containing the required information may constitute the required record. The commissioner
631.11 shall make sample forms available to meet the requirements of this paragraph.
- 631.12 (d) The record must be completed no later than five days after the application of the
631.13 pesticide.
- 631.14 (e) A commercial applicator must give a copy of the record to the customer.
- 631.15 (f) Records must be retained by the applicator, company, or authorized agent for five
631.16 years after the date of treatment.
- 631.17 (g) A record of a commercial or noncommercial applicator must meet or exceed the
631.18 requirements in Code of Federal Regulations, title 40, part 171.
- 631.19 Sec. 30. Minnesota Statutes 2022, section 18B.37, subdivision 3, is amended to read:
- 631.20 Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator
631.21 must maintain a record of each structural pest control application conducted by that person
631.22 or by the person's employees. The record must include the:
- 631.23 (1) date of structural pest control application;
- 631.24 (2) target pest;
- 631.25 (3) brand name of the pesticide, United States Environmental Protection Agency
631.26 registration number, and amount used;
- 631.27 (4) for fumigation, the temperature and exposure time;
- 631.28 (5) time the pesticide application was completed;
- 631.29 (6) name and address of the customer;

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

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

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

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

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

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

632.16 (f) A structural applicator must post in a conspicuous place inside a renter's apartment
632.17 where a pesticide application has occurred a list of postapplication precautions contained
632.18 on the label of the pesticide that was applied in the apartment and any other information
632.19 required by the commissioner.

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

632.22 Sec. 31. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
632.23 to read:

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

632.28 Sec. 32. Minnesota Statutes 2022, section 18C.005, subdivision 33, is amended to read:

632.29 Subd. 33. **Soil amendment.** "Soil amendment" means a substance intended to improve
632.30 the structural, physical, chemical, biochemical, or biological characteristics of the soil or

633.1 modify organic matter at or near the soil surface, except fertilizers, agricultural liming
633.2 materials, pesticides, and other materials exempted by the commissioner's rules.

633.3 Sec. 33. Minnesota Statutes 2022, section 18C.115, subdivision 2, is amended to read:

633.4 Subd. 2. **Adoption of national standards.** Applicable national standards contained in
633.5 ~~the 1996 official publication, number 49,~~ most recently published version of the official
633.6 publication of the Association of American Plant Food Control Officials including the rules
633.7 and regulations, statements of uniform interpretation and policy, and the official fertilizer
633.8 terms and definitions, and not otherwise adopted by the commissioner, may be adopted as
633.9 fertilizer rules of this state.

633.10 Sec. 34. Minnesota Statutes 2022, section 18C.215, subdivision 1, is amended to read:

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

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

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

633.17 (3) the guaranteed analysis;

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

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

633.21 (6) a derivatives statement.

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

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

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

633.29 (c) The labeled information must appear:

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

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

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

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

634.4 (d) If a person sells a custom blend specialty fertilizer in bags or other containers, the
634.5 information required in paragraph (a) must either be affixed to the bag or container as
634.6 required in paragraph (c) or be furnished to the customer on an invoice or delivery ticket
634.7 in written or printed form.

634.8 Sec. 35. Minnesota Statutes 2022, section 18C.221, is amended to read:

634.9 **18C.221 FERTILIZER PLANT FOOD CONTENT.**

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

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

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

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

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

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

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

634.26 Sec. 36. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended
634.27 to read:

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

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

635.4 (c) The person responsible for payment of the inspection fees for fertilizers, soil
635.5 amendments, or plant amendments sold and used in this state must pay the inspection fee
635.6 set under paragraph (e), and until June 30, ~~2024~~ 2029, an additional 40 cents per ton, of
635.7 fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a
635.8 minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner
635.9 must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer
635.10 research and education account in section 18C.80. Products sold or distributed to
635.11 manufacturers or exchanged between them are exempt from the inspection fee imposed by
635.12 this subdivision if the products are used exclusively for manufacturing purposes.

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

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

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

635.20 Sec. 37. Minnesota Statutes 2022, section 18C.70, subdivision 1, is amended to read:

635.21 Subdivision 1. **Establishment; membership.** (a) The Minnesota Agricultural Fertilizer
635.22 Research and Education Council is established. The council is composed of ~~12~~ 15 voting
635.23 members as follows:

635.24 (1) ~~two members~~ one member of the Minnesota Crop Production Retailers;

635.25 (2) one member of the Minnesota Corn Growers Association;

635.26 (3) one member of the Minnesota Soybean Growers Association;

635.27 (4) one member of the sugar beet growers industry;

635.28 (5) one member of the Minnesota Association of Wheat Growers;

635.29 (6) one member of the potato growers industry;

635.30 (7) one member of the Minnesota Farm Bureau;

635.31 (8) one member of the Minnesota Farmers Union;

- 636.1 (9) one member from the Minnesota Irrigators Association;
- 636.2 (10) one member of the Minnesota Grain and Feed Association; ~~and~~
- 636.3 (11) one member of the Minnesota Independent Crop Consultant Association or the
- 636.4 Minnesota certified crop advisor program;
- 636.5 (12) one member representing the Minnesota Institute for Sustainable Agriculture;
- 636.6 (13) one member of the Minnesota Soil Health Coalition;
- 636.7 (14) one member who is an expert in public health; and
- 636.8 (15) one member who is an expert in water quality and has performed scientific research
- 636.9 on water issues.

636.10 (b) Council members shall serve three-year terms. After the initial council is appointed,

636.11 subsequent appointments must be staggered so that one-third of council membership is

636.12 replaced each year. Council members must be ~~nominated by their organizations and~~ appointed

636.13 by the commissioner and, except for the members specified under paragraph (a), clauses

636.14 (14) and (15), nominated by their organizations. The council may add ex officio members

636.15 at its discretion. The council must meet at least once per year, with all related expenses

636.16 reimbursed by members' sponsoring organizations or by the members themselves.

636.17 Sec. 38. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

636.18 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2030.

636.19 Sec. 39. Minnesota Statutes 2022, section 18C.71, subdivision 1, is amended to read:

636.20 Subdivision 1. **Eligible projects.** Eligible project activities include research, education,

636.21 and technology transfer related to the production and application of fertilizer, soil

636.22 amendments, and other plant amendments, regenerative agriculture, and the protection of

636.23 clean water. Chosen projects must contain a component of outreach that achieves a timely

636.24 dissemination of findings and their applicability to the production agricultural community

636.25 or metropolitan fertilizer users.

636.26 Sec. 40. Minnesota Statutes 2022, section 18C.71, is amended by adding a subdivision to

636.27 read:

636.28 Subd. 1a. **Priorities and guidance.** The council must develop or update research priorities

636.29 and request guidance related to:

637.1 (1) the availability of nitrogen by manure type and livestock species based on
637.2 management; and

637.3 (2) manure management and fertilizer best management practices for areas where surface
637.4 water or groundwater are vulnerable to nitrate losses, including the adjustment of practices
637.5 based on vulnerability such as coarse textured soils, soils with shallow bedrock, and karst
637.6 geology.

637.7 Sec. 41. Minnesota Statutes 2022, section 18C.71, subdivision 2, is amended to read:

637.8 Subd. 2. **Awarding grants.** Applications for program grants must be submitted in the
637.9 form prescribed by the Minnesota Agricultural Fertilizer Research and Education Council.
637.10 Applications must be submitted on or before the deadline prescribed by the council. All
637.11 applications are subject to a thorough in-state review by a peer committee established and
637.12 approved by the council. Each project meeting the basic qualifications is subject to a yes
637.13 or no vote by each council member. Projects chosen to receive funding must achieve an
637.14 affirmative vote from at least ~~eight~~ ten of the ~~12~~ 15 council members or two-thirds of voting
637.15 members present. Projects awarded program funds must submit an annual progress report
637.16 in the form prescribed by the council.

637.17 Sec. 42. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

637.18 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2030.

637.19 Sec. 43. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

637.20 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2030.

637.21 Sec. 44. Minnesota Statutes 2022, section 18D.301, subdivision 1, is amended to read:

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

637.24 (b) Violations of chapter 18B, 18C, or 18F or rules adopted under chapter 18B, 18C, or
637.25 18F, or section 103H.275, subdivision 2, are a violation of this chapter.

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

638.1 Sec. 45. Minnesota Statutes 2023 Supplement, section 18K.06, is amended to read:

638.2 **18K.06 RULEMAKING.**

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

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

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

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

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

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

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

638.20 Sec. 46. Minnesota Statutes 2022, section 28A.10, is amended to read:

638.21 **28A.10 POSTING OF LICENSE; RULES.**

638.22 All such licenses shall be issued for a period of one year and shall be posted or displayed
638.23 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~
638.24 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~
638.25 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

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

638.28 Sec. 47. Minnesota Statutes 2022, section 28A.151, subdivision 1, is amended to read:

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

639.1 (b) "Farmers' market" means an association of three or more persons who assemble at
639.2 a defined location that is open to the public for the purpose of selling ~~directly to the consumer~~
639.3 ~~the~~ products of a farm or garden occupied and cultivated by the person selling the product.

639.4 (c) "Food product sampling" means distributing to individuals at a farmers' market or
639.5 community event, for promotional or educational purposes, small portions of a food item
639.6 that include as a main ingredient a product sold by the vendor ~~at the farmers' market or~~
639.7 ~~community event~~. For purposes of this subdivision, "small portion" means a portion that is
639.8 no more than three ounces of food or beverage.

639.9 (d) "Food product demonstration" means cooking or preparing food products to distribute
639.10 to individuals at a farmers' market or community event for promotional or educational
639.11 purposes.

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

639.13 Sec. 48. Minnesota Statutes 2022, section 28A.151, subdivision 2, is amended to read:

639.14 Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and
639.15 demonstration must be obtained from sources that comply with Minnesota Food Law.

639.16 (b) Raw animal, raw poultry, and raw fish products must not be served as samples.

639.17 (c) Food product sampling or food product demonstrations, including cooked animal,
639.18 poultry, or fish products, must be prepared on site at the event.

639.19 (d) Animal or poultry products used for food product sampling or food product
639.20 demonstrations must be from animals slaughtered under continuous inspection, either by
639.21 the USDA or through Minnesota's "Equal-to" inspection program.

639.22 (e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons
639.23 engaged in food product sampling or food product demonstrations.

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

639.25 Sec. 49. Minnesota Statutes 2022, section 28A.151, subdivision 3, is amended to read:

639.26 Subd. 3. **Food required to be provided at no cost.** Food provided through food product
639.27 sampling or food product demonstrations must be provided at no cost to the individual
639.28 recipient of a sample.

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

640.1 Sec. 50. Minnesota Statutes 2022, section 28A.151, subdivision 5, is amended to read:

640.2 Subd. 5. **Food safety and equipment standards.** (a) Any person conducting food
640.3 product sampling or food product demonstrations shall meet the same food safety and
640.4 equipment standards that are required of a special event food stand in Minnesota Rules,
640.5 parts 4626.1855, items B to O, Q, and R; and 4626.0330.

640.6 (b) Notwithstanding paragraph (a), a handwashing device is not required when only
640.7 prepackaged food samples are offered.

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

640.9 Sec. 51. Minnesota Statutes 2022, section 28A.151, is amended by adding a subdivision
640.10 to read:

640.11 Subd. 7. **Signage.** A food product provided through food product sampling or food
640.12 product demonstrations must be accompanied by a legible sign or placard that lists the
640.13 product's ingredients and major food allergens.

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

640.15 Sec. 52. Minnesota Statutes 2022, section 28A.21, subdivision 6, is amended to read:

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

640.17 Sec. 53. Minnesota Statutes 2022, section 31.74, is amended to read:

640.18 **~~31.74 SALE OF IMITATION HONEY.~~**

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

640.23 Subd. 2. **Prohibited sale.** Notwithstanding any law or rule to the contrary, it is unlawful
640.24 for any person to sell or offer for sale any product which is in semblance of honey and which
640.25 is labeled, advertised, or otherwise represented to be honey, if it is not honey. The word
640.26 "imitation" shall not be used in the name of a product which is in semblance of honey
640.27 whether or not it contains any honey. The label for a product which is not in semblance of
640.28 honey and which contains honey may include the word "honey" in the name of the product
640.29 and the relative position of the word "honey" in the product name, and in the list of
640.30 ingredients, when required, shall be determined by its prominence as an ingredient in the
640.31 product.

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

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

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

641.10 Sec. 54. Minnesota Statutes 2022, section 31.94, is amended to read:

641.11 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

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

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

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

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

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

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

641.27 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in
641.28 conjunction with the task force created in paragraph (c), shall report on the status of organic
641.29 agriculture in Minnesota to the legislative policy and finance committees and divisions with
641.30 jurisdiction over agriculture. The report must include available data on organic acreage and
641.31 production, available data on the sales or market performance of organic products, and

642.1 recommendations regarding programs, policies, and research efforts that will benefit
642.2 Minnesota's organic agriculture sector.

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

642.8 (1) three organic farmers;

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

642.10 (3) one representative of organic certification agencies;

642.11 (4) two organic processors;

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

642.13 (6) one University of Minnesota faculty member;

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

642.15 (8) two public members;

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

642.17 (10) one retailer of organic products; and

642.18 (11) one organic consumer representative.

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

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

642.25 (d) For the purposes of expanding, improving, and developing production and marketing
642.26 of the organic products of Minnesota agriculture, the commissioner may receive funds from
642.27 state and federal sources and spend them, including through grants or contracts, to assist
642.28 producers and processors to achieve certification, to conduct education or marketing
642.29 activities, to enter into research and development partnerships, or to address production or
642.30 marketing obstacles to the growth and well-being of the industry.

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

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

643.6 Sec. 55. Minnesota Statutes 2022, section 32D.30, is amended to read:

643.7 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

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

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

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

643.30 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business
643.31 planning grants of up to \$5,000 per producer or dairy processor to develop comprehensive
643.32 business plans use technical assistance services for evaluating operations, transitional

644.1 changes, expansions, improvements, and other business modifications. Producers and
644.2 processors must not use dairy business planning grants for capital improvements.

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

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

644.15 Sec. 56. Minnesota Statutes 2022, section 41B.039, subdivision 2, is amended to read:

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

644.21 Sec. 57. Minnesota Statutes 2022, section 41B.04, subdivision 8, is amended to read:

644.22 Subd. 8. **State participation.** With respect to loans that are eligible for restructuring
644.23 under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall
644.24 enter into a participation agreement or other financial arrangement whereby it shall participate
644.25 in a restructured loan to the extent of 45 percent of the primary principal or ~~\$525,000~~
644.26 \$625,000, whichever is less. The authority's portion of the loan must be protected during
644.27 the authority's participation by the first mortgage held by the eligible lender to the extent
644.28 of its participation in the loan.

644.29 Sec. 58. Minnesota Statutes 2022, section 41B.042, subdivision 4, is amended to read:

644.30 Subd. 4. **Participation limit; interest.** The authority may participate in new
644.31 seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or
644.32 ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the

645.1 authority's participation interest may be different than the interest rates and repayment terms
645.2 of the seller's retained portion of the loan.

645.3 Sec. 59. Minnesota Statutes 2022, section 41B.043, subdivision 1b, is amended to read:

645.4 Subd. 1b. **Loan participation.** The authority may participate in an agricultural
645.5 improvement loan with an eligible lender to a farmer who meets the requirements of section
645.6 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming.
645.7 Participation is limited to 45 percent of the principal amount of the loan or ~~\$400,000~~
645.8 \$500,000, whichever is less. The interest rates and repayment terms of the authority's
645.9 participation interest may be different than the interest rates and repayment terms of the
645.10 lender's retained portion of the loan.

645.11 Sec. 60. Minnesota Statutes 2022, section 41B.045, subdivision 2, is amended to read:

645.12 Subd. 2. **Loan participation.** The authority may participate in a livestock expansion
645.13 and modernization loan with an eligible lender to a livestock farmer who meets the
645.14 requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively
645.15 engaged in a livestock operation. A prospective borrower must have a total net worth,
645.16 including assets and liabilities of the borrower's spouse and dependents, of less than
645.17 \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by
645.18 multiplying that amount by the cumulative inflation rate as determined by the United States
645.19 All-Items Consumer Price Index.

645.20 Participation is limited to 45 percent of the principal amount of the loan or ~~\$525,000~~
645.21 \$625,000, whichever is less. The interest rates and repayment terms of the authority's
645.22 participation interest may be different from the interest rates and repayment terms of the
645.23 lender's retained portion of the loan.

645.24 Sec. 61. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

645.25 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
645.26 recovery loan program to help farmers:

645.27 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
645.28 replace seed, other crop inputs, feed, and livestock;

645.29 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems
645.30 and practices, and feed when drought is the cause of the purchase;

645.31 (3) restore farmland;

646.1 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue
646.2 when the replacement, improvements, or loss of revenue is due to the confirmed presence
646.3 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial
646.4 livestock operation, located in Minnesota; or

646.5 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease
646.6 for which the governor has declared a peacetime emergency under section 12.31.

646.7 Sec. 62. Minnesota Statutes 2022, section 232.21, subdivision 3, is amended to read:

646.8 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the
646.9 commissioner's designee.

646.10 Sec. 63. Minnesota Statutes 2022, section 232.21, subdivision 7, is amended to read:

646.11 Subd. 7. **Grain.** "Grain" means any ~~cereal grain, coarse grain, or oilseed in unprocessed~~
646.12 ~~form for which a standard has been established by the United States Secretary of Agriculture,~~
646.13 ~~dry edible beans, or agricultural crops designated by the commissioner by rule~~ product
646.14 commonly referred to as grain, including wheat, corn, oats, barley, rye, rice, soybeans,
646.15 emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed, rapeseed, canola,
646.16 safflower, flaxseed, mustard seed, crambe, sesame seed, and other products ordinarily stored
646.17 in grain warehouses.

646.18 Sec. 64. Minnesota Statutes 2022, section 232.21, subdivision 11, is amended to read:

646.19 Subd. 11. **Producer.** "Producer" means a person who ~~owns or manages a grain producing~~
646.20 ~~or growing operation and holds or shares the responsibility for marketing that grain produced~~
646.21 grows grain on land owned or leased by the person.

646.22 Sec. 65. Minnesota Statutes 2022, section 232.21, subdivision 12, is amended to read:

646.23 Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator" means:
646.24 (1) a person licensed to operate operating a grain warehouse in which grain belonging to
646.25 persons other than the grain warehouse operator is accepted for storage or purchase, ~~or;~~ (2)
646.26 a person who offers grain storage or grain warehouse facilities to the public for hire; (3)
646.27 a feed-processing plant that receives and stores grain, the equivalent of which; it processes
646.28 and returns to the grain's owner in amounts, at intervals, and with added ingredients that
646.29 are mutually agreeable to the grain's owner and the person operating the plant.

647.1 Sec. 66. Minnesota Statutes 2022, section 232.21, subdivision 13, is amended to read:

647.2 Subd. 13. **Scale ticket.** "Scale ticket" means a memorandum showing the weight, ~~grade~~
647.3 and kind of grain which is issued by a grain elevator or warehouse operator to a depositor
647.4 at the time the grain is delivered.

647.5 Sec. 67. **[346.021] FINDER TO GIVE NOTICE.**

647.6 A person who finds an estray and knows who owns the estray must notify the estray's
647.7 owner within seven days after finding the estray and request that the owner pay all reasonable
647.8 charges and take the estray away. A finder who does not know who owns an estray must
647.9 either:

647.10 (1) within ten days, file a notice with the town or city clerk and post a physical or online
647.11 notice of the finding of the estray. The notice must briefly describe the estray or provide a
647.12 photograph of the estray, provide the residence or contact information of the finder, and
647.13 provide the approximate location and time when the finder found the estray; or

647.14 (2) within seven days, surrender the estray to a local animal control agency or to a kennel
647.15 as defined in section 347.31, subdivision 2.

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

647.17 Sec. 68. Laws 2023, chapter 43, article 2, section 142, subdivision 9, is amended to read:

647.18 Subd. 9. **Dairy law.** Minnesota Statutes 2022, sections 17.984; 32D.03, subdivision 5;
647.19 32D.24; 32D.25, subdivision 1; 32D.26; 32D.27; and 32D.28, are repealed.

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

647.21 Sec. 69. **REVIVAL AND REENACTMENT.**

647.22 Minnesota Statutes, section 32D.25, subdivision 2, is revived and reenacted effective
647.23 retroactively from July 1, 2023.

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

647.25 Sec. 70. **REPORT REQUIRED; COOPERATIVE FINANCIAL REPORTING.**

647.26 The commissioner of agriculture shall convene a cooperative financial reporting
647.27 workgroup, which must include producers who sell to a cooperative and representatives
647.28 from cooperative management. The commissioner shall develop recommendations relating
647.29 to requirements for cooperatives to report on financial conditions and report back with

648.1 recommendations to the legislative committees with jurisdiction over agriculture by January
648.2 3, 2025. Participating stakeholders must be given an opportunity to include written testimony
648.3 to the legislative committees in the commissioner's report.

648.4 Sec. 71. **COMMERCIAL APPLICATOR LICENSE EXAMINATION LANGUAGE**
648.5 **REQUIREMENTS.**

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

648.11 Sec. 72. **CREDIT MARKET REPORT REQUIRED.**

648.12 The commissioner of agriculture must convene a stakeholder working group to explore
648.13 the state establishing a market for carbon credits, ecosystem services credits, or other credits
648.14 generated by farmers who implement clean water, climate-smart, and soil-healthy farming
648.15 practices. To the extent practicable, the stakeholder working group must include but is not
648.16 limited to farmers; representatives of agricultural organizations; experts in geoscience,
648.17 carbon storage, greenhouse gas modeling, and agricultural economics; industry
648.18 representatives with experience in carbon markets and supply chain sustainability; and
648.19 representatives of environmental organizations with expertise in carbon sequestration and
648.20 agriculture. No later than February 1, 2025, the commissioner must report recommendations
648.21 to the legislative committees with jurisdiction over agriculture. The commissioner must
648.22 provide participating stakeholders an opportunity to include written testimony in the
648.23 commissioner's report.

648.24 Sec. 73. **REPEALER.**

648.25 (a) Minnesota Statutes 2022, sections 3.7371, subdivision 7; and 34.07, are repealed.

648.26 (b) Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030;
648.27 1506.0035; and 1506.0040, are repealed.

649.1

ARTICLE 39

649.2

BROADBAND

649.3 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision
649.4 to read:

649.5 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year
649.6 appropriation between the border-to-border broadband program, low density population
649.7 broadband program, and the broadband line extension program to meet demand. The
649.8 commissioner must inform the chairs and ranking minority members of the legislative
649.9 committees with jurisdiction over broadband finance in writing when this transfer authority
649.10 is used. The written notice must include how much money was transferred and why the
649.11 transfer was made. The written notice must also be filed with the Legislative Reference
649.12 Library in compliance with Minnesota Statutes, section 3.195.

649.13 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
649.14 **FUNDING; APPROPRIATION.**

649.15 (a) The commissioner of employment and economic development must prepare and
649.16 submit an application to the United States Department of Commerce requesting State Digital
649.17 Equity Capacity Grant funding made available under Public Law 117-58, the Infrastructure
649.18 Investment and Jobs Act.

649.19 (b) The amount awarded to Minnesota pursuant to the application submitted under
649.20 paragraph (a) is appropriated to the commissioner of employment and economic development
649.21 for purposes of the commissioner's Minnesota Digital Opportunity Plan.

649.22

ARTICLE 40

649.23

CLIMATE AND ENERGY FINANCE

649.24 Section 1. **APPROPRIATIONS.**

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

649.32

649.33

APPROPRIATIONS
Available for the Year

	<u>Ending June 30</u>	<u>2024</u>	<u>2025</u>
650.1			
650.2			
650.3	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
650.4	<u>Subdivision 1. Total Appropriation</u>	\$	-0-
		\$	<u>1,133,000</u>
650.5	<u>The amounts that may be spent for each</u>		
650.6	<u>purpose are specified in the following</u>		
650.7	<u>subdivisions.</u>		
650.8	Subd. 2. <u>Thermal Energy Network Site</u>		
650.9	<u>Suitability Study</u>		
650.10	<u>\$500,000 the second year is for the thermal</u>		
650.11	<u>energy network site suitability study under</u>		
650.12	<u>article 42, section 51. This is a onetime</u>		
650.13	<u>appropriation and is available until December</u>		
650.14	<u>31, 2025.</u>		
650.15	Subd. 3. <u>SolarAPP+ Program</u>		
650.16	<u>\$500,000 the second year is for transfer to the</u>		
650.17	<u>SolarAPP+ program account established under</u>		
650.18	<u>Minnesota Statutes, section 216C.48, to award</u>		
650.19	<u>incentives to local units of government that</u>		
650.20	<u>deploy federally developed software to</u>		
650.21	<u>automate the review of applications and</u>		
650.22	<u>issuance of permits for residential solar</u>		
650.23	<u>projects. Incentives must be awarded only to</u>		
650.24	<u>local units of government located outside the</u>		
650.25	<u>electric service territory of the public utility</u>		
650.26	<u>subject to Minnesota Statutes, section</u>		
650.27	<u>116C.779, subdivision 1. This is a onetime</u>		
650.28	<u>transfer and is available until June 30, 2028.</u>		
650.29	Subd. 4. <u>Grid-Enhancing Technologies</u>		
650.30	<u>\$133,000 the second year is to (1) participate</u>		
650.31	<u>in a Minnesota Public Utilities Commission</u>		
650.32	<u>proceeding to review electric transmission line</u>		
650.33	<u>owners' plans to deploy grid-enhancing</u>		
650.34	<u>technologies, and (2) issue an order to</u>		

651.1 implement the plans. The base in fiscal year
 651.2 2026 is \$265,000 and the base in fiscal year
 651.3 2027 is \$265,000. The base in fiscal year 2028
 651.4 is \$0.

651.5 **Sec. 3. PUBLIC UTILITIES COMMISSION \$ -0- \$ 267,000**

651.6 (a) \$39,000 the second year is to support the
 651.7 Thermal Energy Network Deployment Work
 651.8 Group and prepare a report under article 42,
 651.9 section 49. The base in fiscal year 2026 is
 651.10 \$77,000 and the base in fiscal year 2027 is \$0.

651.11 (b) \$117,000 the second year is to review
 651.12 electric transmission line owners' plans to
 651.13 deploy grid-enhancing technologies and
 651.14 develop a commission order to implement
 651.15 approved plans under article 42, section 52.
 651.16 The base in fiscal year 2026 is \$157,000 and
 651.17 the base in fiscal year 2027 is \$157,000. The
 651.18 base in fiscal year 2028 is \$0.

651.19 (c) \$111,000 the second year is to conduct a
 651.20 proceeding to develop a cost-sharing
 651.21 mechanism enabling developers of distributed
 651.22 generation projects to pay utilities to expand
 651.23 distribution line capacity in order to
 651.24 interconnect to the grid. The base in fiscal year
 651.25 2026 is \$111,000 and the base in fiscal year
 651.26 2027 is \$77,000. The base in fiscal year 2028
 651.27 is \$0.

651.28 **Sec. 4. GRANT ADMINISTRATION REPORTING.**

651.29 (a) By July 1, 2024, the commissioner of commerce must report to the chairs and ranking
 651.30 minority members of the legislative committees having jurisdiction over energy finance
 651.31 and policy regarding the anticipated costs to administer each named grant and competitive
 651.32 grant program in Laws 2023, chapter 60, article 10, section 2, and Laws 2023, chapter 60,
 651.33 article 11, section 2.

652.1 (b) Within 90 days after each named grantee has fulfilled the obligations of the grantee's
 652.2 grant agreement, the commissioner must report to the chairs and ranking minority members
 652.3 of the legislative committees having jurisdiction over energy finance and policy on the final
 652.4 cost to administer (1) each named grant included in paragraph (a), and (2) each named grant
 652.5 in this article and article 41.

652.6 (c) By January 15, 2025, and each year thereafter, the commissioner must report to the
 652.7 chairs and ranking minority members of the legislative committees having jurisdiction over
 652.8 energy finance and policy on the annual cost to administer (1) each competitive grant
 652.9 program included in paragraph (a), and (2) each competitive grant program in this article
 652.10 and article 41.

652.11 **ARTICLE 41**

652.12 **RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**

652.13 Section 1. **APPROPRIATIONS.**

652.14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 652.15 and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section
 652.16 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable
 652.17 development account in the special revenue fund established in Minnesota Statutes, section
 652.18 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.
 652.19 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 652.20 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 652.21 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 652.22 is fiscal years 2024 and 2025.

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

652.27 Sec. 2. **DEPARTMENT OF COMMERCE**

652.28 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>14,450,000</u>
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652.29 The amounts that may be spent for each
 652.30 purpose are specified in the following
 652.31 subdivisions.

653.1 **Subd. 2. Geothermal Energy System; Sabathani**
653.2 **Community Center**

653.3 (a) \$6,000,000 the second year is for a grant
653.4 to the Sabathani Community Center in
653.5 Minneapolis to construct a geothermal energy
653.6 system that provides space heating and cooling
653.7 to the center. This is a onetime appropriation
653.8 and is available until June 30, 2028.

653.9 (b) For the purposes of this subdivision,
653.10 "geothermal energy system" means a system
653.11 composed of: a heat pump that moves a
653.12 heat-transferring fluid through piping
653.13 embedded in the earth and absorbs the earth's
653.14 constant temperature; a heat exchanger; and
653.15 ductwork to distribute heated and cooled air
653.16 to a building.

653.17 **Subd. 3. Geothermal Planning Grants**

653.18 \$1,200,000 the second year is for transfer to
653.19 the geothermal planning grant account
653.20 established under Minnesota Statutes, section
653.21 216C.47, for planning grants to political
653.22 subdivisions to assess the feasibility and cost
653.23 of constructing geothermal energy systems.
653.24 This is a onetime appropriation and is
653.25 available until June 30, 2029.

653.26 **Subd. 4. Energy Efficiency Projects; Dakota**
653.27 **County**

653.28 (a) \$500,000 the second year is for a grant to
653.29 Dakota County for energy efficiency projects
653.30 that are located in the service area of the public
653.31 utility subject to Minnesota Statutes, section
653.32 116C.779. This is a onetime appropriation and
653.33 is available until June 30, 2027.

653.34 (b) For purposes of this subdivision, "energy
653.35 efficiency project" includes: (1) LED lighting,

654.1 as defined under Minnesota Statutes, section
654.2 216B.241, subdivision 5; (2) solar arrays; or
654.3 (3) heating, ventilating, or air conditioning
654.4 system improvements.

654.5 **Subd. 5. Anaerobic Digester Energy System**

654.6 (a) \$5,000,000 the second year is for a grant
654.7 to Recycling and Energy, in partnership with
654.8 Dem-Con HZI Bioenergy, LLC, to construct
654.9 an anaerobic energy system in Louisville
654.10 Township. This is a onetime appropriation and
654.11 is available until June 30, 2028.

654.12 (b) For the purposes of this subdivision,
654.13 "anaerobic energy system" means a facility
654.14 that uses diverted food and organic waste to
654.15 create renewable natural gas and biochar.

654.16 **Subd. 6. SolarAPP+ Program**

654.17 \$1,500,000 the second year is for transfer to
654.18 the SolarAPP+ program account established
654.19 under Minnesota Statutes, section 216C.48,
654.20 to award incentives to local units of
654.21 government that deploy federally developed
654.22 software to automate the review of
654.23 applications and issuance of permits for
654.24 residential solar projects. Incentives must be
654.25 awarded only to political subdivisions located
654.26 within the electric service territory of the
654.27 public utility that is subject to Minnesota
654.28 Statutes, section 116C.779, subdivision 1. This
654.29 is a onetime transfer.

654.30 **Subd. 7. Ultraefficient Vehicle Development**
654.31 **Grants**

654.32 \$250,000 the second year is transferred to the
654.33 ultraefficient vehicle development grant
654.34 account under article 42, section 48, to provide

655.1 grants for developers and producers of
 655.2 ultraefficient vehicles. This is a onetime
 655.3 transfer.

655.4 Sec. 3. PUBLIC UTILITIES COMMISSION \$ -0- \$ 1,000,000

655.5 \$1,000,000 the second year is for the carbon
 655.6 dioxide pipelines study under article 42,
 655.7 section 50. This is a onetime appropriation.

655.8

ARTICLE 42

655.9

ENERGY POLICY

655.10 Section 1. Minnesota Statutes 2022, section 103I.621, subdivision 1, is amended to read:

655.11 Subdivision 1. **Permit.** (a) Notwithstanding any department or agency rule to the contrary,
 655.12 the commissioner shall issue, on request by the owner of the property and payment of the
 655.13 permit fee, permits for the reinjection of water by a properly constructed well into the same
 655.14 aquifer from which the water was drawn for the operation of a groundwater thermal exchange
 655.15 device.

655.16 (b) As a condition of the permit, an applicant must agree to allow inspection by the
 655.17 commissioner during regular working hours for department inspectors.

655.18 (c) Not more than 200 permits may be issued for small systems having that (1) have
 655.19 maximum capacities of 20 gallons per minute or less, and (2) are compliant with the natural
 655.20 resource water-use requirements under subdivision 2. ~~The small systems are subject to~~
 655.21 inspection twice a year.

655.22 (d) Not more than ~~ten~~ 100 permits may be issued for larger systems having that (1) have
 655.23 maximum capacities ~~from over 20 to 50~~ gallons per minute, and (2) are compliant with the
 655.24 natural resource water-use requirements under subdivision 2. ~~The larger systems are subject~~
 655.25 to inspection four times a year.

655.26 (e) A person issued a permit must comply with this section ~~for the permit to be valid.~~
 655.27 and permit conditions deemed necessary to protect public health and safety of groundwater.
 655.28 Permit conditions may include but are not limited to:

655.29 (1) notification to the commissioner at intervals specified in the permit conditions;

655.30 (2) system operation and maintenance;

655.31 (3) system location and construction;

- 656.1 (4) well location and construction;
- 656.2 (5) signage requirements;
- 656.3 (6) reports of system construction, performance, operation, and maintenance;
- 656.4 (7) removal of the system upon termination of use or failure;
- 656.5 (8) disclosure of the system at the time of property transfer;
- 656.6 (9) requirements to obtain approval from the commissioner prior to deviating from the
- 656.7 approval plan and conditions;
- 656.8 (10) groundwater level monitoring; and
- 656.9 (11) groundwater quality monitoring.
- 656.10 (f) The property owner or the property owner's agent must submit to the commissioner
- 656.11 a permit application on a form provided by the commissioner, or in a format approved by
- 656.12 the commissioner, that provides any information necessary to protect public health and
- 656.13 safety of groundwater.
- 656.14 (g) A permit granted under this section is not valid if a water-use permit is required for
- 656.15 the project and is not approved by the commissioner of natural resources.

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

656.17 Sec. 2. Minnesota Statutes 2022, section 103I.621, subdivision 2, is amended to read:

656.18 Subd. 2. **Water-use requirements apply.** Water-use permit requirements and penalties

656.19 under chapter ~~103F~~ 103G and related rules adopted and enforced by the commissioner of

656.20 natural resources apply to groundwater thermal exchange permit recipients. A person who

656.21 violates a provision of this section is subject to enforcement or penalties for the noncomplying

656.22 activity that are available to the commissioner and the Pollution Control Agency.

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

656.24 Sec. 3. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is amended

656.25 to read:

656.26 Subdivision 1. **Renewable development account.** (a) The renewable development

656.27 account is established as a separate account in the special revenue fund in the state treasury.

656.28 Appropriations and transfers to the account shall be credited to the account. Earnings, such

656.29 as interest, dividends, and any other earnings arising from assets of the account, shall be

656.30 credited to the account. Funds remaining in the account at the end of a fiscal year are not

657.1 canceled to the general fund but remain in the account until expended. The account shall
657.2 be administered by the commissioner of management and budget as provided under this
657.3 section.

657.4 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
657.5 plant must transfer all funds in the renewable development account previously established
657.6 under this subdivision and managed by the public utility to the renewable development
657.7 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
657.8 that have not yet been expended and unencumbered funds required to be paid in calendar
657.9 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
657.10 to transfer under this paragraph.

657.11 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
657.12 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
657.13 plant must transfer to the renewable development account \$500,000 each year for each dry
657.14 cask containing spent fuel that is located at the Prairie Island power plant for each year the
657.15 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
657.16 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
657.17 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
657.18 part of a year. The total amount transferred annually under this paragraph must be reduced
657.19 by \$3,750,000.

657.20 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
657.21 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
657.22 plant must transfer to the renewable development account \$350,000 each year for each dry
657.23 cask containing spent fuel that is located at the Monticello nuclear power plant for each
657.24 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
657.25 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
657.26 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
657.27 any part of a year.

657.28 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
657.29 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
657.30 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

657.31 (f) If the commission approves a new or amended power purchase agreement, the
657.32 termination of a power purchase agreement, or the purchase and closure of a facility under
657.33 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
657.34 the public utility subject to this section shall enter into a contract with the city in which the

658.1 poultry litter plant is located to provide grants to the city for the purposes of economic
658.2 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
658.3 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
658.4 by the public utility from funds withheld from the transfer to the renewable development
658.5 account, as provided in paragraphs (b) and (e).

658.6 (g) If the commission approves a new or amended power purchase agreement, or the
658.7 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
658.8 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
658.9 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
658.10 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
658.11 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
658.12 30 days after the commission approves the new or amended power purchase agreement, or
658.13 the termination of the power purchase agreement, and on each June 1 thereafter through
658.14 2021, to assist the transition required by the new, amended, or terminated power purchase
658.15 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
658.16 to the renewable development account as provided in paragraphs (b) and (e).

658.17 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
658.18 and (g) is limited to the amount deposited into the renewable development account, and its
658.19 predecessor, the renewable development account, established under this section, that was
658.20 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
658.21 10.

658.22 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
658.23 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
658.24 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
658.25 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
658.26 in which the commission finds, by the preponderance of the evidence, that the public utility
658.27 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
658.28 permanent or interim storage site out of the state. This determination shall be made at least
658.29 every two years.

658.30 (j) Funds in the account may be expended only for any of the following purposes:

658.31 (1) to stimulate research and development of renewable electric energy technologies;

658.32 (2) to encourage grid modernization, including, but not limited to, projects that implement
658.33 electricity storage, load control, and smart meter technology; and

659.1 (3) to stimulate other innovative energy projects that reduce demand and increase system
659.2 efficiency and flexibility.

659.3 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
659.4 from the utility that owns a nuclear-powered electric generating plant in this state or the
659.5 Prairie Island Indian community or its members.

659.6 The utility that owns a nuclear generating plant is eligible to apply for grants under this
659.7 subdivision.

659.8 (k) For the purposes of paragraph (j), the following terms have the meanings given:

659.9 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
659.10 (c), clauses (1), (2), (4), and (5); and

659.11 (2) "grid modernization" means:

659.12 (i) enhancing the reliability of the electrical grid;

659.13 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
659.14 and

659.15 (iii) increasing energy conservation opportunities by facilitating communication between
659.16 the utility and its customers through the use of two-way meters, control technologies, energy
659.17 storage and microgrids, technologies to enable demand response, and other innovative
659.18 technologies.

659.19 (l) A renewable development account advisory group that includes, among others,
659.20 representatives of the public utility and its ratepayers, and includes at least one representative
659.21 of the Prairie Island Indian community appointed by that community's tribal council, shall
659.22 develop recommendations on account expenditures. The advisory group must design a
659.23 request for proposal and evaluate projects submitted in response to a request for proposals.
659.24 The advisory group must utilize an independent third-party expert to evaluate proposals
659.25 submitted in response to a request for proposal, including all proposals made by the public
659.26 utility. A request for proposal for research and development under paragraph (j), clause (1),
659.27 may be limited to or include a request to higher education institutions located in Minnesota
659.28 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
659.29 projects may include a provision that exempts the projects from the third-party expert review
659.30 and instead provides for project evaluation and selection by a merit peer review grant system.
659.31 In the process of determining request for proposal scope and subject and in evaluating
659.32 responses to request for proposals, the advisory group must strongly consider, where
659.33 reasonable:

660.1 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;
660.2 and

660.3 (2) the proposer's commitment to increasing the diversity of the proposer's workforce
660.4 and vendors.

660.5 (m) The advisory group shall submit funding recommendations to the public utility,
660.6 which has full and sole authority to determine which expenditures shall be submitted by
660.7 the advisory group to the legislature. The commission may approve proposed expenditures,
660.8 may disapprove proposed expenditures that it finds not to be in compliance with this
660.9 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
660.10 modify proposed expenditures. The commission shall, by order, submit its funding
660.11 recommendations to the legislature as provided under paragraph (n).

660.12 (n) The commission shall present its recommended appropriations from the account to
660.13 the senate and house of representatives committees with jurisdiction over energy policy and
660.14 finance annually by February 15. Expenditures from the account must be appropriated by
660.15 law. In enacting appropriations from the account, the legislature:

660.16 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
660.17 a project recommended by the commission; and

660.18 (2) may not appropriate money for a project the commission has not recommended
660.19 funding.

660.20 (o) A request for proposal for renewable energy generation projects must, when feasible
660.21 and reasonable, give preference to projects that are most cost-effective for a particular energy
660.22 source.

660.23 (p) The advisory group must annually, by February 15, report to the chairs and ranking
660.24 minority members of the legislative committees with jurisdiction over energy policy on
660.25 projects funded by the account for the prior year and all previous years. The report must,
660.26 to the extent possible and reasonable, itemize the actual and projected financial benefit to
660.27 the public utility's ratepayers of each project.

660.28 ~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of~~
660.29 ~~management and budget shall submit a written report regarding the availability of funds in~~
660.30 ~~and obligations of the account to the chairs and ranking minority members of the senate~~
660.31 ~~and house committees with jurisdiction over energy policy and finance, the public utility,~~
660.32 ~~and the advisory group.~~

661.1 ~~(p)~~ (q) A project receiving funds from the account must produce a written final report
661.2 that includes sufficient detail for technical readers and a clearly written summary for
661.3 nontechnical readers. The report must include an evaluation of the project's financial,
661.4 environmental, and other benefits to the state and the public utility's ratepayers. A project
661.5 receiving funds from the account must submit a report that meets the requirements of section
661.6 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

661.7 ~~(s)~~ (r) Final reports, any mid-project status reports, and renewable development account
661.8 financial reports must be posted online on a public website designated by the commissioner
661.9 of commerce.

661.10 ~~(t)~~ (s) All final reports must acknowledge that the project was made possible in whole
661.11 or part by the Minnesota renewable development account, noting that the account is financed
661.12 by the public utility's ratepayers.

661.13 ~~(u)~~ (t) Of the amount in the renewable development account, priority must be given to
661.14 making the payments required under section 216C.417.

661.15 ~~(v)~~ (u) Construction projects receiving funds from this account are subject to the
661.16 requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements
661.17 and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
661.18 177.45.

661.19 Sec. 4. Minnesota Statutes 2023 Supplement, section 116C.7792, is amended to read:

661.20 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

661.21 (a) The utility subject to section 116C.779 shall operate a program to provide solar
661.22 energy production incentives for solar energy systems of no more than a total aggregate
661.23 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
661.24 energy system installed before June 1, 2018, is eligible to receive a production incentive
661.25 under this section for any additional solar energy systems constructed at the same customer
661.26 location, provided that the aggregate capacity of all systems at the customer location does
661.27 not exceed 40 kilowatts.

661.28 (b) The program is funded by money withheld from transfer to the renewable development
661.29 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
661.30 be placed in a separate account for the purpose of the solar energy production incentive
661.31 program operated by the utility and not for any other program or purpose.

661.32 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
661.33 remain available to the solar energy production incentive program.

662.1 (d) The following amounts are allocated to the solar energy production incentive program:

662.2 (1) \$10,000,000 in 2021;

662.3 (2) \$10,000,000 in 2022;

662.4 (3) \$5,000,000 in 2023;

662.5 (4) \$11,250,000 in 2024; ~~and~~

662.6 (5) \$6,250,000 in 2025; and

662.7 (6) \$5,000,000 each year, beginning in 2026 through 2035.

662.8 (e) Notwithstanding the Department of Commerce's November 14, 2018, decision in
662.9 Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production
662.10 incentive program, half of the amounts allocated each year under paragraph (d), clauses (3),
662.11 (4), and (5), must be reserved for solar energy systems whose installation meets the eligibility
662.12 standards for the low-income program established in the November 14, 2018, decision or
662.13 successor decisions of the department. All other program operations of the solar energy
662.14 production incentive program are governed by the provisions of the November 14, 2018,
662.15 decision or successor decisions of the department.

662.16 (f) Funds allocated to the solar energy production incentive program that have not been
662.17 committed to a specific project at the end of a program year remain available to the solar
662.18 energy production incentive program.

662.19 (g) Any unspent amount remaining on January 1, 2028, must be transferred to the
662.20 renewable development account.

662.21 (h) A solar energy system receiving a production incentive under this section must be
662.22 sized to less than 120 percent of the customer's on-site annual energy consumption when
662.23 combined with other distributed generation resources and subscriptions provided under
662.24 section 216B.1641 associated with the premise. The production incentive must be paid for
662.25 ten years commencing with the commissioning of the system.

662.26 (i) The utility must file a plan to operate the program with the commissioner of commerce.
662.27 The utility may not operate the program until it is approved by the commissioner. A change
662.28 to the program to include projects up to a nameplate capacity of 40 kilowatts or less does
662.29 not require the utility to file a plan with the commissioner. Any plan approved by the
662.30 commissioner of commerce must not provide an increased incentive scale over prior years
662.31 unless the commissioner demonstrates that changes in the market for solar energy facilities
662.32 require an increase.

663.1 Sec. 5. Minnesota Statutes 2022, section 216B.098, is amended by adding a subdivision
663.2 to read:

663.3 Subd. 7. **Social Security number and individual taxpayer identification number.** If
663.4 a utility requires a new customer to provide a Social Security number on an application for
663.5 utility service, the utility must accept an individual taxpayer identification number in lieu
663.6 of a Social Security number. The utility application must indicate that the utility accepts an
663.7 individual taxpayer identification number.

663.8 Sec. 6. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

663.9 **Subd. 6c. Incentive plan for energy conservation and efficient fuel-switching**
663.10 **improvement.** (a) The commission may order public utilities to develop and submit for
663.11 commission approval incentive plans that describe the method of recovery and accounting
663.12 for utility conservation and efficient fuel-switching expenditures and savings. For public
663.13 utilities that provide electric service, the commission must develop and implement incentive
663.14 plans designed to promote energy conservation separately from the plans designed to promote
663.15 efficient fuel-switching. In developing the incentive plans the commission shall ensure the
663.16 effective involvement of interested parties.

663.17 (b) In approving incentive plans, the commission shall consider:

663.18 (1) whether the plan is likely to increase utility investment in cost-effective energy
663.19 conservation or efficient fuel switching;

663.20 (2) whether the plan is compatible with the interest of utility ratepayers and other
663.21 interested parties;

663.22 (3) whether the plan links the incentive to the utility's performance in achieving
663.23 cost-effective conservation or efficient fuel switching; ~~and~~

663.24 (4) whether the plan is in conflict with other provisions of this chapter;

663.25 (5) whether the plan conflicts with other provisions of this chapter; and

663.26 (6) the likely financial impacts of the conservation and efficient fuel-switching programs
663.27 on the utility.

663.28 (c) The commission may set rates to encourage the vigorous and effective implementation
663.29 of utility conservation and efficient fuel-switching programs. The commission may:

663.30 (1) increase or decrease any otherwise allowed rate of return on net investment based
663.31 upon the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of
663.32 energy through energy conservation or efficient fuel switching;

664.1 (2) share between ratepayers and utilities the net savings resulting from energy
664.2 conservation and efficient fuel-switching programs to the extent justified by the utility's
664.3 skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

664.4 (3) adopt any mechanism that satisfies the criteria of this subdivision, such that
664.5 implementation of cost-effective conservation or efficient fuel switching is a preferred
664.6 resource choice for the public utility considering the impact of conservation or efficient fuel
664.7 switching on earnings of the public utility.

664.8 (d) Any incentives offered to electric utilities under this subdivision for efficient-fuel
664.9 switching projects expire December 31, 2032.

664.10 Sec. 7. Minnesota Statutes 2022, section 216B.16, subdivision 8, is amended to read:

664.11 Subd. 8. **Advertising expense.** (a) The commission shall disapprove the portion of any
664.12 rate which makes an allowance directly or indirectly for expenses incurred by a public utility
664.13 to provide a public advertisement which:

664.14 (1) is designed to influence or has the effect of influencing public attitudes toward
664.15 legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed
664.16 authorization of the Public Utilities Commission or other agency of government responsible
664.17 for regulating a public utility;

664.18 (2) is designed to justify or otherwise support or defend a rate, proposed rate, practice
664.19 or proposed practice of a public utility;

664.20 (3) is designed primarily to promote consumption of the services of the utility;

664.21 (4) is designed primarily to promote good will for the public utility or improve the
664.22 utility's public image; or

664.23 (5) is designed to promote the use of nuclear power or to promote a nuclear waste storage
664.24 facility.

664.25 (b) The commission may approve a rate which makes an allowance for expenses incurred
664.26 by a public utility to disseminate information which:

664.27 (1) is designed to encourage ~~conservation~~ efficient use of energy supplies;

664.28 (2) is designed to promote safety; or

664.29 (3) is designed to inform and educate customers as to financial services made available
664.30 to them by the public utility.

665.1 (c) The commission shall not withhold approval of a rate because it makes an allowance
665.2 for expenses incurred by the utility to disseminate information about corporate affairs to its
665.3 owners.

665.4 Sec. 8. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision
665.5 to read:

665.6 Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures,
665.7 equipment, and installations at a single site where electricity is used primarily by computers
665.8 to process transactions involving digital currency that is not issued by a central authority.

665.9 Sec. 9. Minnesota Statutes 2022, section 216B.2402, subdivision 4, is amended to read:

665.10 Subd. 4. **Efficient fuel-switching improvement.** "Efficient fuel-switching improvement"
665.11 means a project that:

665.12 (1) replaces a fuel used by a customer with electricity or natural gas delivered at retail
665.13 by a utility subject to section 216B.2403 or 216B.241;

665.14 (2) results in a net increase in the use of electricity or natural gas and a net decrease in
665.15 source energy consumption on a fuel-neutral basis;

665.16 (3) otherwise meets the criteria established for consumer-owned utilities in section
665.17 216B.2403, subdivision 8, and for public utilities under section 216B.241, subdivisions 11
665.18 and 12; and

665.19 (4) requires the installation of equipment that utilizes electricity or natural gas, resulting
665.20 in a reduction or elimination of the previous fuel used.

665.21 An efficient fuel-switching improvement is not an energy conservation improvement or
665.22 energy efficiency even if the efficient fuel-switching improvement results in a net reduction
665.23 in electricity or natural gas use. ~~An efficient fuel-switching improvement does not include,~~
665.24 ~~and must not count toward any energy savings goal from, energy conservation improvements~~
665.25 ~~when fuel switching would result in an increase of greenhouse gas emissions into the~~
665.26 ~~atmosphere on an annual basis.~~

665.27 Sec. 10. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

665.28 Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means
665.29 a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput
665.30 to all retail customers, including natural gas transportation customers, on a utility's
665.31 distribution system in Minnesota. Gross annual retail energy sales does not include:

666.1 (1) gas sales to:

666.2 (i) a large energy facility;

666.3 (ii) a large customer facility whose natural gas utility has been exempted by the
666.4 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural
666.5 gas sales made to the large customer facility; and

666.6 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
666.7 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to
666.8 natural gas sales made to the commercial gas customer facility;

666.9 (2) electric sales to:

666.10 (i) a large customer facility whose electric utility has been exempted by the commissioner
666.11 under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made
666.12 to the large customer facility; ~~or~~ and

666.13 (ii) a data mining facility, if the facility:

666.14 (A) has provided a signed letter to the utility verifying the facility meets the definition
666.15 of a data mining facility; and

666.16 (B) imposes a peak electrical demand on a consumer-owned utility's system equal to or
666.17 greater than 40 percent of the peak electrical demand of the system, measured in the same
666.18 manner as the utility that serves the customer facility measures electric demand for billing
666.19 purposes; or

666.20 (3) the amount of electric sales prior to December 31, 2032, that are associated with a
666.21 utility's program, rate, or tariff for electric vehicle charging based on a methodology and
666.22 assumptions developed by the department in consultation with interested stakeholders no
666.23 later than December 31, 2021. After December 31, 2032, incremental sales to electric
666.24 vehicles must be included in calculating a public utility's gross annual retail sales.

666.25 Sec. 11. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

666.26 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual
666.27 consumer-owned electric utility subject to this section has an annual energy-savings goal
666.28 equivalent to 1.5 percent of gross annual retail energy sales and each individual
666.29 consumer-owned natural gas utility subject to this section has an annual energy-savings
666.30 goal equivalent to one percent of gross annual retail energy sales, to be met with a minimum
666.31 of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90
666.32 percent of the consumer-owned utility's gross annual retail energy sales. The balance of

667.1 energy savings toward the annual energy-savings goal may be achieved only by the following
667.2 consumer-owned utility activities:

667.3 (1) energy savings from additional energy conservation improvements;

667.4 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision
667.5 1, that result in increased efficiency greater than would have occurred through normal
667.6 maintenance activity;

667.7 (3) net energy savings from efficient fuel-switching improvements that meet the criteria
667.8 under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or

667.9 (4) subject to department approval, demand-side natural gas or electric energy displaced
667.10 by use of waste heat recovered and used as thermal energy, including the recovered thermal
667.11 energy from a cogeneration or combined heat and power facility.

667.12 (b) The energy-savings goals specified in this section must be calculated based on
667.13 weather-normalized sales averaged over the most recent three years. A consumer-owned
667.14 utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the
667.15 next three years, except that energy savings from electric utility infrastructure projects may
667.16 be carried forward for five years. A particular energy savings can only be used to meet one
667.17 year's goal.

667.18 (c) A consumer-owned utility subject to this section is not required to make energy
667.19 conservation improvements that are not cost-effective, even if the improvement is necessary
667.20 to attain the energy-savings goal. A consumer-owned utility subject to this section must
667.21 make reasonable efforts to implement energy conservation improvements that exceed the
667.22 minimum level established under this subdivision if cost-effective opportunities and funding
667.23 are available, considering other potential investments the consumer-owned utility intends
667.24 to make to benefit customers during the term of the plan filed under subdivision 3.

667.25 ~~(d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~
667.26 ~~consumer-owned utility subject to this section on efficient fuel-switching improvements~~
667.27 ~~implemented to meet the annual energy savings goal under this section must not exceed~~
667.28 ~~0.55 percent per year, averaged over a three-year period, of the consumer-owned utility's~~
667.29 ~~gross annual retail energy sales.~~

667.30 Sec. 12. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

667.31 Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a)
667.32 By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must
667.33 file with the commissioner an energy conservation and optimization plan that describes the

668.1 programs for energy conservation, efficient fuel-switching, load management, and other
668.2 measures the consumer-owned utility intends to offer to achieve the utility's energy savings
668.3 goal.

668.4 (b) A plan's term may extend up to three years. A multiyear plan must identify the total
668.5 energy savings and energy savings resulting from energy conservation improvements that
668.6 are projected to be achieved in each year of the plan. A multiyear plan that does not, in each
668.7 year of the plan, meet both the minimum energy savings goal from energy conservation
668.8 improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by
668.9 the commissioner under paragraph (k), must:

668.10 (1) state why each goal is projected to be unmet; and

668.11 (2) demonstrate how the consumer-owned utility proposes to meet both goals on an
668.12 average basis over the duration of the plan.

668.13 (c) A plan filed under this subdivision must provide:

668.14 (1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned
668.15 utility's programs offered under the plan, using a list of baseline energy- and capacity-savings
668.16 assumptions developed in consultation with the department; and

668.17 (2) for new programs, a preliminary analysis upon which the program will proceed, in
668.18 parallel with further development of assumptions and standards.

668.19 (d) The commissioner must evaluate a plan filed under this subdivision based on the
668.20 plan's likelihood to achieve the energy-savings goals established in subdivision 2. The
668.21 commissioner may make recommendations to a consumer-owned utility regarding ways to
668.22 increase the effectiveness of the consumer-owned utility's energy conservation activities
668.23 and programs under this subdivision. The commissioner may recommend that a
668.24 consumer-owned utility implement a cost-effective energy conservation or efficient
668.25 fuel-switching program, ~~including an energy conservation program~~ suggested by an outside
668.26 source such as a political subdivision, nonprofit corporation, or community organization.

668.27 (e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility
668.28 must file: (1) an annual update identifying the status of the plan filed under this subdivision,
668.29 including: (i) total expenditures and investments made to date under the plan; and (ii) any
668.30 intended changes to the plan; and (2) a summary of the annual energy-savings achievements
668.31 under a plan. An annual filing made in the last year of a plan must contain a new plan that
668.32 complies with this section.

669.1 (f) When evaluating the cost-effectiveness of a consumer-owned utility's energy
669.2 conservation programs, the consumer-owned utility and the commissioner must consider
669.3 the costs and benefits to ratepayers, the utility, participants, and society. The commissioner
669.4 must also consider the rate at which the consumer-owned utility is increasing energy savings
669.5 and expenditures on energy conservation, and lifetime energy savings and cumulative energy
669.6 savings.

669.7 (g) A consumer-owned utility may annually spend and invest up to ten percent of the
669.8 total amount spent and invested on energy conservation, efficient fuel-switching, or load
669.9 management improvements on research and development projects that meet the applicable
669.10 definition of energy conservation, efficient fuel-switching, or load management improvement.

669.11 (h) A generation and transmission cooperative electric association or municipal power
669.12 agency that provides energy services to consumer-owned utilities may file a plan under this
669.13 subdivision on behalf of the consumer-owned utilities to which the association or agency
669.14 provides energy services and may make investments, offer conservation programs, and
669.15 otherwise fulfill the energy-savings goals and reporting requirements of this subdivision
669.16 for those consumer-owned utilities on an aggregate basis.

669.17 (i) A consumer-owned utility is prohibited from spending for or investing in energy
669.18 conservation improvements that directly benefit a large energy facility or a large electric
669.19 customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

669.20 (j) The energy conservation and optimization plan of a consumer-owned utility may
669.21 include activities to improve energy efficiency in the public schools served by the utility.
669.22 These activities may include programs to:

669.23 (1) increase the efficiency of the school's lighting and heating and cooling systems;

669.24 (2) recommission buildings;

669.25 (3) train building operators; and

669.26 (4) provide opportunities to educate students, teachers, and staff regarding energy
669.27 efficiency measures implemented at the school.

669.28 (k) A consumer-owned utility may request that the commissioner adjust the
669.29 consumer-owned utility's minimum goal for energy savings from energy conservation
669.30 improvements under subdivision 2, paragraph (a), for the duration of the plan filed under
669.31 this subdivision. The request must be made by January 1 of the year when the
669.32 consumer-owned utility must file a plan under this subdivision. The request must be based
669.33 on:

- 670.1 (1) historical energy conservation improvement program achievements;
- 670.2 (2) customer class makeup;
- 670.3 (3) projected load growth;
- 670.4 (4) an energy conservation potential study that estimates the amount of cost-effective
- 670.5 energy conservation potential that exists in the consumer-owned utility's service territory;
- 670.6 (5) the cost-effectiveness and quality of the energy conservation programs offered by
- 670.7 the consumer-owned utility; and
- 670.8 (6) other factors the commissioner and consumer-owned utility determine warrant an
- 670.9 adjustment.

670.10 The commissioner must adjust the energy savings goal to a level the commissioner determines

670.11 is supported by the record, but must not approve a minimum energy savings goal from

670.12 energy conservation improvements that is less than an average of 0.95 percent per year over

670.13 the consecutive years of the plan's duration, including the year the minimum energy savings

670.14 goal is adjusted.

670.15 (l) A consumer-owned utility filing a conservation and optimization plan that includes

670.16 an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part

670.17 of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~

670.18 that the requirements of subdivision 8 are met, ~~using a full fuel-cycle energy analysis.~~

670.19 Sec. 13. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

670.20 **Subd. 5. Energy conservation programs for low-income households.** (a) A

670.21 consumer-owned utility subject to this section must provide energy conservation programs

670.22 to low-income households. The commissioner must evaluate a consumer-owned utility's

670.23 plans under this section by considering the consumer-owned utility's historic spending on

670.24 energy conservation programs directed to low-income households, the rate of customer

670.25 participation in and the energy savings resulting from those programs, and the number of

670.26 low-income persons residing in the consumer-owned utility's service territory. A municipal

670.27 utility that furnishes natural gas service must spend at least 0.2 percent of the municipal

670.28 utility's most recent three-year average gross operating revenue from residential customers

670.29 in Minnesota on energy conservation programs for low-income households. A

670.30 consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the

670.31 consumer-owned utility's gross operating revenue from residential customers in Minnesota

670.32 on energy conservation programs for low-income households. The requirement under this

670.33 paragraph applies to each generation and transmission cooperative association's aggregate

671.1 gross operating revenue from the sale of electricity to residential customers in Minnesota
671.2 by all of the association's member distribution cooperatives.

671.3 (b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned
671.4 utility may contribute money to the energy and conservation account established in section
671.5 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount
671.6 of contributions the consumer-owned utility plans to make to the energy and conservation
671.7 account. Contributions to the account must be used for energy conservation programs serving
671.8 low-income households, including renters, located in the service area of the consumer-owned
671.9 utility making the contribution. Contributions must be remitted to the commissioner by
671.10 February 1 each year.

671.11 (c) The commissioner must establish energy conservation programs for low-income
671.12 households funded through contributions to the energy and conservation account under
671.13 paragraph (b). When establishing energy conservation programs for low-income households,
671.14 the commissioner must consult political subdivisions, utilities, and nonprofit and community
671.15 organizations, including organizations providing energy and weatherization assistance to
671.16 low-income households. The commissioner must record and report expenditures and energy
671.17 savings achieved as a result of energy conservation programs for low-income households
671.18 funded through the energy and conservation account in the report required under section
671.19 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political
671.20 subdivision, nonprofit or community organization, public utility, municipality, or
671.21 consumer-owned utility to implement low-income programs funded through the energy and
671.22 conservation account.

671.23 (d) A consumer-owned utility may petition the commissioner to modify the required
671.24 spending under this subdivision if the consumer-owned utility and the commissioner were
671.25 unable to expend the amount required for three consecutive years.

671.26 (e) The commissioner must develop and establish guidelines for determining the eligibility
671.27 of multifamily buildings to participate in energy conservation programs provided to
671.28 low-income households. Notwithstanding the definition of low-income household in section
671.29 216B.2402, a consumer-owned utility or association may apply the most recent guidelines
671.30 published by the department for purposes of determining the eligibility of multifamily
671.31 buildings to participate in low-income programs. The commissioner must convene a
671.32 stakeholder group to review and update these guidelines by August 1, 2021, and at least
671.33 once every five years thereafter. The stakeholder group must include but is not limited to
671.34 representatives of public utilities; municipal electric or gas utilities; electric cooperative
671.35 associations; multifamily housing owners and developers; and low-income advocates.

672.1 (f) Up to 15 percent of a consumer-owned utility's spending on low-income energy
672.2 conservation programs may be spent on preweatherization measures. A consumer-owned
672.3 utility is prohibited from claiming energy savings from preweatherization measures toward
672.4 the consumer-owned utility's energy savings goal.

672.5 (g) The commissioner must, by order, establish a list of preweatherization measures
672.6 eligible for inclusion in low-income energy conservation programs no later than March 15,
672.7 2022.

672.8 (h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate
672.9 account in the special revenue fund in the state treasury. A consumer-owned utility may
672.10 elect to contribute money to the Healthy AIR account to provide preweatherization measures
672.11 for households eligible for weatherization assistance from the state weatherization assistance
672.12 program in section 216C.264. Remediation activities must be executed in conjunction with
672.13 federal weatherization assistance program services. Money contributed to the account by a
672.14 consumer-owned utility counts toward: (1) the minimum low-income spending requirement
672.15 under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f).
672.16 Money in the account is annually appropriated to the commissioner of commerce to pay for
672.17 Healthy AIR-related activities.

672.18 (i) This paragraph applies to a consumer-owned utility that supplies electricity to a
672.19 low-income household whose primary heating fuel is supplied by an entity other than a
672.20 public utility. Any spending on space and water heating energy conservation improvements
672.21 and efficient fuel-switching by the consumer-owned utility on behalf of the low-income
672.22 household may be applied to the consumer owned utility's spending requirement under
672.23 paragraph (a). To the maximum extent possible, a consumer-owned utility providing services
672.24 under this paragraph must offer the services in conjunction with weatherization services
672.25 provided under section 216C.264.

672.26 Sec. 14. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

672.27 Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching
672.28 improvement is deemed efficient if, applying the technical criteria established under section
672.29 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being
672.30 displaced:

672.31 (1) results in a net reduction in the amount of source energy consumed for a particular
672.32 use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's
672.33 electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal,

673.1 monthly, or more granular level of analysis for the electric utility system over the measure's
673.2 life;

673.3 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
673.4 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
673.5 improvement installed by an electric consumer-owned utility, the reduction in emissions
673.6 must be measured ~~based on the hourly emissions profile of the consumer-owned utility or~~
673.7 ~~the utility's electricity supplier, as reported in the most recent resource plan approved by~~
673.8 ~~the commission under section 216B.2422. If the hourly emissions profile is not available,~~
673.9 ~~the commissioner must develop a method consumer-owned utilities must use to estimate~~
673.10 that value using (i) the consumer-owned utility's or the utility's electricity supplier's annual
673.11 average emissions factor, or (ii) if the utility elects, a seasonal, monthly, or more granular
673.12 level of analysis for the electric utility system over the measure's life; and

673.13 (3) is cost-effective, considering the costs and benefits from the perspective of the
673.14 consumer-owned utility, participants, and society; ~~and.~~

673.15 ~~(4) is installed and operated in a manner that improves the consumer-owned utility's~~
673.16 ~~system load factor.~~

673.17 (b) For purposes of this subdivision, "source energy" means the total amount of primary
673.18 energy required to deliver energy services, adjusted for losses in generation, transmission,
673.19 and distribution, and expressed on a fuel-neutral basis.

673.20 Sec. 15. Minnesota Statutes 2022, section 216B.241, subdivision 1c, is amended to read:

673.21 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
673.22 energy-saving goals for energy conservation improvements and shall evaluate an energy
673.23 conservation improvement program on how well it meets the goals set.

673.24 (b) A public utility providing electric service has an annual energy-savings goal equivalent
673.25 to 1.75 percent of gross annual retail energy sales unless modified by the commissioner
673.26 under paragraph (c). A public utility providing natural gas service has an annual
673.27 energy-savings goal equivalent to one percent of gross annual retail energy sales, which
673.28 cannot be lowered by the commissioner. The savings goals must be calculated based on the
673.29 most recent three-year weather-normalized average. A public utility providing electric
673.30 service may elect to carry forward energy savings in excess of 1.75 percent for a year to
673.31 the succeeding three calendar years, except that savings from electric utility infrastructure
673.32 projects allowed under paragraph (d) may be carried forward for five years. A public utility
673.33 providing natural gas service may elect to carry forward energy savings in excess of one

674.1 percent for a year to the succeeding three calendar years. A particular energy savings can
674.2 only be used to meet one year's goal.

674.3 (c) In its energy conservation and optimization plan filing, a public utility may request
674.4 the commissioner to adjust its annual energy-savings percentage goal based on its historical
674.5 conservation investment experience, customer class makeup, load growth, a conservation
674.6 potential study, or other factors the commissioner determines warrants an adjustment.

674.7 (d) The commissioner may not approve a plan of a public utility that provides for an
674.8 annual energy-savings goal of less than one percent of gross annual retail energy sales from
674.9 energy conservation improvements.

674.10 The balance of the 1.75 percent annual energy savings goal may be achieved through
674.11 energy savings from:

674.12 (1) additional energy conservation improvements;

674.13 (2) electric utility infrastructure projects approved by the commission under section
674.14 216B.1636 that result in increased efficiency greater than would have occurred through
674.15 normal maintenance activity; or

674.16 (3) subject to department approval, demand-side natural gas or electric energy displaced
674.17 by use of waste heat recovered and used as thermal energy, including the recovered thermal
674.18 energy from a cogeneration or combined heat and power facility.

674.19 (e) A public utility is not required to make energy conservation investments to attain
674.20 the energy-savings goals of this subdivision that are not cost-effective even if the investment
674.21 is necessary to attain the energy-savings goals. For the purpose of this paragraph, in
674.22 determining cost-effectiveness, the commissioner shall consider: (1) the costs and benefits
674.23 to ratepayers, the utility, participants, and society; (2) the rate at which a public utility is
674.24 increasing both its energy savings and its expenditures on energy conservation; and (3) the
674.25 public utility's lifetime energy savings and cumulative energy savings.

674.26 (f) On an annual basis, the commissioner shall produce and make publicly available a
674.27 report on the annual energy and capacity savings and estimated carbon dioxide reductions
674.28 achieved by the programs under this section and section 216B.2403 for the two most recent
674.29 years for which data is available. The report must also include information regarding any
674.30 annual energy sales or generation capacity increases resulting from efficient fuel-switching
674.31 improvements. The commissioner shall report on program performance both in the aggregate
674.32 and for each entity filing an energy conservation improvement plan for approval or review

675.1 by the commissioner, and must estimate progress made toward the statewide energy-savings
675.2 goal under section 216B.2401.

675.3 ~~(g) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~
675.4 ~~public utility subject to this section on efficient fuel-switching improvements to meet energy~~
675.5 ~~savings goals under this section must not exceed 0.35 percent per year, averaged over three~~
675.6 ~~years, of the public utility's gross annual retail energy sales.~~

675.7 Sec. 16. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

675.8 **Subd. 2. Public utility; energy conservation and optimization plans.** (a) The
675.9 commissioner may require a public utility to make investments and expenditures in energy
675.10 conservation improvements, explicitly setting forth the interest rates, prices, and terms under
675.11 which the improvements must be offered to the customers.

675.12 (b) A public utility shall file an energy conservation and optimization plan by June 1,
675.13 on a schedule determined by order of the commissioner, but at least every three years. As
675.14 provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching
675.15 improvements and load management. An individual utility program may combine elements
675.16 of energy conservation, load management, or efficient fuel-switching. The plan must estimate
675.17 the lifetime energy savings and cumulative lifetime energy savings projected to be achieved
675.18 under the plan. A plan filed by a public utility by June 1 must be approved or approved as
675.19 modified by the commissioner by December 1 of that same year.

675.20 (c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the
675.21 reliability of technologies employed. The commissioner's order must provide to the extent
675.22 practicable for a free choice, by consumers participating in an energy conservation program,
675.23 of the device, method, material, or project constituting the energy conservation improvement
675.24 and for a free choice of the seller, installer, or contractor of the energy conservation
675.25 improvement, provided that the device, method, material, or project seller, installer, or
675.26 contractor is duly licensed, certified, approved, or qualified, including under the residential
675.27 conservation services program, where applicable.

675.28 (d) The commissioner may require a utility subject to subdivision 1c to make an energy
675.29 conservation improvement investment or expenditure whenever the commissioner finds
675.30 that the improvement will result in energy savings at a total cost to the utility less than the
675.31 cost to the utility to produce or purchase an equivalent amount of new supply of energy.

675.32 (e) Each public utility subject to this subdivision may spend and invest annually up to
675.33 ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests

676.1 on energy conservation, efficient fuel-switching, or load management improvements under
676.2 this section ~~by the public utility~~ on research and development projects that meet the applicable
676.3 definition of energy conservation, efficient fuel-switching, or load management improvement.

676.4 (f) The commissioner shall consider and may require a public utility to undertake an
676.5 energy conservation ~~program~~ or efficient fuel-switching program, subject to the requirements
676.6 of subdivisions 11 and 12, that is suggested by an outside source, including a political
676.7 subdivision, a nonprofit corporation, or community organization. When approving a proposal
676.8 under this paragraph, the commissioner must consider the qualifications and experience of
676.9 the entity proposing the program and any other criteria the commissioner deems relevant.

676.10 (g) A public utility, a political subdivision, or a nonprofit or community organization
676.11 that has suggested an energy conservation program, the attorney general acting on behalf
676.12 of consumers and small business interests, or a public utility customer that has suggested
676.13 an energy conservation program and is not represented by the attorney general under section
676.14 8.33 may petition the commission to modify or revoke a department decision under this
676.15 section, and the commission may do so if it determines that the energy conservation program
676.16 is not cost-effective, does not adequately address the residential conservation improvement
676.17 needs of low-income persons, has a long-range negative effect on one or more classes of
676.18 customers, or is otherwise not in the public interest. The commission shall reject a petition
676.19 that, on its face, fails to make a reasonable argument that an energy conservation program
676.20 is not in the public interest.

676.21 (h) The commissioner may order a public utility to include, with the filing of the public
676.22 utility's annual status report, the results of an independent audit of the public utility's
676.23 conservation improvement programs and expenditures performed by the department or an
676.24 auditor with experience in the provision of energy conservation and energy efficiency
676.25 services approved by the commissioner and chosen by the public utility. The audit must
676.26 specify the energy savings or increased efficiency in the use of energy within the service
676.27 territory of the public utility that is the result of the public utility's spending and investments.
676.28 The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

676.29 (i) The energy conservation and optimization plan of each public utility subject to this
676.30 section must include activities to improve energy efficiency in public schools served by the
676.31 utility. As applicable to each public utility, at a minimum the activities must include programs
676.32 to increase the efficiency of the school's lighting and heating and cooling systems, and to
676.33 provide for building recommissioning, building operator training, and opportunities to
676.34 educate students, teachers, and staff regarding energy efficiency measures implemented at
676.35 the school.

677.1 (j) The commissioner may require investments or spending greater than the amounts
677.2 proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose
677.3 most recent advanced forecast required under section 216B.2422 projects a peak demand
677.4 deficit of 100 megawatts or more within five years under midrange forecast assumptions.

677.5 (k) A public utility filing a conservation and optimization plan that includes an efficient
677.6 fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing,
677.7 demonstrate ~~by a comparison of greenhouse gas emissions between the fuels that the~~
677.8 requirements of subdivisions 11 or 12 are met, as applicable, ~~using a full fuel-cycle energy~~
677.9 ~~analysis.~~

677.10 Sec. 17. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

677.11 Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a)
677.12 A public utility providing electric service at retail may include in the plan required under
677.13 subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility
677.14 expects to achieve under the plan and the programs to implement efficient fuel-switching
677.15 improvements or combinations of energy conservation improvements, fuel-switching
677.16 improvements, and load management. For each program, the public utility must provide a
677.17 proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy
677.18 and demand savings.

677.19 (b) The department may approve proposed programs for efficient fuel-switching
677.20 improvements if the department determines the improvements meet the requirements of
677.21 paragraph (d). ~~For fuel-switching improvements that require the deployment of electric~~
677.22 ~~technologies, the department must also consider whether the fuel-switching improvement~~
677.23 ~~can be operated in a manner that facilitates the integration of variable renewable energy~~
677.24 ~~into the electric system. The net benefits from an efficient fuel-switching improvement that~~
677.25 ~~is integrated with an energy efficiency program approved under this section may be counted~~
677.26 ~~toward the net benefits of the energy efficiency program, if the department determines the~~
677.27 ~~primary purpose and effect of the program is energy efficiency.~~

677.28 (c) A public utility may file a rate schedule with the commission that provides for annual
677.29 cost recovery of reasonable and prudent costs to implement and promote efficient
677.30 fuel-switching programs. The utility, department, or other entity may propose, and the
677.31 commission may not approve, modify, or reject, a proposal for a financial incentive to
677.32 encourage efficient fuel-switching programs operated by a public utility providing electric
677.33 service approved under this subdivision. When making a decision on the financial incentive

678.1 proposal, the commission must apply the considerations established in section 216B.16,
678.2 subdivision 6c, paragraphs (b) and (c).

678.3 (d) A fuel-switching improvement is deemed efficient if, applying the technical criteria
678.4 established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets
678.5 the following criteria, relative to the fuel that is being displaced:

678.6 (1) results in a net reduction in the amount of source energy consumed for a particular
678.7 use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency,
678.8 or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the
678.9 electric utility system over the measure's life;

678.10 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section
678.11 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
678.12 improvement installed by an electric utility, the reduction in emissions must be measured
678.13 ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile~~
678.14 ~~in the most recent resource plan approved by the commission under section 216B.2422~~
678.15 using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal,
678.16 monthly or more granular level of analysis, for the electric utility system over the measure's
678.17 life; and

678.18 (3) is cost-effective, considering the costs and benefits from the perspective of the utility,
678.19 participants, and society; ~~and.~~

678.20 ~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

678.21 (e) For purposes of this subdivision, "source energy" means the total amount of primary
678.22 energy required to deliver energy services, adjusted for losses in generation, transmission,
678.23 and distribution, and expressed on a fuel-neutral basis.

678.24 Sec. 18. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

678.25 Subd. 12. **Programs for efficient fuel-switching improvements; natural gas**
678.26 **utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that
678.27 provides natural gas service to Minnesota retail customers may propose one or more programs
678.28 to install electric technologies that reduce the consumption of natural gas by the utility's
678.29 retail customers as an energy conservation improvement. The commissioner may approve
678.30 a proposed program if the commissioner, applying the technical criteria developed under
678.31 section 216B.241, subdivision 1d, paragraph (e), determines that:

678.32 (1) the electric technology to be installed meets the criteria established under section
678.33 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

679.1 (2) the program is cost-effective, considering the costs and benefits to ratepayers, the
679.2 utility, participants, and society.

679.3 (b) If a program is approved by the commission under this subdivision, the public utility
679.4 may count the program's energy savings toward its energy savings goal under section
679.5 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient
679.6 fuel-switching achieved through programs approved under this subdivision is energy
679.7 conservation.

679.8 (c) A public utility may file rate schedules with the commission that provide annual
679.9 cost-recovery for programs approved by the department under this subdivision, including
679.10 reasonable and prudent costs to implement and promote the programs.

679.11 (d) The commission may approve, modify, or reject a proposal made by the department
679.12 or a utility for an incentive plan to encourage efficient fuel-switching programs approved
679.13 under this subdivision, applying the considerations established under section 216B.16,
679.14 subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive
679.15 mechanism that is calculated based on the combined energy savings and net benefits that
679.16 the commission has determined have been achieved by a program approved under this
679.17 subdivision, provided the commission determines that the financial incentive mechanism
679.18 is in the ratepayers' interest.

679.19 ~~(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching~~
679.20 ~~program under this subdivision in any year in which the utility achieves energy savings~~
679.21 ~~below one percent of gross annual retail energy sales, excluding savings achieved through~~
679.22 ~~fuel-switching programs.~~

679.23 Sec. 19. Minnesota Statutes 2022, section 216B.2425, subdivision 1, is amended to read:

679.24 Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage
679.25 transmission line and grid enhancing technology projects.

679.26 **EFFECTIVE DATE.** This section is effective June 1, 2025.

679.27 Sec. 20. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision
679.28 to read:

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

679.31 (b) "Capacity" means the maximum amount of electricity that can flow through a
679.32 transmission line while observing industry safety standards.

680.1 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents
680.2 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

680.3 (d) "Dynamic line rating" means hardware or software used to calculate the thermal
680.4 limit of existing transmission lines at a specific point in time by incorporating information
680.5 on real-time and forecasted weather conditions.

680.6 (e) "Grid enhancing technology" means hardware or software that reduces congestion
680.7 or enhances the flexibility of the transmission system by increasing the capacity of a
680.8 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,
680.9 while maintaining industry safety standards. Grid enhancing technologies include but are
680.10 not limited to dynamic line rating, advanced power flow controllers, and topology
680.11 optimization.

680.12 (f) "Power flow controller" means hardware and software used to reroute electricity
680.13 from overloaded transmission lines to underutilized transmission lines.

680.14 (g) "Thermal limit" means the temperature a transmission line reaches when heat from
680.15 the electric current flow within the transmission line causes excessive sagging of the
680.16 transmission line.

680.17 (h) "Topology optimization" means a software technology that uses mathematical models
680.18 to identify reconfigurations in the transmission grid in order to reroute electricity from
680.19 overloaded transmission lines to underutilized transmission lines.

680.20 (i) "Transmission line" has the meaning given to "high-voltage transmission line" in
680.21 section 216I.02, subdivision 8.

680.22 (j) "Transmission system" means a network of high-voltage transmission lines owned
680.23 or operated by an entity subject to this section that transports electricity to Minnesota
680.24 customers.

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

680.26 Sec. 21. Minnesota Statutes 2022, section 216B.2425, subdivision 2, is amended to read:

680.27 Subd. 2. **List development; transmission and grid enhancing technology projects**

680.28 **report.** (a) By November 1 of each odd-numbered year, a transmission projects report must
680.29 be submitted to the commission by each utility, organization, or company that:

680.30 (1) is a public utility, a municipal utility, a cooperative electric association, the generation
680.31 and transmission organization that serves each utility or association, or a transmission
680.32 company; and

681.1 (2) owns or operates electric transmission lines in Minnesota, except a company or
681.2 organization that owns a transmission line that serves a single customer or interconnects a
681.3 single generating facility.

681.4 (b) The report may be submitted jointly or individually to the commission.

681.5 (c) The report must:

681.6 (1) list specific present and reasonably foreseeable future inadequacies in the transmission
681.7 system in Minnesota;

681.8 (2) identify alternative means of addressing each inadequacy listed, including grid
681.9 enhancing technologies such as dynamic line rating, power flow controllers, topology
681.10 optimization, and other hardware or software that reduce congestion or enhance the flexibility
681.11 of the transmission system;

681.12 (3) identify general economic, environmental, and social issues associated with each
681.13 alternative; and

681.14 (4) provide a summary of public input related to the list of inadequacies and the role of
681.15 local government officials and other interested persons in assisting to develop the list and
681.16 analyze alternatives.

681.17 (d) To meet the requirements of this subdivision, reporting parties may rely on available
681.18 information and analysis developed by a regional transmission organization or any subgroup
681.19 of a regional transmission organization and may develop and include additional information
681.20 as necessary.

681.21 (e) In addition to providing the information required under this subdivision, a utility
681.22 operating under a multiyear rate plan approved by the commission under section 216B.16,
681.23 subdivision 19, shall identify in its report investments that it considers necessary to modernize
681.24 the transmission and distribution system by enhancing reliability, improving security against
681.25 cyber and physical threats, and by increasing energy conservation opportunities by facilitating
681.26 communication between the utility and its customers through the use of two-way meters,
681.27 control technologies, energy storage and microgrids, technologies to enable demand response,
681.28 and other innovative technologies.

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

681.30 Sec. 22. Minnesota Statutes 2022, section 216B.2427, subdivision 1, is amended to read:

681.31 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428,
681.32 the following terms have the meanings given.

682.1 (b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of
682.2 biomass, or other effective conversion processes.

682.3 (c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise
682.4 be released into the atmosphere.

682.5 (d) "Carbon-free resource" means an electricity generation facility whose operation does
682.6 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,
682.7 subdivision 2.

682.8 (e) "Disadvantaged community" means a community in Minnesota that is:

682.9 (1) defined as disadvantaged by the federal agency disbursing federal funds, when the
682.10 federal agency is providing funds for an innovative resource; or

682.11 (2) an environmental justice area, as defined under section 216B.1691, subdivision 1.

682.12 ~~(e)~~ (f) "District energy" means a heating or cooling system that is solar thermal powered
682.13 or that uses the constant temperature of the earth or underground aquifers as a thermal
682.14 exchange medium to heat or cool multiple buildings connected through a piping network.

682.15 ~~(f)~~ (g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1,
682.16 paragraph (f), but does not include energy conservation investments that the commissioner
682.17 determines could reasonably be included in a utility's conservation improvement program.

682.18 ~~(g)~~ (h) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous
682.19 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by
682.20 anthropogenic sources within Minnesota and from the generation of electricity imported
682.21 from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected
682.22 into geological formations to prevent its release to the atmosphere in compliance with
682.23 applicable laws.

682.24 ~~(h)~~ (i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen,
682.25 power-to-ammonia, carbon capture, strategic electrification, district energy, and energy
682.26 efficiency.

682.27 ~~(i)~~ (j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas
682.28 emissions resulting from the production, processing, transmission, and consumption of an
682.29 energy resource.

682.30 ~~(j)~~ (k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas
682.31 emissions per unit of energy delivered to an end user.

683.1 ~~(k)~~ (l) "Nonexempt customer" means a utility customer that has not been included in a
683.2 utility's innovation plan under subdivision 3, paragraph (f).

683.3 ~~(h)~~ (m) "Power-to-ammonia" means the production of ammonia from hydrogen produced
683.4 via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity
683.5 than does natural gas produced from conventional geologic sources.

683.6 ~~(m)~~ (n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free
683.7 resource to produce hydrogen.

683.8 ~~(n)~~ (o) "Renewable energy" has the meaning given in section 216B.2422, subdivision
683.9 1.

683.10 ~~(o)~~ (p) "Renewable natural gas" means biogas that has been processed to be
683.11 interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural
683.12 gas produced from conventional geologic sources.

683.13 ~~(p)~~ (q) "Solar thermal" has the meaning given to qualifying solar thermal project in
683.14 section 216B.2411, subdivision 2, paragraph (d).

683.15 ~~(q)~~ (r) "Strategic electrification" means the installation of electric end-use equipment in
683.16 an existing building in which natural gas is a primary or back-up fuel source, or in a newly
683.17 constructed building in which a customer receives natural gas service for one or more
683.18 end-uses, provided that the electric end-use equipment:

683.19 (1) results in a net reduction in statewide greenhouse gas emissions, as defined in section
683.20 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient
683.21 commercially available natural gas alternative; and

683.22 (2) is installed and operated in a manner that improves the load factor of the customer's
683.23 electric utility.

683.24 Strategic electrification does not include investments that the commissioner determines
683.25 could reasonably be included in the natural gas utility's conservation improvement program
683.26 under section 216B.241.

683.27 (s) "Thermal energy network" means a project that provides heating and cooling to
683.28 multiple buildings connected via underground piping containing fluids that, in concert with
683.29 heat pumps, exchange thermal energy from the earth, underground or surface waters,
683.30 wastewater, or other heat sources.

683.31 ~~(r)~~ (t) "Total incremental cost" means the calculation of the following components of a
683.32 utility's innovation plan approved by the commission under subdivision 2:

684.1 (1) the sum of:

684.2 (i) return of and on capital investments for the production, processing, pipeline
684.3 interconnection, storage, and distribution of innovative resources;

684.4 (ii) incremental operating costs associated with capital investments in infrastructure for
684.5 the production, processing, pipeline interconnection, storage, and distribution of innovative
684.6 resources;

684.7 (iii) incremental costs to procure innovative resources from third parties;

684.8 (iv) incremental costs to develop and administer programs; and

684.9 (v) incremental costs for research and development related to innovative resources;

684.10 (2) less the sum of:

684.11 (i) value received by the utility upon the resale of innovative resources or innovative
684.12 resource by-products, including any environmental credits included with the resale of
684.13 renewable gaseous fuels or value received by the utility when innovative resources are used
684.14 as vehicle fuel;

684.15 (ii) cost savings achieved through avoidance of purchases of natural gas produced from
684.16 conventional geologic sources, including but not limited to avoided commodity purchases
684.17 and avoided pipeline costs; and

684.18 (iii) other revenues received by the utility that are directly attributable to the utility's
684.19 implementation of an innovation plan.

684.20 ~~(s)~~(u) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that
684.21 provides natural gas sales or natural gas transportation services to customers in Minnesota.

684.22 Sec. 23. Minnesota Statutes 2022, section 216B.2427, is amended by adding a subdivision
684.23 to read:

684.24 Subd. 9a. **Thermal energy networks.** Innovation plans filed after July 1, 2024, under
684.25 this section by a utility with more than 800,000 customers must include spending of at least
684.26 15 percent of the utility's proposed total incremental costs over the five-year term of the
684.27 proposed innovation plan for thermal energy networks projects. If the utility has developed
684.28 or is developing thermal energy network projects outside of an approved innovation plan,
684.29 the utility may apply the budget for the projects toward the 15 percent minimum requirement
684.30 without counting the costs against the limitations on utility customer costs under subdivision
684.31 3.

685.1 Sec. 24. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

685.2 **216C.08 JURISDICTION.**

685.3 (a) The commissioner has sole authority and responsibility ~~for the administration of~~
685.4 ~~sections 216C.05 to 216C.30 and 216C.375 to administer this chapter.~~ Other laws
685.5 notwithstanding, the authority granted to the commissioner shall supersede under this section
685.6 supersedes the authority given any other agency whenever overlapping, duplication, or
685.7 additional administrative or legal procedures might occur in ~~the administration of sections~~
685.8 ~~216C.05 to 216C.30 and 216C.375 administering this chapter.~~ The commissioner shall
685.9 consult with other state departments or agencies in matters related to energy and shall
685.10 contract with ~~them~~ the other state departments or agencies to provide appropriate services
685.11 to effectuate the purposes of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter. Any
685.12 other department, agency, or official of this state or political subdivision thereof which
685.13 would in any way affect the administration or enforcement of ~~sections 216C.05 to 216C.30~~
685.14 ~~and 216C.375~~ this chapter shall cooperate and coordinate all activities with the commissioner
685.15 to assure orderly and efficient administration and enforcement of ~~sections 216C.05 to~~
685.16 ~~216C.30 and 216C.375~~ this chapter.

685.17 (b) The commissioner shall designate a liaison officer whose duty shall be to insure the
685.18 maximum possible consistency in procedures and to eliminate duplication between the
685.19 commissioner and the other agencies that may be involved in energy.

685.20 Sec. 25. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

685.21 **216C.09 COMMISSIONER DUTIES.**

685.22 (a) The commissioner shall:

685.23 (1) manage the department as the central repository within the state government for the
685.24 collection of data on energy;

685.25 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the
685.26 event of an impending serious shortage of energy, or a threat to public health, safety, or
685.27 welfare;

685.28 (3) undertake a continuing assessment of trends in the consumption of all forms of energy
685.29 and analyze the social, economic, and environmental consequences of these trends;

685.30 (4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend
685.31 to the governor and the legislature additional energy policies and conservation measures as
685.32 required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;

686.1 (5) collect and analyze data relating to present and future demands and resources for all
686.2 sources of energy;

686.3 (6) evaluate policies governing the establishment of rates and prices for energy as related
686.4 to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and~~
686.5 ~~216C.375~~ this chapter, and make recommendations for changes in energy pricing policies
686.6 and rate schedules;

686.7 (7) study the impact and relationship of the state energy policies to international, national,
686.8 and regional energy policies;

686.9 (8) design and implement a state program for the conservation of energy; this program
686.10 shall include but not be limited to, general commercial, industrial, and residential, and
686.11 transportation areas; such program shall also provide for the evaluation of energy systems
686.12 as they relate to lighting, heating, refrigeration, air conditioning, building design and
686.13 operation, and appliance manufacturing and operation;

686.14 (9) inform and educate the public about the sources and uses of energy and the ways in
686.15 which persons can conserve energy;

686.16 (10) dispense funds made available for the purpose of research studies and projects of
686.17 professional and civic orientation, which are related to either energy conservation, resource
686.18 recovery, or the development of alternative energy technologies which conserve
686.19 nonrenewable energy resources while creating minimum environmental impact;

686.20 (11) charge other governmental departments and agencies involved in energy-related
686.21 activities with specific information gathering goals and require that those goals be met;

686.22 (12) design a comprehensive program for the development of indigenous energy
686.23 resources. The program shall include, but not be limited to, providing technical,
686.24 informational, educational, and financial services and materials to persons, businesses,
686.25 municipalities, and organizations involved in the development of solar, wind, hydropower,
686.26 peat, fiber fuels, biomass, and other alternative energy resources. The program shall be
686.27 evaluated by the alternative energy technical activity; and

686.28 (13) dispense loans, grants, or other financial aid from money received from litigation
686.29 or settlement of alleged violations of federal petroleum-pricing regulations made available
686.30 to the department for that purpose.

686.31 (b) Further, the commissioner may participate fully in hearings before the Public Utilities
686.32 Commission on matters pertaining to rate design, cost allocation, efficient resource utilization,
686.33 utility conservation investments, small power production, cogeneration, and other rate issues.

687.1 The commissioner shall support the policies stated in section 216C.05 and shall prepare
687.2 and defend testimony proposed to encourage energy conservation improvements as defined
687.3 in section 216B.241.

687.4 Sec. 26. Minnesota Statutes 2022, section 216C.10, is amended to read:

687.5 **216C.10 COMMISSIONER POWERS.**

687.6 (a) The commissioner may:

687.7 (1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections~~
687.8 ~~216C.05 to 216C.30~~ this chapter;

687.9 (2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things
687.10 necessary to cooperate with the United States government, and to qualify for, accept, and
687.11 disburse any grant intended ~~for the administration of sections 216C.05 to 216C.30~~ to
687.12 administer this chapter;

687.13 (3) provide on-site technical assistance to units of local government in order to enhance
687.14 local capabilities for dealing with energy problems;

687.15 (4) administer for the state, energy programs under federal law, regulations, or guidelines,
687.16 and coordinate the programs and activities with other state agencies, units of local
687.17 government, and educational institutions;

687.18 (5) develop a state energy investment plan with yearly energy conservation and alternative
687.19 energy development goals, investment targets, and marketing strategies;

687.20 (6) perform market analysis studies relating to conservation, alternative and renewable
687.21 energy resources, and energy recovery;

687.22 (7) assist with the preparation of proposals for innovative conservation, renewable,
687.23 alternative, or energy recovery projects;

687.24 (8) manage and disburse funds made available for the purpose of research studies or
687.25 demonstration projects related to energy conservation or other activities deemed appropriate
687.26 by the commissioner;

687.27 (9) intervene in certificate of need proceedings before the Public Utilities Commission;

687.28 (10) collect fees from recipients of loans, grants, or other financial aid from money
687.29 received from litigation or settlement of alleged violations of federal petroleum-pricing
687.30 regulations, which fees must be used to pay the department's costs in administering those
687.31 financial aids; and

688.1 (11) collect fees from proposers and operators of conservation and other energy-related
688.2 programs that are reviewed, evaluated, or approved by the department, other than proposers
688.3 that are political subdivisions or community or nonprofit organizations, to cover the
688.4 department's cost in making the reviewal, evaluation, or approval and in developing additional
688.5 programs for others to operate.

688.6 (b) Notwithstanding any other law, the commissioner is designated the state agent to
688.7 apply for, receive, and accept federal or other funds made available to the state for the
688.8 purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

688.9 Sec. 27. Minnesota Statutes 2023 Supplement, section 216C.331, subdivision 1, is amended
688.10 to read:

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

688.13 (b) "Aggregated customer energy use data" means customer energy use data that is
688.14 combined into one collective data point per time interval. Aggregated customer energy use
688.15 data is data with any unique identifiers or other personal information removed that a
688.16 qualifying utility collects and aggregates in at least monthly intervals for an entire building
688.17 on a covered property.

688.18 (c) "Benchmark" means to electronically input into a benchmarking tool ~~the total~~ whole
688.19 building energy use data and other descriptive information about a building that is required
688.20 by a benchmarking tool.

688.21 (d) "Benchmarking information" means data related to a building's energy use generated
688.22 by a benchmarking tool, and other information about the building's physical and operational
688.23 characteristics. Benchmarking information includes but is not limited to the building's:

688.24 (1) address;

688.25 (2) owner and, if applicable, the building manager responsible for operating the building's
688.26 physical systems;

688.27 (3) total floor area, expressed in square feet;

688.28 (4) energy use intensity;

688.29 (5) greenhouse gas emissions; and

688.30 (6) energy performance score comparing the building's energy use with that of similar
688.31 buildings.

689.1 (e) "Benchmarking tool" means the United States Environmental Protection Agency's
689.2 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

689.3 (f) "Covered property" means any property that is served by an investor-owned utility
689.4 in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city
689.5 outside the metropolitan area with a population of over 50,000 residents, as determined by
689.6 the Minnesota State Demographic Center, served by a municipal energy utility or
689.7 investor-owned utility, and that has one or more buildings containing in sum 50,000 gross
689.8 square feet or greater. Covered property does not include:

689.9 (1) a residential property containing fewer than five dwelling units;

689.10 (2) a property that is: (i) classified as manufacturing under the North American Industrial
689.11 Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section
689.12 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an
689.13 industrial building otherwise incompatible with benchmarking in the benchmarking tool,
689.14 as determined by the commissioner;

689.15 (3) an agricultural building;

689.16 (4) a multitenant building that is served by a utility that ~~cannot supply~~ is not supplying
689.17 aggregated customer usage data under subdivision 8 or is not using a customer usage data
689.18 aggregation program to supply aggregated customer usage data to the benchmarking tool;
689.19 or

689.20 (5) other property types that do not meet the purposes of this section, as determined by
689.21 the commissioner.

689.22 (g) "Customer energy use data" means data collected from utility customer meters that
689.23 reflect the quantity, quality, or timing of customers' energy use.

689.24 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide
689.25 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

689.26 (i) "Energy performance score" means a numerical value from one to 100 that the Energy
689.27 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
689.28 comparable buildings nationwide.

689.29 (j) "Energy Star Portfolio Manager" means an interactive resource management tool
689.30 developed by the United States Environmental Protection Agency that (1) enables the
689.31 periodic entry of a building's energy use data and other descriptive information about a
689.32 building, and (2) rates a building's energy efficiency against that of comparable buildings
689.33 nationwide.

690.1 (k) "Energy use intensity" means the total annual energy consumed in a building divided
690.2 by the building's total floor area.

690.3 (l) "Financial distress" means a covered property that, at the time benchmarking is
690.4 conducted:

690.5 (1) is the subject of a qualified tax lien sale or public auction due to property tax
690.6 arrearages;

690.7 (2) is controlled by a court-appointed receiver based on financial distress;

690.8 (3) is owned by a financial institution through default by the borrower;

690.9 (4) has been acquired by deed in lieu of foreclosure; or

690.10 (5) has a senior mortgage that is subject to a notice of default.

690.11 (m) "Local government" means a statutory or home rule municipality or county.

690.12 (n) "Owner" means:

690.13 (1) an individual or entity that possesses title to a covered property; or

690.14 (2) an agent authorized to act on behalf of the covered property owner.

690.15 (o) "Qualifying utility" means ~~a utility serving the covered property, including:~~

690.16 (1) an electric or gas utility, including:

690.17 (i) an investor-owned electric or gas utility serving customers in Anoka, Carver, Dakota,
690.18 Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan
690.19 area with a population of over 50,000 residents, as determined by the Minnesota State
690.20 Demographic Center, and serving properties with one or more buildings containing in sum
690.21 50,000 gross square feet or greater; or

690.22 (ii) a municipally owned electric or gas utility serving customers in any city with a
690.23 population of over 50,000 residents, as determined by the Minnesota State Demographic
690.24 Center, and serving properties with one or more buildings containing in sum 50,000 gross
690.25 square feet or greater;

690.26 (2) a natural gas supplier with five or more active commercial connections, accounts,
690.27 or customers in the state and serving customers in Anoka, Carver, Dakota, Hennepin,
690.28 Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a
690.29 population of over 50,000 residents, as determined by the Minnesota State Demographic
690.30 Center, and serving properties with one or more buildings containing in sum 50,000 gross
690.31 square feet or greater; or

691.1 (3) a district steam, hot water, or chilled water provider serving customers in Anoka,
691.2 Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside
691.3 the metropolitan area with a population of over 50,000 residents, as determined by the
691.4 Minnesota State Demographic Center, and serving properties with one or more buildings
691.5 containing in sum 50,000 gross square feet or greater.

691.6 (p) "Tenant" means a person that occupies or holds possession of a building or part of
691.7 a building or premises pursuant to a lease agreement.

691.8 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,
691.9 measured between the outside exterior walls of the building. Total floor area includes covered
691.10 parking structures.

691.11 (r) "Utility customer" means the building owner or tenant listed on the utility's records
691.12 as the customer liable for payment of the utility service or additional charges assessed on
691.13 the utility account.

691.14 (s) "Whole building energy use data" means all energy consumed in a building, whether
691.15 purchased from a third party or generated at the building site or from any other source.

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

691.17 Sec. 28. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

691.18 Subd. 3a. **Cost-effective Energy improvements.** "~~Cost-effective Energy improvements~~"
691.19 means:

691.20 (1) any new construction, renovation, or retrofitting of qualifying commercial real
691.21 property to improve energy efficiency that: (i) is permanently affixed to the property;; and
691.22 (ii) results in a net reduction in energy consumption without altering the principal source
691.23 of energy, and has been identified or greenhouse gas emissions, as documented in an energy
691.24 audit as repaying the purchase and installation costs in 20 years or less, based on the amount
691.25 of future energy saved and estimated future energy prices or emissions avoided;

691.26 (2) any renovation or retrofitting of qualifying residential real property that is permanently
691.27 affixed to the property and is eligible to receive an incentive through a program offered by
691.28 the electric or natural gas utility that provides service under section 216B.241 to the property
691.29 or is otherwise determined to be a ~~cost-effective~~ eligible energy improvement by the
691.30 commissioner under section 216B.241, subdivision 1d, paragraph (a);

691.31 (3) permanent installation of new or upgraded electrical circuits and related equipment
691.32 to enable electrical vehicle charging; or

692.1 (4) a solar voltaic or solar thermal energy system attached to, installed within, or
692.2 proximate to a building that generates electrical or thermal energy from a renewable energy
692.3 source that has been ~~identified~~ documented in an energy audit or renewable energy system
692.4 feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based~~
692.5 ~~on the amount of future energy saved and estimated future energy prices,~~ along with the
692.6 estimated amount of related renewable energy production.

692.7 Sec. 29. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

692.8 Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor"
692.9 means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed
692.10 under a commercial PACE loan program.

692.11 Sec. 30. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
692.12 to read:

692.13 Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy
692.14 improvements, resiliency improvements, or water improvements made to qualifying real
692.15 property.

692.16 Sec. 31. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

692.17 Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy
692.18 consumption of a building by a certified energy auditor, whose certification is approved by
692.19 the commissioner, for the purpose of identifying appropriate energy improvements that
692.20 could be made to the building and including an estimate of the ~~length of time a specific~~
692.21 ~~energy improvement will take to repay its purchase and installation costs, based on the~~
692.22 ~~amount of energy saved and estimated future energy prices~~ effective useful life, the reduction
692.23 of energy consumption, and the related avoided greenhouse gas emissions resulting from
692.24 the proposed eligible improvements.

692.25 Sec. 32. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended
692.26 to read:

692.27 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
692.28 means a multifamily residential dwelling, a commercial or industrial building, or farmland,
692.29 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,
692.30 after review of an energy audit, renewable energy system feasibility study, water
692.31 improvement study, resiliency improvement study, or agronomic assessment, as defined in

693.1 section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy~~
693.2 installing eligible improvements or land and water improvements, as defined in section
693.3 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

693.4 Sec. 33. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

693.5 Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system
693.6 feasibility study" means a written study, conducted by a contractor trained to perform that
693.7 analysis, for the purpose of determining the feasibility of installing a renewable energy
693.8 system in a building, including an estimate of the ~~length of time a specific~~ effective useful
693.9 life, the production of renewable energy, and any related avoided greenhouse gas emissions
693.10 of the proposed renewable energy system ~~will take to repay its purchase and installation~~
693.11 ~~costs, based on the amount of energy saved and estimated future energy prices. For a~~
693.12 ~~geothermal energy improvement, the feasibility study must calculate net savings in terms~~
693.13 ~~of nongeothermal energy and costs.~~

693.14 Sec. 34. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
693.15 to read:

693.16 Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more
693.17 installations or modifications to eligible commercial real property that are designed to
693.18 improve a property's resiliency by improving the eligible real property's:

693.19 (1) structural integrity for seismic events;

693.20 (2) indoor air quality;

693.21 (3) durability to resist wind, fire, and flooding;

693.22 (4) ability to withstand an electric power outage;

693.23 (5) stormwater control measures, including structural and nonstructural measures to
693.24 mitigate stormwater runoff;

693.25 (6) ability to mitigate the impacts of extreme temperatures; or

693.26 (7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

694.1 Sec. 35. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
694.2 to read:

694.3 Subd. 11b. Resiliency improvement feasibility study. "Resiliency improvement
694.4 feasibility study" means a written study, conducted by a contractor trained to perform the
694.5 analysis, that:

694.6 (1) determines the feasibility of installing a resiliency improvement;

694.7 (2) documents the improved resiliency capabilities of the property; and

694.8 (3) estimates the effective useful life of the proposed resiliency improvements.

694.9 Sec. 36. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
694.10 to read:

694.11 Subd. 14. Water improvement. "Water improvement" means one or more installations
694.12 or modifications to qualifying commercial real property that are designed to improve water
694.13 efficiency or water quality by:

694.14 (1) reducing water consumption;

694.15 (2) improving the quality, potability, or safety of water for the qualifying property; or

694.16 (3) conserving or remediating water, in whole or in part, on qualifying real property.

694.17 Sec. 37. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
694.18 to read:

694.19 Subd. 15. Water improvement feasibility study. "Water improvement feasibility study"
694.20 means a written study, conducted by a contractor trained to perform the analysis, that:

694.21 (1) determines the appropriate water improvements that could be made to the building;

694.22 and

694.23 (2) estimates the effective useful life, the reduction of water consumption, and any

694.24 improvement in water quality resulting from the proposed water improvements.

694.25 Sec. 38. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

694.26 Subdivision 1. **Program purpose and authority.** An implementing entity may establish
694.27 a commercial PACE loan program to finance ~~cost-effective~~ energy, water, and resiliency
694.28 improvements to enable owners of qualifying commercial real property to pay for the
694.29 ~~cost-effective energy~~ eligible improvements to the qualifying real property with the net
694.30 proceeds and interest earnings of revenue bonds authorized in this section. An implementing

695.1 entity may limit the number of qualifying commercial real properties for which a property
695.2 owner may receive program financing.

695.3 Sec. 39. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is
695.4 amended to read:

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

695.7 (b) "Agronomic assessment" means a study by an independent third party that assesses
695.8 the environmental impacts of proposed land and water improvements on farmland.

695.9 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under
695.10 section 273.13, subdivision 23.

695.11 (d) "Land and water improvement" means:

695.12 (1) an improvement to farmland that:

695.13 (i) is permanent;

695.14 (ii) results in improved agricultural profitability or resiliency;

695.15 (iii) reduces the environmental impact of agricultural production; and

695.16 (iv) if the improvement affects drainage, complies with the most recent versions of the
695.17 applicable following conservation practice standards issued by the United States Department
695.18 of Agriculture's Natural Resources Conservation Service: Drainage Water Management
695.19 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and
695.20 Constructed Wetland (Code 656); or

695.21 (2) water conservation and quality measures, which include permanently affixed
695.22 equipment, appliances, or improvements that reduce a property's water consumption or that
695.23 enable water to be managed more efficiently.

695.24 (e) "Resiliency" means:

695.25 (1) the ability of farmland to maintain and enhance profitability, soil health, and water
695.26 quality;

695.27 (2) the ability to mitigate greenhouse gas embodied emissions from an eligible real
695.28 property; or

695.29 (3) an increase in building resilience through flood mitigation, stormwater management,
695.30 wildfire and wind resistance, energy storage use, or microgrid use.

696.1 Sec. 40. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended
696.2 to read:

696.3 Subd. 2. **Program requirements.** A commercial PACE loan program must:

696.4 (1) impose requirements and conditions on financing arrangements to ensure timely
696.5 repayment;

696.6 (2) require an energy audit, renewable energy system feasibility study, resiliency
696.7 improvement study, water improvement study, or agronomic or soil health assessment to
696.8 be conducted on the qualifying commercial real property and reviewed by the implementing
696.9 entity prior to approval of the financing;

696.10 (3) require the inspection or verification of all ~~installations and a performance verification~~
696.11 ~~of at least ten percent of the cost-effective energy eligible~~ improvements or land and water
696.12 improvements financed by the program;

696.13 (4) not prohibit the financing of all ~~cost-effective energy eligible~~ improvements or land
696.14 and water improvements not otherwise prohibited by this section;

696.15 (5) require that all ~~cost-effective energy eligible~~ improvements or land and water
696.16 improvements be made to a qualifying commercial real property prior to, or in conjunction
696.17 with, an applicant's repayment of financing for ~~cost-effective energy eligible~~ improvements
696.18 or land and water improvements for ~~that~~ the qualifying commercial real property;

696.19 (6) have ~~cost-effective energy eligible~~ improvements or land and water improvements
696.20 financed by the program performed by a licensed contractor as required by chapter 326B
696.21 or other law or ordinance;

696.22 (7) require disclosures in the loan document to borrowers by the implementing entity
696.23 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency
696.24 results from a default; and (ii) all the terms and conditions of the commercial PACE loan
696.25 and the installation of ~~cost-effective energy eligible~~ improvements or land and water
696.26 improvements, including the interest rate being charged on the loan;

696.27 (8) provide financing only to those who demonstrate an ability to repay;

696.28 (9) not provide financing for a qualifying commercial real property in which the owner
696.29 is not current on mortgage or real property tax payments;

696.30 (10) require a petition to the implementing entity by all owners of the qualifying
696.31 commercial real property requesting collections of repayments as a special assessment under
696.32 section 429.101;

697.1 (11) provide that payments and assessments are not accelerated due to a default and that
697.2 a tax delinquency exists only for assessments not paid when due;

697.3 (12) require that liability for special assessments related to the financing runs with the
697.4 qualifying commercial real property; and

697.5 (13) prior to financing any improvements to or imposing any assessment upon qualifying
697.6 commercial real property, require notice to and written consent from the mortgage lender
697.7 of any mortgage encumbering or otherwise secured by the qualifying commercial real
697.8 property.

697.9 Sec. 41. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

697.10 Subd. 4. **Financing terms.** Financing provided under this section must have:

697.11 (1) a cost-weighted average maturity not exceeding the useful life of the energy eligible
697.12 improvements installed, as determined by the implementing entity, but in no event may a
697.13 term exceed ~~20~~ 30 years;

697.14 (2) a principal amount not to exceed the lesser of:

697.15 (i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the
697.16 improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value,
697.17 accepted or approved by the mortgage lender; or

697.18 (ii) the actual cost of installing the energy eligible improvements, including the costs of
697.19 necessary equipment, materials, and labor; ~~the costs of each related energy audit or,~~
697.20 renewable energy system feasibility study, water improvement study, or resiliency
697.21 improvement study; and the cost of verification of installation; and

697.22 (3) an interest rate sufficient to pay the financing costs of the program, including the
697.23 issuance of bonds and any financing delinquencies.

697.24 Sec. 42. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

697.25 Subd. 7. **Repayment.** An implementing entity that finances an energy eligible
697.26 improvement under this section must:

697.27 (1) secure payment with a lien against the qualifying commercial real property; and

697.28 (2) collect repayments as a special assessment as provided for in section 429.101 or by
697.29 charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual
697.30 installments.

698.1 If the implementing entity is an authority, the local government that authorized the
698.2 authority to act as implementing entity shall impose and collect special assessments necessary
698.3 to pay debt service on bonds issued by the implementing entity under subdivision 8, and
698.4 shall transfer all collections of the assessments upon receipt to the authority.

698.5 Sec. 43. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

698.6 Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue
698.7 bonds as provided in chapter 475 for the purposes of this section and section 216C.437,
698.8 provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of
698.9 issuance.

698.10 (b) The bonds must be payable as to both principal and interest solely from the revenues
698.11 from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

698.12 (c) No holder of bonds issued under this subdivision may compel any exercise of the
698.13 taxing power of the implementing entity that issued the bonds to pay principal or interest
698.14 on the bonds, and if the implementing entity is an authority, no holder of the bonds may
698.15 compel any exercise of the taxing power of the local government. Bonds issued under this
698.16 subdivision are not a debt or obligation of the issuer or any local government that issued
698.17 them, nor is the payment of the bonds enforceable out of any money other than the revenue
698.18 pledged to the payment of the bonds.

698.19 Sec. 44. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

698.20 Subd. 10. **Improvements; real property or fixture.** ~~A cost-effective energy~~ An eligible
698.21 improvement financed under a PACE loan program, including all equipment purchased in
698.22 whole or in part with loan proceeds under a loan program, is deemed real property or a
698.23 fixture attached to the real property.

698.24 Sec. 45. [216C.47] GEOTHERMAL PLANNING GRANTS.

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

698.27 (b) "Eligible applicant" means a county, city, town, or the Metropolitan Council.

698.28 (c) "Geothermal energy system" means a system that heats and cools one or more
698.29 buildings by using the constant temperature of the earth as both a heat source and heat sink,
698.30 and a heat exchanger consisting of an underground closed loop system of piping containing
698.31 a liquid to absorb and relinquish heat within the earth. Geothermal energy system includes:

699.1 (1) a bored geothermal heat exchanger, as defined in section 103I.005;

699.2 (2) a groundwater thermal exchange device, as defined in section 103I.005; and

699.3 (3) a submerged closed loop heat exchanger, as defined in section 103I.005.

699.4 Subd. 2. **Establishment.** A geothermal planning grant program is established in the
699.5 department to provide financial assistance to eligible applicants to examine the technical
699.6 and economic feasibility of installing geothermal energy systems.

699.7 Subd. 3. **Account established.** (a) The geothermal planning grant account is established
699.8 as a separate account in the special revenue fund in the state treasury. The commissioner
699.9 must credit to the account appropriations and transfers to the account. Earnings, including
699.10 interest, dividends, and any other earnings arising from assets of the account, must be
699.11 credited to the account. Money remaining in the account at the end of a fiscal year does not
699.12 cancel to the general fund, but remains in the account until June 30, 2029. The commissioner
699.13 must manage the account.

699.14 (b) Money in the account is appropriated to the commissioner to (1) award geothermal
699.15 planning grants to eligible applicants, and (2) reimburse the reasonable costs incurred by
699.16 the department to administer this section.

699.17 Subd. 4. **Application process.** An applicant seeking a grant under this section must
699.18 submit an application to the commissioner on a form developed by the commissioner. The
699.19 commissioner must develop administrative procedures to govern the application and grant
699.20 award process. The commissioner may contract with a third party to conduct some or all of
699.21 the program's operations.

699.22 Subd. 5. **Grant awards.** (a) A grant awarded under this process may be used to pay the
699.23 total cost of the activities eligible for funding under subdivision 6, up to a limit of \$150,000.

699.24 (b) The commissioner must endeavor to award grants to eligible applicants in all regions
699.25 of Minnesota.

699.26 (c) Grants may be awarded under this section only to projects whose work is completed
699.27 after July 1, 2024.

699.28 Subd. 6. **Eligible grant expenditures.** Activities that may be funded with a grant awarded
699.29 under this section include:

699.30 (1) analysis of the heating and cooling demand of the building or buildings that consume
699.31 energy from the geothermal energy system;

700.1 (2) evaluation of equipment that could be combined with a geothermal energy system
700.2 to meet the building's heating and cooling requirements;

700.3 (3) analysis of the geologic conditions of the earth in which a geothermal energy system
700.4 operates, including the drilling of one or more test wells to characterize geologic materials
700.5 and to measure properties of the earth and aquifers that impact the feasibility of installing
700.6 and operating a geothermal energy system; and

700.7 (4) preparation of a financial analysis of the project.

700.8 Subd. 7. Contractor and subcontractor requirements. Contractors and subcontractors
700.9 that perform work funded with a grant awarded under this section must have experience
700.10 installing geothermal energy systems.

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

700.12 Sec. 46. [216C.48] STANDARDIZED SOLAR PLAN REVIEW SOFTWARE;
700.13 TECHNICAL ASSISTANCE; FINANCIAL INCENTIVE.

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

700.16 (b) "Energy storage system" has the meaning given in section 216B.2422, subdivision
700.17 1.

700.18 (c) "Permitting authority" means a unit of local government in Minnesota that has
700.19 authority to review and issue permits to install residential solar projects and solar plus energy
700.20 storage system projects within the unit of local government's jurisdiction.

700.21 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

700.22 (e) "Residential solar project" means the installation of a photovoltaic device at a
700.23 residence located in Minnesota.

700.24 (f) "SolarAPP+" means the most recent version of the Solar Automated Permit Processing
700.25 Plus software, developed by the National Renewable Energy Laboratory and available free
700.26 to permitting authorities from the United States Department of Energy, that uses a web-based
700.27 portal to automate the solar project plan review and permit issuance processes for residential
700.28 solar projects that are compliant with applicable building and electrical codes.

700.29 (g) "Solar plus energy storage system project" means a residential solar project installed
700.30 in conjunction with an energy storage system at the same residence.

701.1 Subd. 2. **Program establishment.** A program is established in the department to provide
701.2 technical assistance and financial incentives to local units of government that issue permits
701.3 for residential solar projects and solar plus energy storage system projects in order to
701.4 incentivize a permitting authority to adopt the SolarAPP+ software to standardize, automate,
701.5 and streamline the review and permitting process.

701.6 Subd. 3. **Eligibility.** An incentive may be awarded under this section to a permitting
701.7 authority that has deployed SolarAPP+ and made SolarAPP+ available on the permitting
701.8 authority's website.

701.9 Subd. 4. **Application.** (a) A permitting authority must submit an application for a financial
701.10 incentive under this section to the commissioner on a form developed by the commissioner.

701.11 (b) An application may be submitted for a financial incentive under this section after
701.12 SolarAPP+ has become operational in the permitting authority's jurisdiction.

701.13 Subd. 5. **Review and grant award process.** The commissioner must develop
701.14 administrative procedures to govern the application review and incentive award process
701.15 under this section.

701.16 Subd. 6. **Incentive awards.** Beginning no later than March 1, 2025, the commissioner
701.17 may award a financial incentive to a permitting authority under this section only if the
701.18 commissioner has determined that the permitting authority meets verification requirements
701.19 established by the commissioner that ensure a permitting authority has made SolarAPP+
701.20 operational within the permitting authority's jurisdiction and that SolarAPP+ is available
701.21 on the permitting authority's website.

701.22 Subd. 7. **Incentive amount.** (a) An incentive awarded under this section must be no less
701.23 than \$5,000 and no greater than \$20,000.

701.24 (b) The commissioner may vary the amount of an incentive awarded under this section
701.25 by considering the following factors:

701.26 (1) the population of the permitting authority;

701.27 (2) the number of permits for solar projects issued by the permitting authority using
701.28 conventional review processes;

701.29 (3) whether the SolarAPP+ software has been adopted on a stand-alone basis or has been
701.30 integrated with other permit management software utilized by the permitting authority; and

702.1 (4) whether the permitting jurisdiction has participated in other sustainability programs,
 702.2 including but not limited to GreenStep Cities and the United States Department of Energy's
 702.3 SolSmart and Charging Smart programs.

702.4 Subd. 8. **Technical assistance.** The department must provide technical assistance to
 702.5 eligible permitting authorities seeking to apply for an incentive under this section.

702.6 Subd. 9. **Program promotion.** The department must develop an education and outreach
 702.7 program to make permitting authorities aware of the incentive offered under this section,
 702.8 including by convening workshops, producing educational materials, and using other
 702.9 mechanisms to promote the program, including but not limited to utilizing the efforts of the
 702.10 League of Minnesota Cities, the Association of Minnesota Counties, the Community Energy
 702.11 Resource Teams established under section 216C.385, and similar organizations to reach
 702.12 permitting authorities.

702.13 Subd. 10. **Account established.** (a) The SolarAPP+ program account is established in
 702.14 the special revenue account in the state treasury. The commissioner must credit to the account
 702.15 appropriations and transfers to the account. Earnings, including interest, dividends, and any
 702.16 other earnings arising from assets of the account, must be credited to the account. Money
 702.17 remaining in the account at the end of a fiscal year does not cancel to the general fund but
 702.18 remains in the account until June 30, 2028. The commissioner must manage the account.

702.19 (b) Money in the account is appropriated to the commissioner for the purposes of this
 702.20 section and to reimburse the reasonable costs incurred by the department to administer this
 702.21 section.

702.22 Sec. 47. Laws 2023, chapter 60, article 10, section 2, subdivision 2, is amended to read:

702.23 Subd. 2. **Energy Resources** 96,083,000 27,617,000

702.24 (a) \$5,861,000 the first year and \$6,038,000
 702.25 the second year are to the division of energy
 702.26 resources for operating expenses.

702.27 (b) \$150,000 the first year and \$150,000 the
 702.28 second year are to remediate vermiculite
 702.29 insulation from households that are eligible
 702.30 for weatherization assistance under
 702.31 Minnesota's weatherization assistance program
 702.32 state plan under Minnesota Statutes, section
 702.33 216C.264. Remediation must be done in

703.1 conjunction with federal weatherization
703.2 assistance program services.

703.3 (c) \$1,138,000 in the first year is transferred
703.4 from the general fund to the solar for schools
703.5 program account under Minnesota Statutes,
703.6 section 216C.375, to provide financial
703.7 assistance to schools that are state colleges
703.8 and universities to purchase and install solar
703.9 energy generating systems. This appropriation
703.10 must be expended on schools located outside
703.11 the electric service territory of the public
703.12 utility that is subject to Minnesota Statutes,
703.13 section 116C.779. Money under this paragraph
703.14 is available until June 30, 2034. Any money
703.15 remaining on June 30, 2034, cancels to the
703.16 general fund.

703.17 (d) \$189,000 each year is for activities
703.18 associated with a utility's implementation of
703.19 a natural gas innovation plan under Minnesota
703.20 Statutes, section 216B.2427.

703.21 (e) \$15,000,000 in the first year is transferred
703.22 from the general fund to the solar for schools
703.23 program account in the special revenue fund
703.24 for grants under the solar for schools program
703.25 established under Minnesota Statutes, section
703.26 216C.375. The money under this paragraph
703.27 must be expended on schools located outside
703.28 the electric service territory of the public
703.29 utility that is subject to Minnesota Statutes,
703.30 section 116C.779.

703.31 (f) \$500,000 each year is for the strengthen
703.32 Minnesota homes program under Minnesota
703.33 Statutes, section 65A.299, subdivision 4.
703.34 Money under this paragraph is transferred
703.35 from the general fund to strengthen Minnesota

704.1 homes account in the special revenue fund.
704.2 This is a onetime appropriation.

704.3 (g) \$20,000,000 the first year and \$18,737,000
704.4 the second year are for weatherization and
704.5 preweatherization work to serve additional
704.6 households and allow for services that would
704.7 otherwise be denied due to current federal
704.8 limitations related to the federal weatherization
704.9 assistance program. Money under this
704.10 paragraph is transferred from the general fund
704.11 to the preweatherization account in the special
704.12 revenue fund under Minnesota Statutes,
704.13 section 216C.264, subdivision 1c. The base
704.14 in fiscal years 2026 and later is \$3,199,000.

704.15 (h) \$15,000,000 the first year is for a grant to
704.16 an investor-owned electric utility that has at
704.17 least 50,000 retail electric customers, but no
704.18 more than 200,000 retail electric customers,
704.19 to increase the capacity and improve the
704.20 reliability of an existing high-voltage direct
704.21 current transmission line that runs between
704.22 North Dakota and Minnesota. This is a
704.23 onetime appropriation and must be used to
704.24 support the cost-share component of a federal
704.25 grant application to a program enacted in the
704.26 federal Infrastructure Investment and Jobs Act,
704.27 Public Law 117-58, and may otherwise be
704.28 used to reduce the cost of the high-voltage
704.29 direct current transmission project upgrade
704.30 and to reimburse the reasonable costs incurred
704.31 by the department to administer the grant. This
704.32 appropriation is available until June 30, 2034.

704.33 (i) \$300,000 the first year is for technical
704.34 assistance and administrative support for the
704.35 Tribal Advocacy Council on Energy under

705.1 article 12, section 71. As part of the technical
705.2 assistance and administrative support for the
705.3 program, the commissioner must hire a Tribal
705.4 liaison to support the Tribal Advocacy Council
705.5 on Energy and advise the department on the
705.6 development of a culturally responsive clean
705.7 energy grants program based on the priorities
705.8 identified by the Tribal Advocacy Council on
705.9 Energy.

705.10 (j) \$3,000,000 the first year is for a grant to
705.11 Clean Energy Economy Minnesota for the
705.12 Minnesota Energy Alley initiative to secure
705.13 the state's energy and economic development
705.14 future. The appropriation may be used to
705.15 establish and support the initiative, provide
705.16 seed funding for businesses, develop a training
705.17 and development program, support recruitment
705.18 of entrepreneurs to Minnesota, and secure
705.19 funding from federal programs and corporate
705.20 partners to establish a self-sustaining,
705.21 long-term revenue model. This appropriation
705.22 may be used to reimburse the reasonable costs
705.23 incurred by the department to administer the
705.24 grant. This is a onetime appropriation and is
705.25 available until June 30, 2027.

705.26 (k) \$5,000,000 the first year is transferred to
705.27 the electric vehicle rebate program account to
705.28 award rebates to purchase or lease eligible
705.29 electric vehicles under Minnesota Statutes,
705.30 section 216C.401. Rebates must be awarded
705.31 under this paragraph only to eligible recipients
705.32 located outside the retail electric service area
705.33 of the public utility that is subject to
705.34 Minnesota Statutes, section 116C.779. This is

706.1 a onetime appropriation and is available until
706.2 June 30, 2027.

706.3 (l) \$1,000,000 the first year is to award grants
706.4 under Minnesota Statutes, section 216C.402,
706.5 to automobile dealers seeking certification to
706.6 sell electric vehicles and to reimburse the
706.7 reasonable costs incurred by the department
706.8 to administer the grants. Grants must only be
706.9 awarded under this paragraph to eligible
706.10 dealers located outside the retail electric
706.11 service area of the public utility that is subject
706.12 to Minnesota Statutes, section 116C.779. This
706.13 is a onetime appropriation and is available
706.14 until June 30, 2027.

706.15 (m) \$3,000,000 the first year is transferred to
706.16 the residential electric panel upgrade grant
706.17 program account established under Minnesota
706.18 Statutes, section 216C.45, to award electric
706.19 panel upgrade grants and to reimburse the
706.20 reasonable costs incurred by the department
706.21 to administer the program. Grants must be
706.22 awarded under this paragraph only to owners
706.23 of single-family homes or multifamily
706.24 buildings located outside the electric service
706.25 area of the public utility subject to Minnesota
706.26 Statutes, section 116C.779. This is a onetime
706.27 appropriation and is available until June 30,
706.28 2027.

706.29 (n) \$500,000 the first year and \$500,000 the
706.30 second year are for a grant to the clean energy
706.31 resource teams partnerships under Minnesota
706.32 Statutes, section 216C.385, subdivision 2, to
706.33 provide additional capacity to perform the
706.34 duties specified under Minnesota Statutes,
706.35 section 216C.385, subdivision 3. This

707.1 appropriation may be used to reimburse the
707.2 reasonable costs incurred by the department
707.3 to administer the grant.

707.4 (o) \$1,807,000 the first year and \$301,000 the
707.5 second year are to implement energy
707.6 benchmarking under Minnesota Statutes,
707.7 section 216C.331.

707.8 Of the amount appropriated under this
707.9 paragraph, \$750,000 the first year is to award
707.10 grants to qualifying utilities that are not
707.11 investor-owned utilities to support the
707.12 development of technology for implementing
707.13 energy benchmarking under Minnesota
707.14 Statutes, section 216C.331. This is a onetime
707.15 appropriation.

707.16 Of the amount appropriated in the first year
707.17 under this paragraph, \$756,000 the first year
707.18 is for a grant to Building Owners and
707.19 Managers Association Greater Minneapolis
707.20 to establish partnerships with three technical
707.21 colleges and high school career counselors
707.22 with a goal of increasing the number of
707.23 building engineers across Minnesota. This is
707.24 a onetime appropriation and is available until
707.25 June 30, 2028. The grant recipient must
707.26 provide a detailed report describing how the
707.27 grant funds were used to the chairs and
707.28 ranking minority members of the legislative
707.29 committees having jurisdiction over higher
707.30 education by January 15 of each year until
707.31 2028. The report must describe the progress
707.32 made toward the goal of increasing the number
707.33 of building engineers and strategies used.

707.34 (p) \$500,000 the first year is for a feasibility
707.35 study to identify and process Minnesota iron

708.1 resources that could be suitable for upgrading
708.2 to long-term battery storage specifications.
708.3 The results of the feasibility study must be
708.4 submitted to the commissioner of commerce
708.5 and to the chairs and ranking minority
708.6 members of the house of representatives and
708.7 senate committees with jurisdiction over
708.8 energy policy no later than ~~February~~
708.9 November 1, 2025. This appropriation may
708.10 be used to reimburse the reasonable costs
708.11 incurred to administer the study. This is a
708.12 onetime appropriation.

708.13 (q) \$6,000,000 the first year is for electric
708.14 school bus grants under Minnesota Statutes,
708.15 section 216C.374. Money under this paragraph
708.16 is transferred from the general fund to the
708.17 electric school bus program account. This is
708.18 a onetime appropriation.

708.19 (r) \$5,300,000 the first year is for electric grid
708.20 resiliency grants under article 12, section 72.
708.21 This appropriation may be used to reimburse
708.22 the reasonable costs incurred by the
708.23 department to administer the grants. This is a
708.24 onetime appropriation and is available until
708.25 June 30, 2028.

708.26 (s) \$6,000,000 the first year is transferred to
708.27 the heat pump rebate program account
708.28 established under Minnesota Statutes, section
708.29 216C.46, to implement the heat pump rebate
708.30 program and to reimburse the reasonable costs
708.31 incurred by the department to administer the
708.32 program. Of this amount:

708.33 (1) up to \$1,400,000 the first year is to
708.34 contract with an energy coordinator under

709.1 Minnesota Statutes, section 216C.46,
709.2 subdivision 5; and

709.3 (2) up to \$1,400,000 the first year is to conduct
709.4 contractor training and support under
709.5 Minnesota Statutes, section 216C.46,
709.6 subdivision 6.

709.7 (t) \$1,000,000 the first year is to award air
709.8 ventilation pilot program grants under
709.9 Minnesota Statutes, section 123B.663, for
709.10 assessments, testing, and equipment upgrades
709.11 in schools, and for the department's costs to
709.12 administer the program. This is a onetime
709.13 appropriation.

709.14 (u) \$500,000 the first year is for a grant to the
709.15 city of Anoka for feasibility studies as
709.16 described in this paragraph and design,
709.17 engineering, and environmental analysis
709.18 related to the repair and reconstruction of the
709.19 Rum River Dam. Findings from the feasibility
709.20 studies must be incorporated into the design
709.21 and engineering funded by this appropriation.
709.22 This appropriation is onetime and is available
709.23 until June 30, 2027. This appropriation
709.24 includes money for the following studies: (1)
709.25 a study to assess the feasibility of adding a
709.26 lock or other means for boats to traverse the
709.27 dam to navigate between the lower Rum River
709.28 and upper Rum River; (2) a study to assess
709.29 the feasibility of constructing the dam in a
709.30 manner that would facilitate recreational river
709.31 surfing at the dam site; and (3) a study to
709.32 assess the feasibility of constructing the dam
709.33 in a manner to generate hydroelectric power.

709.34 (v) \$3,000,000 the first year is for grants to
709.35 install on-site energy storage systems, as

710.1 defined in Minnesota Statutes, section
710.2 216B.2422, subdivision 1, paragraph (f), with
710.3 a capacity of 50 kilowatt hours or less and that
710.4 are located outside the electric service area of
710.5 the electric utility subject to Minnesota
710.6 Statutes, section 116C.779. To receive a grant
710.7 under this paragraph, an owner of the energy
710.8 storage system must be operating a solar
710.9 energy generating system at the same site as
710.10 the energy storage system or have filed an
710.11 application with a utility to interconnect a solar
710.12 energy generating system at the same site as
710.13 the energy storage system. This appropriation
710.14 may be used to reimburse the reasonable costs
710.15 incurred by the department to administer the
710.16 grants. This is a onetime appropriation and is
710.17 available until June 30, 2027.

710.18 (w) \$164,000 the second year is for activities
710.19 associated with a public utility's filing a
710.20 transportation electrification plan under
710.21 Minnesota Statutes, section 216B.1615. The
710.22 base in fiscal year 2026 and later is \$164,000.

710.23 (x) \$77,000 each year is for activities
710.24 associated with appeals of consumer
710.25 complaints to the commission under
710.26 Minnesota Statutes, section 216B.172.

710.27 (y) \$961,000 each year is for activities
710.28 required under Minnesota Statutes, section
710.29 216B.1641 for community solar gardens. This
710.30 appropriation must be assessed directly to the
710.31 public utility subject to Minnesota Statutes,
710.32 section 116C.779.

710.33 (z) \$300,000 the first year is for the
710.34 community solar garden program study
710.35 required under article 12, section 73.

711.1 **Sec. 48. ULTRAEFFICIENT VEHICLE DEVELOPMENT GRANTS.**

711.2 **Subdivision 1. Program establishment.** (a) A grant program is established in the
711.3 Department of Commerce to provide financial assistance to developers and producers of
711.4 ultraefficient vehicles that use proprietary technology.

711.5 (b) For purposes of this section, "ultraefficient vehicle" means a fully closed compartment
711.6 vehicle that is designed to carry at least one adult passenger and that achieves:

711.7 (1) at least 75 miles per gallon while operating on gasoline;

711.8 (2) at least 75 miles per gallon equivalent while operating as a hybrid electric-gasoline;

711.9 or

711.10 (3) at least 75 miles per gallon equivalent while operating as a fully electric vehicle.

711.11 **Subd. 2. Application process.** Applicants seeking a grant under this section must submit
711.12 an application to the commissioner of commerce on a form developed by the commissioner.
711.13 The commissioner is responsible for receiving and reviewing grant applications and awarding
711.14 grants under this subdivision. The commissioner must develop administrative procedures
711.15 to govern the application, evaluation, and grant-award process.

711.16 **Subd. 3. Grant awards.** The maximum grant award for each eligible applicant awarded
711.17 a grant under this section is \$250,000. When awarding grants under this section, the
711.18 department must:

711.19 (1) give priority to ultraefficient vehicle projects that are deemed to be near production
711.20 ready; and

711.21 (2) give priority to ultraefficient vehicle projects that maximize the use of electricity to
711.22 charge and run the vehicle.

711.23 **Subd. 4. Account established.** An ultraefficient vehicle development grant account is
711.24 established in the special revenue fund in the state treasury. The commissioner of commerce
711.25 must credit to the account appropriations made for ultraefficient vehicle development grants.
711.26 Earnings, including interest, arising from assets in the account, must be credited to the
711.27 account. Money in the account is available until June 30, 2028. Any amount remaining in
711.28 the account after June 30, 2028, cancels to the renewable development account. The
711.29 commissioner of commerce must manage the account.

711.30 **Subd. 5. Appropriation; expenditures.** Money in the account established in subdivision
711.31 4 is appropriated to the commissioner of commerce and must be used only to:

711.32 (1) make grant awards under this section; and

712.1 (2) pay the reasonable costs incurred by the department to administer this section.

712.2 Subd. 6. **Report.** On January 15, 2026, and on January 15, 2029, the commissioner of
712.3 commerce must submit a report to the chairs and ranking minority members of the legislative
712.4 committees with jurisdiction over energy policy and finance on the grant awards under this
712.5 section.

712.6 Sec. 49. **THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.**

712.7 Subdivision 1. **Direction.** The Public Utilities Commission must establish and appoint
712.8 a thermal energy network deployment work group to examine (1) the potential regulatory
712.9 opportunities for regulated natural gas utilities to deploy thermal energy networks, and (2)
712.10 potential barriers to development. The work group must examine the public benefits, costs,
712.11 and impacts of deployment of thermal energy networks, as well as examine rate design
712.12 options.

712.13 Subd. 2. **Membership.** (a) The work group consists of at least the following:

712.14 (1) representatives of the Department of Commerce;

712.15 (2) representatives of the Department of Health;

712.16 (3) representatives of the Pollution Control Agency;

712.17 (4) representatives of the Department of Natural Resources;

712.18 (5) representatives of the Office of the Attorney General;

712.19 (6) representatives from utilities;

712.20 (7) representatives from clean energy advocacy organizations;

712.21 (8) representatives from labor organizations;

712.22 (9) geothermal technology providers;

712.23 (10) representatives from consumer protection organizations;

712.24 (11) representatives from cities; and

712.25 (12) representatives from low-income communities.

712.26 (b) The executive secretary of the Public Utilities Commission may invite others to
712.27 participate in one or more meetings of the work group.

712.28 (c) When appointing members to the work group, the Public Utilities Commission must
712.29 endeavor to ensure that all geographic regions of Minnesota are represented.

713.1 Subd. 3. **Duties.** The work group must prepare a report containing findings and
713.2 recommendations regarding how to deploy thermal energy networks within a regulated
713.3 context and in a manner that protects the public interest and considers reliability, affordability,
713.4 environmental impacts, and socioeconomic impacts.

713.5 Subd. 4. **Report to legislature.** The work group must submit a report detailing the work
713.6 group's findings and recommendations to the chairs and ranking minority members of the
713.7 legislative committees and divisions with jurisdiction over energy policy and finance by
713.8 December 31, 2025. The work group terminates the day after the report under this subdivision
713.9 is submitted.

713.10 Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities
713.11 Commission must file the completed report in Public Utilities Commission Docket No.
713.12 G-999/CI-21-565 and provide notice to all docket participants and other interested persons
713.13 that comments on the findings and recommendations may be filed in the docket.

713.14 Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means
713.15 a project that provides heating and cooling to multiple buildings connected via underground
713.16 pipng containing fluids that, in concert with heat pumps, exchange thermal energy from
713.17 the earth, underground or surface waters, wastewater, or other heat sources.

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

713.19 Sec. 50. **STUDY; CARBON DIOXIDE PIPELINES.**

713.20 (a) The commission must contract with an independent third party to conduct a study
713.21 that: (1) assesses the human health and environmental impacts that result from constructing,
713.22 operating, and maintaining carbon dioxide pipelines; and (2) makes recommendations
713.23 regarding regulation of the activities listed in clause (1). The executive secretary of the
713.24 commission may consult with the executive director of the environmental quality board
713.25 when selecting the contractor to conduct the study.

713.26 (b) The study must include, at a minimum, the following elements:

713.27 (1) identification of geographic areas in Minnesota that, due to the geographic area's
713.28 geology or the presence of environmentally sensitive resources, are unsuitable sites to
713.29 construct and operate carbon dioxide pipelines;

713.30 (2) the amount of energy and water required to operate the equipment used to capture
713.31 the carbon dioxide that is transported in a carbon dioxide pipeline;

714.1 (3) the potential human and environmental impacts of a carbon dioxide pipeline leak or
714.2 rupture, especially to long-term human health, surface water bodies and wetlands, animals
714.3 and animal habitat, croplands, and other sensitive resources;

714.4 (4) measures that can be taken to mitigate the impact of a carbon dioxide pipeline leak
714.5 or rupture, including setbacks, protection for wildlife and wildlife habitat, and enhanced
714.6 local emergency response strategies and resources;

714.7 (5) the long-term impacts of pipeline construction on wetlands, soils, crops, and other
714.8 vegetation;

714.9 (6) the lifecycle greenhouse gas emissions resulting from carbon dioxide pipelines,
714.10 including the ultimate disposition of the carbon dioxide, whether the carbon dioxide is
714.11 sequestered, used to manufacture other products, or used to extract incremental oil or gas
714.12 supplies from underground reservoirs. The greenhouse gas emissions resulting from the
714.13 process to extract incremental oil or gas supplies from underground reservoirs and the
714.14 subsequent combustion of the incremental energy sources must also be estimated. The
714.15 analysis should also indicate the degree to which any emission reductions are verifiable;
714.16 and

714.17 (7) recommended provisions for a state regulatory process to site, operate, maintain, and
714.18 abandon carbon dioxide pipelines that are transparent, provide opportunity for public
714.19 engagement, and provide pipeline operators with clear signals and efficient procedures
714.20 regarding permitting issues.

714.21 (c) No later than November 1, 2026, a written copy of the report must be submitted to
714.22 the chairs and ranking minority members of the legislative committees with primary
714.23 jurisdiction over energy policy and environmental policy and to the Public Utilities
714.24 Commission. The commission must consider the report's findings and recommendations
714.25 when issuing siting permits for carbon dioxide pipelines.

714.26 Sec. 51. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

714.27 (a) The Department of Commerce must conduct or contract for a study to determine the
714.28 suitability of sites to deploy thermal energy networks statewide.

714.29 (b) The study must:

714.30 (1) identify areas more and less suitable for deployment of thermal energy networks
714.31 statewide; and

715.1 (2) identify potential barriers to the deployment of thermal energy networks and potential
715.2 ways to address the barriers.

715.3 (c) In determining site suitability, the study must consider:

715.4 (1) geologic or hydrologic access to thermal storage;

715.5 (2) the existing built environment, including but not limited to age, density, building
715.6 uses, existing heating and cooling systems, and existing electrical services;

715.7 (3) the condition of existing natural gas infrastructure;

715.8 (4) road and street conditions, including planned replacement or maintenance;

715.9 (5) local land use regulations;

715.10 (6) area permitting requirements; and

715.11 (7) whether the area is an environmental justice area, as defined in section 116.065,
715.12 subdivision 1, paragraph (e).

715.13 (d) No later than January 15, 2026, the Department of Commerce must submit a written
715.14 report documenting the study's findings to the chairs and ranking minority members of the
715.15 senate and house of representatives committees with jurisdiction over energy policy and
715.16 finance.

715.17 (e) For the purposes of this section, "thermal energy network" means a project that
715.18 provides heating and cooling to multiple buildings connected via underground piping
715.19 containing fluids that, in concert with heat pumps, exchange thermal energy from the earth,
715.20 underground or surface waters, wastewater, or other heat sources.

715.21 **Sec. 52. GRID ENHANCING TECHNOLOGIES REPORT; PUBLIC UTILITIES**
715.22 **COMMISSION ORDER.**

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

715.25 (b) "Capacity" means the maximum amount of electricity that can flow through a
715.26 transmission line while observing industry safety standards.

715.27 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents
715.28 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

715.29 (d) "Dynamic line rating" means hardware or software used to calculate the thermal
715.30 limit of existing transmission lines at a specific point in time by incorporating information
715.31 on real-time and forecasted weather conditions.

716.1 (e) "Grid enhancing technology" means hardware or software that reduces congestion
716.2 or enhances the flexibility of the transmission system by increasing the capacity of a
716.3 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,
716.4 while maintaining industry safety standards. Grid enhancing technologies include but are
716.5 not limited to dynamic line rating, advanced power flow controllers, and topology
716.6 optimization.

716.7 (f) "Line rating methodology" means a methodology used to calculate the maximum
716.8 amount of electricity that can be carried by a transmission line without exceeding thermal
716.9 limits designed to ensure safety.

716.10 (g) "Power flow controller" means hardware and software used to reroute electricity
716.11 from overloaded transmission lines to underutilized transmission lines.

716.12 (h) "Thermal limit" means the temperature a transmission line reaches when heat from
716.13 the electric current flow within the transmission line causes excessive sagging of the
716.14 transmission line.

716.15 (i) "Topology optimization" means a software technology that uses mathematical models
716.16 to identify reconfigurations in the transmission grid in order to reroute electricity from
716.17 overloaded transmission lines to underutilized transmission lines.

716.18 (j) "Transmission line" has the meaning given to "high-voltage transmission line" in
716.19 section 216E.01. subdivision 4.

716.20 (k) "Transmission system" means a network of high-voltage transmission lines owned
716.21 or operated by an entity subject to this section that transports electricity to Minnesota
716.22 customers.

716.23 Subd. 2. **Report; content.** An entity that owns more than 750 miles of transmission
716.24 lines in Minnesota, as reported in the state transmission report submitted to the Public
716.25 Utilities Commission under Minnesota Statutes, section 216B.2425, by November 1, 2025,
716.26 must include in that report information that:

716.27 (1) identifies, during each of the last three years, locations that experienced 168 hours
716.28 or more of congestion, or the ten locations at which the most costly congestion occurred,
716.29 whichever measure produces the greater number of locations;

716.30 (2) estimates the frequency of congestion at each location and the increased cost to
716.31 ratepayers resulting from the substitution of higher-priced electricity;

716.32 (3) identifies locations on each transmission system that are likely to experience high
716.33 levels of congestion during the next five years;

717.1 (4) evaluates the technical feasibility and estimates the cost of installing one or more
717.2 grid enhancing technologies to address each instance of grid congestion identified in clause
717.3 (1), and projects the grid enhancing technology's efficacy in reducing congestion;

717.4 (5) analyzes the cost-effectiveness of installing grid enhancing technologies to address
717.5 each instance of congestion identified in clause (1) by using the information developed in
717.6 clause (2) to calculate the payback period of each installation, using a methodology developed
717.7 by the commission;

717.8 (6) proposes an implementation plan, including a schedule and cost estimate, to install
717.9 grid enhancing technologies at each congestion point identified in clause (1) at which the
717.10 payback period is less than or equal to a value determined by the commission, in order to
717.11 maximize transmission system capacity; and

717.12 (7) explains the transmission owner's current line rating methodology.

717.13 Subd. 3. **Commission review; order.** (a) The commission must review the
717.14 implementation plans proposed by each reporting entity as required in subdivision 2, clause
717.15 (6), and must:

717.16 (1) review, and may approve, reject, or modify, the plan; and

717.17 (2) issue an order requiring implementation of an approved plan.

717.18 (b) Within 90 days of the date the commission issues an order under this subdivision
717.19 each public utility must file with the commission a plan containing a workplan, cost estimate,
717.20 and schedule to implement the elements of the plan approved by the commission that are
717.21 located within the public utility's electric service area. For each entity required to report
717.22 under this section that is not a public utility, the commission's order is advisory.

717.23 Subd. 4. **Cost recovery.** Notwithstanding any other provision of this chapter, the
717.24 commission may approve cost recovery under Minnesota Statutes, section 216B.16, including
717.25 an appropriate rate of return, of any prudent and reasonable investments made or expenses
717.26 incurred by a public utility to administer and implement a grid enhancing technologies plan
717.27 approved by the commission under this section.

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

717.29 Sec. 53. **INTERCONNECTION DOCKET; PUBLIC UTILITIES COMMISSION.**

717.30 (a) No later than September 1, 2024, the commission must initiate a proceeding to
717.31 establish by order generic standards for the sharing of utility costs necessary to upgrade a
717.32 utility's distribution system by increasing hosting capacity or applying other necessary

718.1 distribution system upgrades at a congested or constrained location in order to allow for the
718.2 interconnection of distributed generation facilities at the congested or constrained location
718.3 and to advance the achievement of the state's renewable and carbon-free energy goals in
718.4 Minnesota Statutes, section 216B.1691 and greenhouse gas emissions reduction goals in
718.5 Minnesota Statutes, section 216H.02. The tariff standards must reflect an interconnection
718.6 process designed to, at a minimum:

718.7 (1) accelerate the expansion of hosting capacity at multiple points on a utility's distribution
718.8 system by ensuring that the cost of upgrades is shared fairly among owners of distributed
718.9 generation projects seeking interconnection on a pro rata basis according to the amount of
718.10 the expanded capacity utilized by each interconnected distributed generation facility;

718.11 (2) reduce the capital burden on owners of trigger projects seeking interconnection;

718.12 (3) establish a minimum level of upgrade costs an expansion of hosting capacity must
718.13 reach in order to be eligible to participate in the cost-share process and below which a trigger
718.14 project must bear the full cost of the upgrade;

718.15 (4) establish a distributed generation facility's pro rata cost-share amount as the utility's
718.16 total cost of the upgrade divided by the incremental capacity resulting from the upgrade,
718.17 and multiplying the result by the capacity of the distributed generation facility seeking
718.18 interconnection;

718.19 (5) establish a minimum proportion of the total upgrade cost that a utility must receive
718.20 from one or more distributed generation facilities before initiating constructing an upgrade;

718.21 (6) allow trigger projects and any other distributed generation facilities to pay a utility
718.22 more than the trigger project's or distributed generation facility's pro rata cost-share amount
718.23 only if needed to meet the minimum threshold established in clause (5) and to receive refunds
718.24 for amounts paid beyond the trigger project's or distributed generation facility's pro rata
718.25 share of expansion costs from distributed generation projects that subsequently interconnect
718.26 at the applicable location, after which pro rata payments are paid to the utility for distribution
718.27 to ratepayers;

718.28 (7) prohibit owners of distributed generation facilities from using any unsubscribed
718.29 capacity at an interconnection that has undergone an upgrade without the distributed
718.30 generation owners paying the distributed generation owner's pro rata cost of the upgrade;
718.31 and

719.1 (8) establish an annual limit or a formula for determining an annual limit for the total
719.2 cost of upgrades that are not allocated to owners of participating generation facilities and
719.3 may be recovered from ratepayers under section 216B.16, subdivision 7b, clause (6).

719.4 (b) For the purposes of this section, the following terms have the meanings given:

719.5 (1) "distributed generation project" means an energy generating system with a capacity
719.6 no greater than ten megawatts;

719.7 (2) "hosting capacity" means the maximum capacity of a utility distribution system to
719.8 transport electricity at a specific location without compromising the safety or reliability of
719.9 the distribution system;

719.10 (3) "trigger project" means the initial distributed generation project whose application
719.11 for interconnection of a distributed generation project alerts a utility that an upgrade is
719.12 needed in order to accommodate the trigger project and any future interconnections at the
719.13 applicable location;

719.14 (4) "upgrade" means a modification of a utility's distribution system at a specific location
719.15 that is necessary to allow the interconnection of distributed generation projects by increasing
719.16 hosting capacity at the applicable location, including but not limited to installing or modifying
719.17 equipment at a substation or along a distribution line. Upgrade does not mean an expansion
719.18 of hosting capacity dedicated solely to the interconnection of a single distributed generation
719.19 project; and

719.20 (5) "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02,
719.21 subdivision 4, that provides electric service.

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

719.23 **Sec. 54. POSITION ESTABLISHED; PUBLIC UTILITIES COMMISSION.**

719.24 **Subdivision 1. Position; duties.** (a) The Public Utilities Commission's Consumer Affairs
719.25 Office must establish a new full-time equivalent interconnection ombudsperson position to
719.26 assist applicants seeking to interconnect distributed generation projects to utility distribution
719.27 systems under the generic statewide standards developed by the commission under section
719.28 53. The Public Utilities Commission must (1) appoint a person to the position who possesses
719.29 mediation skills and technical expertise related to interconnection and interconnection
719.30 procedures, and (2) authorize the person to request and review all interconnection data from
719.31 utilities and applicants that are necessary to fulfill the duties of the position described in
719.32 this subdivision.

720.1 (b) The duties of the interconnection ombudsperson include but are not limited to:

720.2 (1) tracking interconnection disputes between applicants and utilities;

720.3 (2) facilitating the efficient and fair resolution of disputes between customers seeking
720.4 to interconnect and utilities;

720.5 (3) reviewing utility interconnection policies to assess opportunities to reduce
720.6 interconnection disputes, while considering the equitable distribution of distributed generation
720.7 facilities;

720.8 (4) convening stakeholder groups as necessary to facilitate effective communication
720.9 among interconnection stakeholders; and

720.10 (5) preparing reports that detail the number, type, resolution timelines, and outcome of
720.11 interconnection disputes.

720.12 (c) A utility must provide information requested under this section that the interconnection
720.13 ombudsperson determines is necessary to effectively carry out the duties of the position.

720.14 Subd. 2. **Definition.** For the purposes of this section, "utility" means a public utility, as
720.15 defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

720.16 Subd. 3. **Position; funding.** (a) A utility must assess and collect a surcharge of \$50 on
720.17 each application interconnection filed by an owner of a distributed generation facility located
720.18 in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission
720.19 monthly, in a manner determined by the Public Utilities Commission, for each interconnection
720.20 application filed with the utility during the previous month.

720.21 (b) The interconnection ombudsperson account is established in the special revenue
720.22 account in the state treasury. The Public Utilities Commission must manage the account.
720.23 The Public Utilities Commission must deposit in the account all revenues received from
720.24 utilities from the surcharge on interconnection applications established under this section.
720.25 Money is appropriated from the account to the Public Utilities Commission for the sole
720.26 purpose of funding the ombudsperson position established in subdivision 1.

720.27 (c) The Public Utilities Commission must review the amount of revenues collected from
720.28 the surcharge each year and may adjust the level of the surcharge as necessary to ensure (1)
720.29 sufficient money is available to support the position, and (2) the reserve in the account does
720.30 not reach more than ten percent of the amount necessary to fully fund the position.

720.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
720.32 applies to applications for interconnections filed with a utility on or after that date.

ARTICLE 43

MINNESOTA ENERGY INFRASTRUCTURE PERMITTING ACT

Section 1. [216I.01] CITATION.

This chapter may be cited as the "Minnesota Energy Infrastructure Permitting Act."

Sec. 2. [216I.02] DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this section have the meanings given, unless context clearly indicates or provides otherwise.

Subd. 2. **Associated facility.** "Associated facility" means a building, equipment, communication instrumentation, or other physical structure that is necessary to operate a large energy infrastructure facility. Associated facility includes transmission lines designed for and capable of operating at 100 kilovolts or less that interconnect the large energy infrastructure facility with the existing high-voltage transmission system.

Subd. 3. **Commission.** "Commission" means the Public Utilities Commission. Commission also means the executive secretary of the Public Utilities Commission for purposes of the following:

(1) applicability determinations under section 216I.04;

(2) completeness determinations under section 216I.05;

(3) public meetings under section 216I.05, subdivision 9;

(4) draft environmental impact statements under section 216I.06, subdivision 1, paragraph (c); and

(5) public hearings under section 216I.06, subdivision 2, or 216I.07, subdivision 4.

Subd. 4. **Construction.** "Construction" means any clearing of land, excavation, or other action that adversely affects the site's or route's natural environment. Construction does not include changes needed to temporarily use sites or routes for nonutility purposes, or uses in securing survey or geological data, including necessary borings to ascertain foundation conditions.

Subd. 5. **Cultivated agricultural land.** "Cultivated agricultural land" has the meaning given in section 216G.01, subdivision 4.

Subd. 6. **Energy storage system.** "Energy storage system" means equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is

722.1 capable of storing generated electricity for a period of time and delivering the electricity
722.2 for use after storage.

722.3 Subd. 7. **Executive secretary.** "Executive secretary" means the executive secretary of
722.4 the Public Utilities Commission under section 216A.04 or Public Utilities Commission staff
722.5 designated by the executive secretary.

722.6 Subd. 8. **High-voltage transmission line.** "High-voltage transmission line" means a
722.7 conductor of electric energy and associated facilities that is (1) designed for and capable of
722.8 operation at a nominal voltage of 100 kilovolts or more, and (2) is greater than 1,500 feet
722.9 in length.

722.10 Subd. 9. **Large electric power generating plant.** "Large electric power generating
722.11 plant" means electric power generating equipment and associated facilities designed for or
722.12 capable of operation at a capacity of 50,000 kilowatts or more.

722.13 Subd. 10. **Large energy infrastructure facility.** "Large energy infrastructure facility"
722.14 means a high-voltage transmission line, a large electric power generating plant, an energy
722.15 storage system, a large wind energy conversion system, and any associated facility.

722.16 Subd. 11. **Large wind energy conversion system.** "Large wind energy conversion
722.17 system" means any combination of wind energy conversion systems with a combined
722.18 nameplate capacity of 5,000 kilowatts or more, and may include transmission lines designed
722.19 for and capable of operating at 100 kilovolts or less that interconnect a large wind energy
722.20 conversion system with a high-voltage transmission line.

722.21 Subd. 12. **Permittee.** "Permittee" means a person to whom a site or route permit is
722.22 issued.

722.23 Subd. 13. **Person.** "Person" means an individual, partnership, joint venture, private or
722.24 public corporation, association, firm, public service company, cooperative, political
722.25 subdivision, municipal corporation, government agency, public utility district, or any other
722.26 entity, public or private, however organized.

722.27 Subd. 14. **Power purchase agreement.** "Power purchase agreement" means a legally
722.28 enforceable agreement between two or more persons where one or more of the signatories
722.29 agrees to provide electrical power and one or more of the signatories agrees to purchase the
722.30 power.

722.31 Subd. 15. **Route.** "Route" means the location of a high-voltage transmission line between
722.32 two end points. The route may have a variable width of up to 1.25 miles.

723.1 Subd. 16. **Site.** "Site" means the location of a large electric power generating plant, solar
723.2 energy generating system, energy storage system, or large wind energy conversion system.

723.3 Subd. 17. **Small wind energy conversion system.** "Small wind energy conversion
723.4 system" means any combination of wind energy conversion systems with a combined
723.5 nameplate capacity of less than 5,000 kilowatts.

723.6 Subd. 18. **Solar energy generating system.** "Solar energy generating system" means a
723.7 set of devices whose primary purpose is to produce electricity by means of any combination
723.8 of collecting, transferring, or converting solar-generated energy with a combined nameplate
723.9 capacity of 50,000 kilowatts alternating current or more.

723.10 Subd. 19. **Utility.** "Utility" means any entity engaged or intending to engage in generating,
723.11 transmitting, or distributing electric energy in Minnesota. Utility includes but is not limited
723.12 to a private investor-owned utility, cooperatively owned utility, and public or municipally
723.13 owned utility.

723.14 Subd. 20. **Wind energy conversion system.** "Wind energy conversion system" means
723.15 a device, including but not limited to a wind charger, windmill, or wind turbine and associated
723.16 facilities, that converts wind energy to electrical energy.

723.17 **Sec. 3. [216L.03] SITING AUTHORITY.**

723.18 Subdivision 1. **Policy.** The legislature hereby declares it is the policy of the state to
723.19 locate large electric power facilities in an orderly manner that is compatible with
723.20 environmental preservation and the efficient use of resources. In accordance with the policy,
723.21 the commission must choose locations that minimize adverse human and environmental
723.22 impact while ensuring (1) continuing electric power system reliability and integrity, and
723.23 (2) that electric energy needs are met and fulfilled in an orderly and timely fashion.

723.24 Subd. 2. **Jurisdiction.** (a) The commission has the authority to provide for site and route
723.25 selection for large energy infrastructure facilities. The commission must issue permits for
723.26 large energy infrastructure facilities in a timely fashion and in a manner consistent with the
723.27 overall determination of need for the project under section 216B.2425 or 216B.243, if
723.28 applicable.

723.29 (b) The scope of an environmental review conducted under this chapter must not include:
723.30 (1) questions of need, including size, type, and timing; (2) alternative system configurations;
723.31 or (3) voltage.

723.32 Subd. 3. **Interstate routes.** If a route is proposed in two or more states, the commission
723.33 must attempt to reach an agreement with affected states on the entry and exit points before

724.1 designating a route. The commission, in discharge of the commission's duties under this
724.2 chapter, may make joint investigations, hold joint hearings within or outside of the state,
724.3 and issue joint or concurrent orders in conjunction or concurrence with any official or agency
724.4 of any state or of the United States. The commission may, pursuant to any consent of
724.5 Congress, negotiate and enter into any agreements or compacts with agencies of other states
724.6 for cooperative efforts to certify the construction, operation, and maintenance of large
724.7 electric power facilities in a manner consistent with this chapter's requirements and to enforce
724.8 the respective state laws regarding large electric power facilities.

724.9 Subd. 4. **Biennial report.** By December 15, 2025, and every odd-numbered year
724.10 thereafter, the commission must submit a written report to the chairs and ranking minority
724.11 members of the senate and house of representatives committees with jurisdiction over energy
724.12 and utilities. The report must:

724.13 (1) provide an update on the progress made to permit, approve, and construct the electric
724.14 utility infrastructure necessary to meet the requirements of section 216B.1691 within the
724.15 milestones provided under section 216B.1691;

724.16 (2) describe efforts made by the commission to engage stakeholders in environmental
724.17 justice areas, as defined in section 216B.1691, subdivision 1, paragraph (c), in permitting,
724.18 approving, and constructing electric utility infrastructure under this section, section
724.19 216B.1691, or section 216B.243; and

724.20 (3) provide information regarding any cumulative impact analysis ordered by the
724.21 commissioner of the Pollution Control Agency under section 116.065 pertaining to any
724.22 electric utility infrastructure permitted, approved, or constructed under this section, section
724.23 216B.1691, or section 216B.243.

724.24 Sec. 4. **[216I.04] APPLICABILITY DETERMINATION.**

724.25 Subdivision 1. **Generally.** This section may be used to determine: (1) whether a proposal
724.26 meets the definition of large energy infrastructure facility and is subject to the commission's
724.27 siting or routing jurisdiction under this chapter; or (2) which review process is applicable
724.28 at the time of the initial application.

724.29 Subd. 2. **Solar, wind, or energy storage facilities.** For solar energy generating systems,
724.30 large wind energy conversion systems, or energy storage systems, the alternating current
724.31 nameplate capacity of one solar energy generating system, wind energy conversion system,
724.32 or energy storage system must be combined with the alternating current nameplate capacity

725.1 of any other solar energy generating system, wind energy conversion system, or energy
725.2 storage system that:

725.3 (1) is constructed within the same 12-month period; and

725.4 (2) exhibits characteristics of being a single development, including but not limited to
725.5 ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing
725.6 arrangements, and common debt or equity financing.

725.7 Subd. 3. **Transmission lines.** For transmission lines, the petitioner must describe the
725.8 applicability question and provide sufficient facts to support the determination.

725.9 Subd. 4. **Forms; assistance; written determination.** (a) The commission must provide
725.10 forms and assistance to help applicants make a request for an applicability determination.

725.11 (b) Upon written request from an applicant, the commission or the commission's designee
725.12 must provide a written determination regarding applicability under this section. The
725.13 commission or the commission's designee must provide the written determination within
725.14 30 days of the date the request was received or 30 days of the date information that the
725.15 commission requested from the applicant is received, whichever is later. This written
725.16 determination constitutes a final decision of the commission.

725.17 **Sec. 5. [216L.05] DESIGNATING SITES AND ROUTES.**

725.18 Subdivision 1. **Site permit.** (a) A person is prohibited from constructing a large electric
725.19 generating plant, a solar energy generating system, an energy storage system, or a large
725.20 wind energy conversion system without a site permit issued by the commission. A person
725.21 may construct a large electric generating plant, an energy storage system, a solar energy
725.22 generating system, or a large wind energy conversion system only on a site approved by
725.23 the commission. A person is prohibited from increasing the generating capacity or output
725.24 of an electric power plant from under 50 megawatts to more than 50 megawatts without a
725.25 site permit issued by the commission.

725.26 (b) The commission must incorporate into one proceeding the route selection for a
725.27 high-voltage transmission line that is directly associated with and necessary to interconnect
725.28 the large electric generating plant, energy storage system, solar energy generating system,
725.29 or large wind energy conversion system to the transmission system if the applications are
725.30 submitted jointly under this chapter.

725.31 (c) A site permit does not authorize construction of a large electric power generating
725.32 plant until the permittee has obtained a power purchase agreement or some other enforceable
725.33 mechanism to sell the power generated by the project. If the permittee does not have a power

726.1 purchase agreement or other enforceable mechanism at the time the permit is issued, the
726.2 commission must provide in the permit that the permittee must advise the commission when
726.3 the permittee obtains a commitment to purchase the power. The commission may establish
726.4 as a condition in the permit a date by which the permittee must obtain a power purchase
726.5 agreement or other enforceable mechanism. If the permittee does not obtain a power purchase
726.6 agreement or other enforceable mechanism by the date required by the permit condition,
726.7 the site permit is null and void.

726.8 Subd. 2. **Route permit.** A person is prohibited from constructing a high-voltage
726.9 transmission line without a route permit issued by the commission. A person may construct
726.10 a high-voltage transmission line only along a route approved by the commission.

726.11 Subd. 3. **Application.** (a) A person that seeks to construct a large energy infrastructure
726.12 facility must apply to the commission for a site or route permit, as applicable. The applicant
726.13 must propose a single route for a high-voltage transmission line.

726.14 (b) The application must contain:

726.15 (1) a statement of proposed ownership of the facility at the time of filing the application
726.16 and after commercial operation;

726.17 (2) the name of any person or organization initially named as permittee or permittees
726.18 and the name of any other person to whom the permit may be transferred if transfer of the
726.19 permit is contemplated;

726.20 (3) a description of the proposed large energy infrastructure facility and all associated
726.21 facilities, including size, type, and timing of the facility;

726.22 (4) the environmental information required under subdivision 4;

726.23 (5) the names of each owner described under subdivision 8;

726.24 (6) United States Geological Survey topographical maps, or other maps acceptable to
726.25 the commission, that show the entire proposed large energy infrastructure facility;

726.26 (7) a document that identifies existing utility and public rights-of-way along or near the
726.27 large energy infrastructure facility;

726.28 (8) the engineering and operational design at each of the proposed sites for the proposed
726.29 large energy infrastructure facility, and identify transportation, pipeline, and electrical
726.30 transmission systems that are required to construct, maintain, and operate the facility;

726.31 (9) a cost analysis of the proposed large energy infrastructure facility, including the costs
726.32 to construct, operate, and maintain the facility;

- 727.1 (10) a description of possible design options to accommodate the large energy
727.2 infrastructure facility's future expansion;
- 727.3 (11) the procedures and practices proposed to acquire, construct, maintain, and restore
727.4 the large energy infrastructure facility's right-of-way or site;
- 727.5 (12) a list and brief description of federal, state, and local permits that may be required
727.6 for the proposed large energy infrastructure facility;
- 727.7 (13) a discussion regarding whether a certificate of need application is required and, if
727.8 a certificate of need application is required, whether the certificate of need application has
727.9 been submitted;
- 727.10 (14) a discussion regarding any other sites or routes that were considered and rejected
727.11 by the applicant;
- 727.12 (15) any information the commission requires pursuant to an administrative rule; and
- 727.13 (16) a discussion regarding coordination with Minnesota Tribal governments, as defined
727.14 under section 10.65, subdivision 2, by the applicant, including but not limited to the notice
727.15 required under subdivision 5 of this section.
- 727.16 Subd. 4. **Environmental information.** (a) An applicant for a site or route permit must
727.17 include in the application environmental information for each proposed site or route. The
727.18 environmental information submitted must include:
- 727.19 (1) a description of each site or route's environmental setting;
- 727.20 (2) a description of the effects the facility's construction and operation has on human
727.21 settlement, including but not limited to public health and safety, displacement, noise,
727.22 aesthetics, socioeconomic impacts, environmental justice impacts, cultural values, recreation,
727.23 and public services;
- 727.24 (3) a description of the facility's effects on land-based economies, including but not
727.25 limited to agriculture, forestry, tourism, and mining;
- 727.26 (4) a description of the facility's effects on archaeological and historic resources;
- 727.27 (5) a description of the facility's effects on the natural environment, including effects
727.28 on air and water quality resources, flora, and fauna;
- 727.29 (6) a description of the greenhouse gas emissions associated with constructing and
727.30 operating the facility;
- 727.31 (7) a description of the facility's climate change resilience;

- 728.1 (8) a description of the facility's effects on rare and unique natural resources;
- 728.2 (9) a list that identifies human and natural environmental effects that are unavoidable if
728.3 the facility is approved at a specific site or route; and
- 728.4 (10) a description of (i) measures that might be implemented to mitigate the potential
728.5 human and environmental impacts identified in clauses (1) to (7), and (ii) the estimated
728.6 costs of the potential mitigative measures.
- 728.7 (b) An applicant that applies using the standard process under section 216I.06 may
728.8 include the environmental information required under paragraph (a) in the applicant's
728.9 environmental assessment.
- 728.10 Subd. 5. **Preapplication coordination.** At least 30 days before filing an application
728.11 with the commission, an applicant must provide notice to: (1) each local unit of government
728.12 within which a site or route may be proposed; (2) Minnesota Tribal governments, as defined
728.13 under section 10.65, subdivision 2; and (3) the state technical resource agencies. The notice
728.14 must describe the proposed project and provide the entities receiving the notice an opportunity
728.15 for preapplication coordination or feedback.
- 728.16 Subd. 6. **Preapplication review.** (a) Before submitting an application under this chapter,
728.17 an applicant must provide a draft application to commission staff for review. A draft
728.18 application must not be filed electronically.
- 728.19 (b) Commission staff's draft application review must focus on the application's
728.20 completeness and clarifications that may assist the commission's review of the application.
728.21 Upon completion of the preapplication review under this subdivision, commission staff
728.22 must provide the applicant a summary of the completeness review. The applicant may
728.23 include the completeness review summary with the applicant's application under subdivision
728.24 3.
- 728.25 Subd. 7. **Complete applications.** (a) The commission or the commission's designee
728.26 must determine whether an application is complete and advise the applicant of any
728.27 deficiencies within ten working days of the date an application is received.
- 728.28 (b) An application is not incomplete if: (1) information that is not included in the
728.29 application may be obtained from the applicant prior to the initial public meeting; and (2)
728.30 the information that is not included in the application is not essential to provide adequate
728.31 notice.
- 728.32 Subd. 8. **Application notice.** (a) Upon finding an application is complete, the commission
728.33 must:

729.1 (1) publish notice of the application in a legal newspaper of general circulation in each
729.2 county in which the site or route is proposed;

729.3 (2) provide notice of the application to any regional development commission, Minnesota
729.4 Tribal government as defined under section 10.65, subdivision 2, county, incorporated
729.5 municipality, and town in which any part of the site or route is proposed;

729.6 (3) provide notice of the application and description of the proposed project to each
729.7 owner whose property is within or adjacent to the proposed site or route for the large energy
729.8 infrastructure facility; and

729.9 (4) provide notice to persons who have requested to be placed on a list maintained by
729.10 the commission to receive notice of proposed large energy infrastructure facilities.

729.11 (b) The commission must identify a standard format and content for application notice.
729.12 At a minimum, the notice must include: (1) a description of the proposed project, including
729.13 a map displaying the general area of the proposed site or route; (2) a description detailing
729.14 how a person may receive more information and future notices regarding the application;
729.15 and (3) a location where a copy of the application may be reviewed.

729.16 (c) The notice must also provide information regarding the date and location of the public
729.17 meeting where the public may learn more about the proposed project and the commission's
729.18 review process.

729.19 (d) For the purposes of providing mailed notice under this subdivision, an owner is the
729.20 person indicated in the records of the county auditor or, in a county where tax statements
729.21 are mailed by the county treasurer, in the records of the county treasurer. If necessary, other
729.22 appropriate records may be used for purposes of providing mailed notice. The failure to
729.23 provide mailed notice to a property owner or defects in the notice do not invalidate the
729.24 proceedings, provided a bona fide attempt to comply with this subdivision has been made.

729.25 Subd. 9. **Public meeting.** (a) The commission must hold at least one public meeting in
729.26 a location near the proposed large energy infrastructure facility project's location to explain
729.27 the permitting process, present major issues, accept public comments on the scope of the
729.28 environmental impact statement prepared under section 216I.06 or the addendum prepared
729.29 under section 216I.07, and respond to questions raised by the public.

729.30 (b) At the public meeting and in written comments accepted for at least ten days following
729.31 the date of the public meeting, the commission must accept comments on (1) potential
729.32 impacts and alternative sites or routes to be considered in the environmental impact statement

730.1 prepared under section 216I.06 or the addendum prepared under section 216I.07, and (2)
730.2 permit conditions.

730.3 Subd. 10. **Draft permit; additional considerations.** Upon close of the public comment
730.4 period following the public meeting in subdivision 9, the commission must:

730.5 (1) prepare a draft site or route permit for the large energy infrastructure facility. The
730.6 draft permit must identify the person or persons who are the permittee, describe the proposed
730.7 project, and include proposed permit conditions. A draft site permit does not authorize a
730.8 person to construct a large energy infrastructure facility. The commission may change the
730.9 draft site permit in any respect before final issuance or may deny the permit; and

730.10 (2) identify the scope of the environmental impact statement prepared under section
730.11 216I.06 or the addendum prepared under section 216I.07. A member of the commission is
730.12 prohibited from giving direction to commission environmental review staff on the scope of
730.13 an environmental assessment, environmental addendum, or environmental impact statement,
730.14 except in a publicly noticed meeting or through a publicly available commission notice or
730.15 order.

730.16 Subd. 11. **Designating sites and routes; considerations.** (a) The commission's site and
730.17 route permit determinations must (1) be guided by the state's goals to conserve resources;
730.18 (2) minimize environmental impacts, and minimize human settlement and other land use
730.19 conflicts; (3) consider impacts to environmental justice areas, as defined in section
730.20 216B.1691, subdivision 1, paragraph (e), including cumulative impacts, as defined in section
730.21 116.065, to environmental justice areas; and (4) ensure the state's energy security through
730.22 efficient, cost-effective energy supply and infrastructure.

730.23 (b) When determining whether to issue a site permit for a large energy infrastructure
730.24 facility, the commission must include but is not limited to:

730.25 (1) evaluating research and investigations relating to: (i) large energy infrastructure
730.26 facilities' effects on land, water, and air resources; and (ii) the effects water and air discharges
730.27 and electric and magnetic fields resulting from large energy infrastructure facilities have
730.28 on public health and welfare, vegetation, animals, materials, and aesthetic values, including
730.29 baseline studies, predictive modeling, and evaluating new or improved methods to minimize
730.30 adverse impacts of water and air discharges and other matters pertaining to large energy
730.31 infrastructure facilities' effects on the water and air environment;

730.32 (2) conducting environmental evaluation of sites and routes that are proposed for future
730.33 development and expansion, and the relationship of proposed sites and routes for future
730.34 development and expansion to Minnesota's land, water, air, and human resources;

- 731.1 (3) evaluating the effects of measures designed to minimize adverse environmental
731.2 effects;
- 731.3 (4) evaluating the potential for beneficial uses of waste energy from proposed large
731.4 electric power generating plants;
- 731.5 (5) analyzing the direct and indirect economic impact of proposed sites and routes,
731.6 including but not limited to productive agricultural land lost or impaired;
- 731.7 (6) evaluating adverse direct and indirect environmental effects that are unavoidable
731.8 should the proposed site and route be accepted;
- 731.9 (7) evaluating alternatives to the applicant's proposed site or route, if applicable;
- 731.10 (8) when appropriate, evaluating potential routes that would use or parallel existing
731.11 railroad and highway rights-of-way;
- 731.12 (9) evaluating governmental survey lines and other natural division lines of agricultural
731.13 land to minimize interference with agricultural operations;
- 731.14 (10) evaluating the future needs for large energy infrastructure facilities in the same
731.15 general area as any proposed site or route;
- 731.16 (11) evaluating irreversible and irretrievable commitments of resources if the proposed
731.17 site or route is approved;
- 731.18 (12) when appropriate, considering the potential impacts raised by other state and federal
731.19 agencies and local entities;
- 731.20 (13) evaluating the benefits of the proposed facility with respect to (i) the protection and
731.21 enhancement of environmental quality, and (ii) the reliability of state and regional energy
731.22 supplies;
- 731.23 (14) evaluating the proposed facility's impact on socioeconomic factors; and
- 731.24 (15) evaluating the proposed facility's employment and economic impacts in the facility
731.25 site's vicinity and throughout Minnesota, including the quantity, quality, and compensation
731.26 level of construction and permanent jobs. The commission must consider a facility's local
731.27 employment and economic impacts, and may reject or place conditions on a site or route
731.28 permit based on the local employment and economic impacts.
- 731.29 (c) If the commission's rules are substantially similar to existing federal agency
731.30 regulations the utility is subject to, the commission must apply the federal regulations.

732.1 (d) The commission is prohibited from designating a site or route that violates state
732.2 agency rules.

732.3 (e) When applicable, the commission must make a specific finding that the commission
732.4 considered locating a route for a high-voltage transmission line on an existing high-voltage
732.5 transmission route and using parallel existing highway right-of-way. To the extent an existing
732.6 high-voltage transmission route or parallel existing right-of-way is not used for the route,
732.7 the commission must state the reasons.

732.8 Subd. 12. **Final decision.** (a) The commission must issue a site or route permit that is
732.9 demonstrated to be in the public interest pursuant to this chapter. The commission may
732.10 require any reasonable conditions in the site or route permit that are necessary to protect
732.11 the public interest. The commission maintains continuing jurisdiction over the route and
732.12 site permits and any conditions contained in the route and site permits.

732.13 (b) The commission is prohibited from issuing a site permit in violation of the site
732.14 selection standards and criteria established under this section and in rules the commission
732.15 adopts. When the commission designates a site, the commission must issue a site permit to
732.16 the applicant with any appropriate conditions. The commission must publish a notice of the
732.17 commission's decision in the Environmental Quality Board Monitor within 30 days of the
732.18 date the commission issues the site permit.

732.19 (c) The commission is prohibited from issuing a route permit in violation of the route
732.20 selection standards and criteria established under this section and in rules the commission
732.21 adopts. When the commission designates a route, the commission must issue a permit for
732.22 the construction of a high-voltage transmission line that specifies the design, routing,
732.23 right-of-way preparation, and facility construction the commission deems necessary,
732.24 including any other appropriate conditions. The commission may order the construction of
732.25 high-voltage transmission line facilities that are capable of expanding transmission capacity
732.26 through multiple circuiting or design modifications. The commission must publish a notice
732.27 of the commission's decision in the Environmental Quality Board Monitor within 30 days
732.28 of the date the commission issues the route permit.

732.29 (d) The commission must require as a condition of permit issuance, including the issuance
732.30 of a modified permit for a repowering project, as defined in section 216B.243, subdivision
732.31 8, paragraph (b), that the recipient of a site or route permit to construct an energy
732.32 infrastructure facility, including all of the permit recipient's construction contractors and
732.33 subcontractors on the project: (1) must pay no less than the prevailing wage rate, as defined

733.1 in section 177.42; and (2) is subject to the requirements and enforcement provisions under
733.2 sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

733.3 (e) Immediately following the commission's vote granting an applicant a site or route
733.4 permit, and prior to issuance of a written commission order embodying the decision, the
733.5 applicant may submit to commission staff for review preconstruction compliance filings
733.6 specifying details of the applicant's proposed site or route operations.

733.7 Subd. 13. **Commission; technical expertise and other assistance.** (a) The commission
733.8 must consult with other state agencies and obtain technical expertise and other assistance
733.9 for activities and proceedings under this chapter.

733.10 (b) Notwithstanding the requirements of section 216B.33, employees of the commission
733.11 may take any action related to the requirements of this chapter immediately following a
733.12 hearing and vote by the commission, prior to issuing a written order, finding, authorization,
733.13 or certification.

733.14 Sec. 6. **[216I.06] APPLICATIONS; MAJOR REVIEW.**

733.15 Subdivision 1. **Environmental review.** (a) The commission must prepare an
733.16 environmental impact statement on each proposed large energy infrastructure facility for
733.17 which a complete application has been submitted. An environmental impact statement means
733.18 a detailed written statement that describes a large energy infrastructure facility and satisfies
733.19 the requirements of section 116D.04. For the purposes of environmental review, the
733.20 commission is prohibited from considering whether or not the project is needed. No other
733.21 state environmental review documents are required. The commission must study and evaluate
733.22 any site or route identified by the commission under section 216I.05, subdivision 10, clause
733.23 (2).

733.24 (b) For a cogeneration facility, as defined in section 216H.01, subdivision 1a, that is a
733.25 large electric power generating plant and is not proposed by a utility, the commission must
733.26 make a finding in the environmental impact statement whether the project is likely to result
733.27 in a net reduction of carbon dioxide emissions, considering both the utility providing electric
733.28 service to the proposed cogeneration facility and any reduction in carbon dioxide emissions
733.29 resulting from increased efficiency from thermal energy production on the part of the
733.30 customer that operates or owns the proposed cogeneration facility.

733.31 (c) The commission must publish a draft environmental impact statement and a scoping
733.32 document for the environmental impact statement under section 216I.05, subdivision 10.

734.1 The public may provide comments on the draft environmental impact statement at the public
734.2 hearing and comment period under subdivision 2.

734.3 (d) The commission must publish a final environmental impact statement responding to
734.4 the timely substantive comments on the draft environmental impact statement consistent
734.5 with the scope approved by the commission under section 216I.05, subdivision 10, clause
734.6 (2). The final environmental impact statement must discuss at appropriate points in the final
734.7 environmental impact statement any reasonable opposing views relating to scoping issues
734.8 that were not adequately discussed in the draft environmental impact statement and must
734.9 indicate a response to the reasonable opposing views. When making the commission's final
734.10 decision, the commission must consider the final environmental impact statement and the
734.11 entirety of the record related to human and environmental impacts.

734.12 (e) The commission must determine the adequacy of the final environmental impact
734.13 statement. The commission must not decide the adequacy for at least ten days after the
734.14 availability of the final environmental impact statement is announced in the EQB Monitor.
734.15 The final environmental impact statement is adequate if the final environmental impact
734.16 statement:

734.17 (1) addresses the issues and alternatives raised in scoping;

734.18 (2) provides responses to the timely substantive comments received during the draft
734.19 environmental impact statement review process; and

734.20 (3) was prepared in compliance with the procedures in sections 216I.05 and 216I.06.

734.21 If the commission finds that the environmental impact statement is not adequate, the
734.22 commission must direct staff to respond to the deficiencies and resubmit the revised
734.23 environmental impact statement to the commission as soon as possible.

734.24 Subd. 2. **Public hearing.** (a) No sooner than 15 days after the date the draft environmental
734.25 impact statement is published, the commission must hold a public hearing on an application
734.26 for a large energy infrastructure facility site or route permit. A hearing held to designate a
734.27 site or route must be conducted by an administrative law judge from the Office of
734.28 Administrative Hearings.

734.29 (b) The commission may designate a portion of the hearing to be conducted as a contested
734.30 case proceeding under chapter 14.

734.31 (c) The commission must provide notice of the hearing at least ten days before but no
734.32 earlier than 45 days before the date the hearing commences. The commission must provide
734.33 notice by (1) publishing in a legal newspaper of general circulation in the county in which

735.1 the public hearing is to be held, (2) mailing to chief executives of the regional development
735.2 commissions, counties, organized towns, townships, and incorporated municipalities in
735.3 which a site or route is proposed, and (3) Tribal governments as defined by section 10.65,
735.4 subdivision 2.

735.5 (d) Any person may appear at the hearings and offer testimony and exhibits without the
735.6 necessity of intervening as a formal party to the proceedings. The administrative law judge
735.7 may allow any person to ask questions of other witnesses.

735.8 (e) The administrative law judge must hold a portion of the hearing in the area where
735.9 the large energy infrastructure facility's location is proposed.

735.10 (f) The commission and administrative law judge must accept written comments for at
735.11 least 20 days after the public hearing's date.

735.12 Subd. 3. **Administrative law judge report.** The administrative law judge must issue a
735.13 report and recommendations after completion of post-hearing briefing or the date the public
735.14 comment period under subdivision 2 closes, whichever is later.

735.15 Subd. 4. **Timing.** The commission must make a final decision on an application within
735.16 60 days of the date the administrative law judge's report is received. A final decision on the
735.17 site or route permit request must be made within one year of the date the commission
735.18 determines an application is complete. The commission may extend the time limit under
735.19 this subdivision for up to three months for just cause or upon agreement with the applicant.

735.20 Sec. 7. **[216L.07] APPLICATIONS; STANDARD REVIEW.**

735.21 Subdivision 1. **Standard review.** An applicant who seeks a site or route permit for which
735.22 the applicant's proposal is one of the projects identified in this section may follow the
735.23 procedures under this section in lieu of the procedures under section 216L.06. The applicant
735.24 must notify the commission at the time the application is submitted which procedure the
735.25 applicant has elected to follow.

735.26 Subd. 2. **Applicable projects.** The requirements and procedures under this section apply
735.27 to projects for which the applicant's proposal is:

735.28 (1) large electric power generating plants with a capacity of less than 80 megawatts;

735.29 (2) large electric power generating plants that are fueled by natural gas;

735.30 (3) high-voltage transmission lines with a capacity between 100 and 300 kilovolts;

735.31 (4) high-voltage transmission lines with a capacity in excess of 300 kilovolts and less
735.32 than 30 miles in length in Minnesota;

736.1 (5) high-voltage transmission lines with a capacity in excess of 300 kilovolts, if at least
736.2 80 percent of the distance of the line in Minnesota, as proposed by the applicant, is located
736.3 along existing high-voltage transmission line right-of-way;

736.4 (6) solar energy systems;

736.5 (7) energy storage systems; and

736.6 (8) large wind energy conversion systems.

736.7 Subd. 3. **Environmental review.** (a) For the projects identified in subdivision 2 and
736.8 following the procedures under this section, the applicant must prepare and submit an
736.9 environmental assessment with the application. A draft of the environmental assessment
736.10 must also be provided to commission staff as part of the preapplication review under section
736.11 216I.05, subdivision 6. The environmental assessment must (1) contain information regarding
736.12 the proposed project's human and environmental impacts, and (2) address mitigating measures
736.13 for identified impacts. The environmental assessment is the only state environmental review
736.14 document that must be prepared for the proposed project.

736.15 (b) If after the public meeting the commission identifies other sites or routes or potential
736.16 impacts for review, the commission must prepare an addendum to the environmental
736.17 assessment that evaluates (1) the human and environmental impacts of the alternative site
736.18 or route, and (2) any additional mitigating measures related to the identified impacts
736.19 consistent with the scoping decision made pursuant to section 216I.06, subdivision 10,
736.20 clause (2). The public may provide comments on the environmental assessment and any
736.21 addendum to the environmental assessment at the public hearing and comment period under
736.22 subdivision 4. When making the commission's final decision, the commission must consider
736.23 the environmental assessment, the environmental assessment addendum, if any, and the
736.24 entirety of the record related to human and environmental impacts.

736.25 Subd. 4. **Public hearing.** (a) After the commission issues any environmental assessment
736.26 addendum and a draft permit under section 216I.05, subdivision 10, the commission must
736.27 hold a public hearing in the area where the facility's location is proposed.

736.28 (b) The commission must provide notice of the public hearing in the same manner as
736.29 required under section 216I.06, subdivision 2.

736.30 (c) The commission must conduct the public hearing under procedures established by
736.31 the commission and may request that an administrative law judge from the Office of
736.32 Administrative Hearings conduct the hearing and prepare a report.

737.1 (d) The applicant must be present at the hearing to present evidence and to answer
737.2 questions. The commission must provide opportunity at the public hearing for any person
737.3 to present comments and to ask questions of the applicant and commission staff. The
737.4 commission must also provide interested persons an opportunity to submit written comments
737.5 into the record after the public hearing.

737.6 Subd. 5. **Timing.** (a) The commission must make a final decision on an application
737.7 within 60 days of the date the public comment period following completion of the public
737.8 hearing closes, or the date the report is filed, whichever is later. A final decision on the
737.9 request for a site or route permit under this section must be made within six months of the
737.10 date the commission determines the application is complete. The commission may extend
737.11 the time limit under this subdivision for up to three months for just cause or upon agreement
737.12 with the applicant.

737.13 (b) Immediately following the commission's vote granting an applicant a site or route
737.14 permit, and prior to issuance of a written commission order embodying the decision, the
737.15 applicant may submit to commission staff for review preconstruction compliance filings
737.16 specifying details of the applicant's proposed site or route operations.

737.17 **Sec. 8. [216L.08] APPLICATIONS; LOCAL REVIEW.**

737.18 Subdivision 1. **Local review authorized.** (a) Notwithstanding sections 216L.06 and
737.19 216L.07, an applicant who seeks a site or route permit for one of the projects identified in
737.20 subdivision 2 may apply to the local units of government that have jurisdiction over the site
737.21 or route for approval to build the project. If local approval is granted, a site or route permit
737.22 is not required from the commission. If the applicant files an application with the commission,
737.23 the applicant waives the applicant's right to seek local approval for the project.

737.24 (b) A local unit of government with jurisdiction over a project identified in this section
737.25 to whom an applicant has applied for approval to build the project may request that the
737.26 commission assume jurisdiction and make a decision on a site or route permit pursuant to
737.27 the applicable provisions under this chapter. A local unit of government must file the request
737.28 with the commission within 60 days of the date an applicant files an application for the
737.29 project with any one local unit of government. If one of the local units of government with
737.30 jurisdiction over the project requests that the commission assume jurisdiction, jurisdiction
737.31 over the project transfers to the commission. If the local units of government maintain
737.32 jurisdiction over the project, the commission must select the appropriate local unit of
737.33 government to be the responsible governmental unit to conduct the project's environmental
737.34 review.

738.1 Subd. 2. **Applicable projects.** An applicant may seek approval under this section from
738.2 a local unit of government to construct:

738.3 (1) large electric power generating plants and solar energy generating systems with a
738.4 capacity of less than 80 megawatts;

738.5 (2) large electric power generating plants of any size that burn natural gas and are intended
738.6 to be a peaking plant;

738.7 (3) high-voltage transmission lines with a capacity between 100 and 200 kilovolts;

738.8 (4) substations with a voltage designed for and capable of operation at a nominal voltage
738.9 of 100 kilovolts or more;

738.10 (5) a high-voltage transmission line service extension to a single customer between 200
738.11 and 300 kilovolts and less than ten miles in length;

738.12 (6) a high-voltage transmission line rerouting to serve the demand of a single customer,
738.13 if at least 80 percent of the rerouted line is located on property owned or controlled by the
738.14 customer or the owner of the transmission line;

738.15 (7) energy storage systems; and

738.16 (8) large wind energy conversion systems with a capacity less than 25 megawatts.

738.17 Subd. 3. **Notice of application.** An applicant must notify the commission that the
738.18 applicant has elected to seek local approval of the proposed project within ten days of the
738.19 date the applicant submits an application to a local unit of government to approve an eligible
738.20 project.

738.21 Subd. 4. **Environmental review.** (a) A local unit of government that maintains
738.22 jurisdiction over a qualifying project must prepare or request that the applicant prepare an
738.23 environmental assessment on the project. The local unit of government must afford the
738.24 public an opportunity to participate in developing the scope of the environmental assessment
738.25 before the environmental assessment is prepared.

738.26 (b) Upon completing the environmental assessment, the local unit of government must
738.27 publish notice in the EQB Monitor that indicates (1) the environmental assessment is
738.28 available for review, (2) how a copy of the document may be reviewed, (3) that the public
738.29 may comment on the document, and (4) the procedure for submitting comments to the local
738.30 unit of government. Upon completion of the environmental assessment, the local unit of
738.31 government must provide a copy of the environmental assessment to the commission.

739.1 (c) The local unit of government is prohibited from making a final decision on the permit
739.2 until at least ten days after the date the notice appears in the EQB Monitor. If more than
739.3 one local unit of government has jurisdiction over a project and the local units of government
739.4 cannot agree which local unit of government prepares the environmental assessment, any
739.5 local unit of government or the applicant may request that the commission select the
739.6 appropriate local unit of government to be the responsible governmental unit to conduct an
739.7 environmental review of the project.

739.8 Sec. 9. **[216I.09] PERMIT AMENDMENTS.**

739.9 Subdivision 1. **Applicability.** This section applies to a request by the owner of the large
739.10 energy infrastructure facility to modify any provision or condition of a site or route permit
739.11 issued by the commission, including the following:

739.12 (1) upgrades or rebuilds an existing electric line and associated facilities to a voltage
739.13 capable of operating between 100 kilovolts and 300 kilovolts that does not result in significant
739.14 changes in the human and environmental impact of the facility; or

739.15 (2) repowers or refurbishes a large electric power generating plant, a large wind energy
739.16 conversion system, a solar energy generating system, or an energy storage system that
739.17 increases the efficiency of the system, provided the project does not increase the developed
739.18 area within the permitted site or increase the nameplate capacity of the facility's most recent
739.19 interconnection agreement. For a large electric power generating plant, an increase in
739.20 efficiency is a reduction in the amount of British thermal units required to produce a kilowatt
739.21 hour of electricity at the facility.

739.22 Subd. 2. **Application.** A person that seeks authorization to amend a large energy
739.23 infrastructure facility must apply to the commission. The application must be in writing and
739.24 must (1) describe the alteration to be made or the amendment sought, and (2) explain why
739.25 the request meets the eligibility criteria under subdivision 1. The application must describe
739.26 any changes to the environmental impacts evaluated by the commission as part of the initial
739.27 permit approval. If there are significant changes to the environmental impacts evaluated by
739.28 the commission as part of the initial permit approval, environmental review must be
739.29 conducted pursuant to the applicable requirements of Minnesota Rules, chapter 4410 and
739.30 parts 7849.1000 to 7849.2100.

739.31 Subd. 3. **Notice.** The commission must mail notice that the application was received to
739.32 the persons on the general list and to the persons on the project contact list, if a project list
739.33 exists.

740.1 Subd. 4. **Public comment.** The commission must provide at least a ten-day period for
740.2 interested persons to submit comments on the application or to request that the matter be
740.3 brought to the commission for consideration. The applicant may respond to submitted
740.4 comments within seven days of the date the comment period closes.

740.5 Subd. 5. **Timing.** Within 30 days of the date the applicant responds to submitted
740.6 comments under subdivision 4, the commission must decide whether to authorize the permit
740.7 amendment, bring the matter to the commission for consideration, or determine that the
740.8 application requires a permitting decision under another section in this chapter.

740.9 Subd. 6. **Decision.** The commission may authorize an amendment but impose reasonable
740.10 conditions on the approval. The commission must notify the applicant in writing of the
740.11 commission's decision and send a copy of the decision to any person who requested
740.12 notification or filed comments on the application.

740.13 Subd. 7. **Local review.** For a large electric power generating plant or high-voltage
740.14 transmission line that was not issued a permit by the commission, the owner or operator of
740.15 the nonpermitted facility may seek approval of a project listed under subdivision 1 from
740.16 the local unit of government if the facility qualifies for standard review under section 216I.07
740.17 or local review under section 216I.08.

740.18 Sec. 10. [216I.10] EXEMPT PROJECTS.

740.19 Subdivision 1. **Permit not required.** A permit issued by the commission is not required
740.20 to construct:

740.21 (1) a small wind energy conversion system;

740.22 (2) a power plant or solar energy generating system with a capacity of less than 50
740.23 megawatts;

740.24 (3) an energy storage system with a capacity of less than ten megawatts;

740.25 (4) a transmission line that (i) has a capacity of 100 kilovolts or more, and (ii) is less
740.26 than 1,500 feet in length; and

740.27 (5) a transmission line that has a capacity of less than 100 kilovolts.

740.28 Subd. 2. **Other approval.** A person that proposes a facility listed in subdivision 1 must
740.29 (1) obtain any approval required by local, state, or federal units of government with
740.30 jurisdiction over the project, and (2) comply with the environmental review requirements
740.31 under chapter 116D and Minnesota Rules, chapter 4410.

741.1 Sec. 11. [216L.11] PERMITTING REQUIREMENTS; EXCEPTIONS FOR CERTAIN
741.2 FACILITIES.

741.3 Subdivision 1. Permit not required. The following projects do not constitute the
741.4 construction of a large energy infrastructure facility and may be constructed without a permit
741.5 issued by the commission:

741.6 (1) maintaining or repairing an existing large energy infrastructure facility within an
741.7 existing site or right-of-way;

741.8 (2) adding equipment at an existing substation that does not (i) require more than a
741.9 one-acre expansion of the land needed for the substation, and (ii) involve an increase in the
741.10 voltage or changes in the location of existing transmission lines, except that up to the first
741.11 five transmission line structures outside the substation may be moved to accommodate the
741.12 equipment additions, provided the structures are not moved more than 500 feet from the
741.13 existing right-of-way;

741.14 (3) reconductoring or reconstructing a high-voltage transmission line that does not result
741.15 in a change to voltage or a change in right-of-way;

741.16 (4) relocating a high-voltage transmission line that is required by a local or state agency
741.17 as part of road, street, or highway construction;

741.18 (5) converting the fuel source of a large electric power generating plant to natural gas,
741.19 provided the plant is not expanded beyond the developed portion of the plant site; and

741.20 (6) starting up an existing large electric power generating plant that has been closed for
741.21 any period of time at no more than the large electric power generating plant's previous
741.22 capacity rating and in a manner that does not involve changing the fuel or expanding the
741.23 developed portion of the plant site.

741.24 Subd. 2. Amendment. If a modification or other change to an existing large energy
741.25 infrastructure facility does not qualify for an exception under subdivision 1, the modification
741.26 or change may qualify as an amendment under section 216L.09.

741.27 Subd. 3. Notice. A person that proposes to implement changes to a large energy
741.28 infrastructure facility under subdivision 1, clauses (2) to (5), must notify the commission
741.29 in writing at least 30 days before commencing construction of the modification or change.

741.30 Sec. 12. [216L.13] PERMIT TRANSFER.

741.31 Subdivision 1. Application. A permittee holding a large energy infrastructure facility
741.32 site or route permit may request that the commission transfer the permittee's permit. The

742.1 permittee must provide the name of the existing permittee, the name and description of the
742.2 entity to which the permit is to be transferred, the reasons for the transfer, a description of
742.3 the facilities affected, and the proposed effective date of the transfer. The person to whom
742.4 the permit is to be transferred must provide the commission with information the commission
742.5 requires to determine whether the new permittee is able to comply with the permit's
742.6 conditions. The commission must mail notice of receipt of the application to the persons
742.7 on the general list at least seven days in advance of the date the commission considers the
742.8 matter. The commission must provide the same notice to persons on the project contact list
742.9 if a project contact list exists.

742.10 Subd. 2. **Approval of transfer.** The commission must approve the transfer if the
742.11 commission determines that the new permittee complies with the conditions of the permit.
742.12 The commission, in approving the transfer of a permit, may impose reasonable additional
742.13 conditions in the permit as part of the approval. The commission may decide to hold a public
742.14 meeting to provide the public with an opportunity to comment on the request for the transfer
742.15 prior to making a decision.

742.16 Sec. 13. **[216L.14] PERMIT REVOCATION OR SUSPENSION.**

742.17 Subdivision 1. **Initiation of action to revoke or suspend.** The commission may initiate
742.18 action to consider revoking or suspending a permit on the commission's own motion or
742.19 upon the request of any person who has made a prima facie showing by affidavit and
742.20 documentation that a violation of this act or the permit has occurred.

742.21 Subd. 2. **Hearing.** If the commission initiates action to consider revoking or suspending
742.22 a permit, the commission must provide the permittee with an opportunity for a contested
742.23 case hearing conducted by an administrative law judge from the Office of Administrative
742.24 Hearings.

742.25 Subd. 3. **Finding of violation.** If the commission finds that a violation of this act or the
742.26 permit has occurred, the commission may revoke or suspend the permit, require the permittee
742.27 to undertake corrective or ameliorative measures as a condition to avoid revocation or
742.28 suspension, or require corrective measures and suspend the permit. When determining the
742.29 appropriate sanction, the commission must consider whether:

742.30 (1) the violation results in any significant additional adverse environmental effects;

742.31 (2) the results of the violation can be corrected or ameliorated; and

742.32 (3) suspending or revoking a permit impairs the permittee's electrical power system
742.33 reliability.

743.1 Sec. 14. **REVISOR INSTRUCTION.**

743.2 The revisor shall renumber each section of Minnesota Statutes in Column A with the
 743.3 number in Column B.

	<u>Column A</u>	<u>Column B</u>
743.4		
743.5	<u>216E.06</u>	<u>216I.12</u>
743.6	<u>216E.07</u>	<u>216I.15</u>
743.7	<u>216E.08, subdivision 2</u>	<u>216I.16, subdivision 1</u>
743.8	<u>216E.08, subdivision 3</u>	<u>216I.16, subdivision 2</u>
743.9	<u>216E.09</u>	<u>216I.17</u>
743.10	<u>216E.10</u>	<u>216I.18</u>
743.11	<u>216F.084</u>	<u>216I.19</u>
743.12	<u>216E.11</u>	<u>216I.20</u>
743.13	<u>216E.12</u>	<u>216I.21</u>
743.14	<u>216E.03, subdivision 8</u>	<u>216I.22</u>
743.15	<u>216E.13</u>	<u>216I.23</u>
743.16	<u>216E.14</u>	<u>216I.24</u>
743.17	<u>216E.15</u>	<u>216I.25</u>
743.18	<u>216E.16</u>	<u>216I.26</u>
743.19	<u>216E.17</u>	<u>216I.27</u>
743.20	<u>216E.18, subdivision 2a</u>	<u>216I.28, subdivision 1</u>
743.21	<u>216E.18, subdivision 3</u>	<u>216I.28, subdivision 2</u>

743.22 Sec. 15. **REPEALER.**

743.23 Subdivision 1. Minnesota Statutes, chapter 216E, repeals. (a) Minnesota Statutes
 743.24 2022, sections 216E.001; 216E.01, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, and 10; 216E.02;
 743.25 216E.021; 216E.03, subdivisions 2, 3a, 3b, 4, and 9; 216E.04, subdivisions 1, 3, 4, 5, 6, 7,
 743.26 8, and 9; 216E.05, subdivisions 1 and 3; 216E.08, subdivisions 1 and 4; and 216E.18,
 743.27 subdivisions 1 and 2, are repealed.

743.28 (b) Minnesota Statutes 2023 Supplement, sections 216E.01, subdivisions 3a, 6, and 9a;
 743.29 216E.03, subdivisions 1, 3, 5, 6, 7, 10, and 11; 216E.04, subdivision 2; and 216E.05,
 743.30 subdivision 2, are repealed.

743.31 Subd. 2. Minnesota Statutes, chapter 216F, repeals. (a) Minnesota Statutes 2022,
 743.32 sections 216F.01; 216F.011; 216F.012; 216F.015; 216F.02; 216F.03; 216F.05; 216F.06;
 743.33 216F.07; 216F.08; and 216F.081, are repealed.

743.34 (b) Minnesota Statutes 2023 Supplement, section 216F.04, is repealed.

744.1 Subd. 3. Minnesota Rules, chapter 7854, repeals. Minnesota Rules, parts 7854.0100;
 744.2 7854.0200; 7854.0300; 7854.0400; 7854.0500; 7854.0600; 7854.0700; 7854.0800;
 744.3 7854.0900; 7854.1000; 7854.1100; 7854.1200; 7854.1300; 7854.1400; and 7854.1500, are
 744.4 repealed.

744.5 Subd. 4. Minnesota Rules, chapter 7850, repeals. Minnesota Rules, parts 7850.1000;
 744.6 7850.1100; 7850.1200; 7850.1300; 7850.1400; 7850.1500; 7850.1600; 7850.1700;
 744.7 7850.1800; 7850.1900; 7850.2000; 7850.2100; 7850.2200; 7850.2300; 7850.2400;
 744.8 7850.2500; 7850.2600; 7850.2700; 7850.2800; 7850.2900; 7850.3000; 7850.3100;
 744.9 7850.3200; 7850.3300; 7850.3400; 7850.3500; 7850.3600; 7850.3700; 7850.3800;
 744.10 7850.3900; 7850.4100; 7850.4200; 7850.4500; 7850.4600; 7850.4700; 7850.4800;
 744.11 7850.4900; 7850.5000; 7850.5100; 7850.5200; 7850.5300; 7850.5400; 7850.5500; and
 744.12 7850.5600, are repealed.

744.13 Sec. 16. EFFECTIVE DATE.

744.14 This article is effective July 1, 2025.

744.15

ARTICLE 44

744.16

CERTIFICATES OF NEED

744.17 Section 1. Minnesota Statutes 2022, section 216B.2421, subdivision 2, is amended to read:

744.18 Subd. 2. **Large energy facility.** "Large energy facility" means:

744.19 (1) any electric power generating plant or combination of plants at a single site with a
 744.20 combined capacity of 50,000 kilowatts or more and transmission lines directly associated
 744.21 with the plant that are necessary to interconnect the plant to the transmission system;

744.22 (2) any high-voltage transmission line with a capacity of ~~200~~ 300 kilovolts or more and
 744.23 greater than ~~1,500 feet~~ one mile in length in Minnesota;

744.24 (3) any high-voltage transmission line with a capacity of 100 kilovolts or more with
 744.25 more than ten miles of its length in Minnesota ~~or that crosses a state line;~~

744.26 (4) any pipeline greater than six inches in diameter and having more than 50 miles of
 744.27 its length in Minnesota used for the transportation of coal, crude petroleum or petroleum
 744.28 fuels or oil, or their derivatives;

744.29 (5) any pipeline for transporting natural or synthetic gas at pressures in excess of 200
 744.30 pounds per square inch with more than 50 miles of its length in Minnesota;

745.1 (6) any facility designed for or capable of storing on a single site more than 100,000
745.2 gallons of liquefied natural gas or synthetic gas;

745.3 (7) any underground gas storage facility requiring a permit pursuant to section 103I.681;

745.4 (8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

745.5 (9) any facility intended to convert any material into any other combustible fuel and
745.6 having the capacity to process in excess of 75 tons of the material per hour.

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

745.8 Sec. 2. Minnesota Statutes 2022, section 216B.243, subdivision 3, is amended to read:

745.9 Subd. 3. **Showing required for construction.** No proposed large energy facility shall
745.10 be certified for construction unless the applicant can show that demand for electricity cannot
745.11 be met more cost effectively through energy conservation and load-management measures
745.12 and unless the applicant has otherwise justified its need. In assessing need, the commission
745.13 shall evaluate:

745.14 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
745.15 the facility is based;

745.16 (2) the effect of existing or possible energy conservation programs under sections 216C.05
745.17 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

745.18 (3) the relationship of the proposed facility to overall state energy needs, as described
745.19 in the most recent state energy policy and conservation report prepared under section
745.20 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
745.21 line to regional energy needs, as presented in the transmission plan submitted under section
745.22 216B.2425;

745.23 (4) promotional activities that may have given rise to the demand for this facility;

745.24 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
745.25 and to increase reliability of energy supply in Minnesota and the region;

745.26 (6) possible alternatives for satisfying the energy demand or transmission needs including
745.27 but not limited to potential for increased efficiency and upgrading of existing energy
745.28 generation and transmission facilities, load-management programs, and distributed generation,
745.29 except that the commission must not require evaluation of alternative end points for a
745.30 high-voltage transmission line qualifying as a large energy facility unless the alternative
745.31 end points are (i) consistent with end points identified in a federally registered planning
745.32 authority transmission plan, or (ii) otherwise agreed to for further evaluation by the applicant;

746.1 (7) the policies, rules, and regulations of other state and federal agencies and local
746.2 governments;

746.3 (8) any feasible combination of energy conservation improvements, required under
746.4 section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed
746.5 facility, and (ii) compete with it economically;

746.6 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
746.7 reliability, access, or deliverability to the extent these factors improve the robustness of the
746.8 transmission system or lower costs for electric consumers in Minnesota;

746.9 (10) whether the applicant or applicants are in compliance with applicable provisions
746.10 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
746.11 certain an application for certificate of need under this section or for certification as a priority
746.12 electric transmission project under section 216B.2425 for any transmission facilities or
746.13 upgrades identified under section 216B.2425, subdivision 7;

746.14 (11) whether the applicant has made the demonstrations required under subdivision 3a;
746.15 and

746.16 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
746.17 assessment of the risk of environmental costs and regulation on that proposed facility over
746.18 the expected useful life of the plant, including a proposed means of allocating costs associated
746.19 with that risk.

746.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
746.21 applies to all pending applications.

746.22 Sec. 3. Minnesota Statutes 2022, section 216B.243, subdivision 3a, is amended to read:

746.23 Subd. 3a. **Use of renewable resource.** The commission may not issue a certificate of
746.24 need under this section for a large energy facility that generates electric power ~~by means~~
746.25 ~~of a nonrenewable energy source, or that transmits electric power generated by means of a~~
746.26 nonrenewable energy source, unless the applicant for the certificate has demonstrated to
746.27 the commission's satisfaction that it has explored the possibility of generating power by
746.28 means of renewable energy sources and has demonstrated that the alternative selected is
746.29 less expensive (including environmental costs) than power generated by a renewable
746.30 energy source. For purposes of this subdivision, "renewable energy source" includes hydro,
746.31 wind, solar, and geothermal energy and the use of trees or other vegetation as fuel.

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

747.1 Sec. 4. Minnesota Statutes 2022, section 216B.243, subdivision 4, is amended to read:

747.2 Subd. 4. **Application for certificate; hearing.** Any person proposing to construct a
747.3 large energy facility shall apply for a certificate of need and for a site or route permit under
747.4 chapter ~~216E~~ 216I prior to construction of the facility. The application shall be on forms
747.5 and in a manner established by the commission. In reviewing each application the commission
747.6 shall hold at least one public hearing pursuant to chapter 14. The public hearing shall be
747.7 held at a location and hour reasonably calculated to be convenient for the public. An objective
747.8 of the public hearing shall be to obtain public opinion on the necessity of granting a certificate
747.9 of need and, if a joint hearing is held, a site or route permit. The commission shall designate
747.10 a commission employee whose duty shall be to facilitate citizen participation in the hearing
747.11 process. Unless the commission determines that a joint hearing on siting and need under
747.12 this subdivision and ~~section 216E.03, subdivision 6~~ chapter 216I, is not feasible or more
747.13 efficient, or otherwise not in the public interest, a joint hearing under ~~those subdivisions~~
747.14 shall this subdivision and chapter 216I must be held.

747.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

747.16 Sec. 5. Minnesota Statutes 2023 Supplement, section 216B.243, subdivision 8, is amended
747.17 to read:

747.18 Subd. 8. **Exemptions.** (a) This section does not apply to:

747.19 (1) cogeneration or small power production facilities as defined in the Federal Power
747.20 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
747.21 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
747.22 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
747.23 any case where the commission has determined after being advised by the attorney general
747.24 that its application has been preempted by federal law;

747.25 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
747.26 the demand of a single customer at a single location, unless the applicant opts to request
747.27 that the commission determine need under this section or section 216B.2425;

747.28 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
747.29 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
747.30 request that the commission determine need under this section or section 216B.2425;

747.31 (4) a high-voltage transmission line of one mile or less required to connect a new or
747.32 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

748.1 (5) conversion of the fuel source of an existing electric generating plant to using natural
748.2 gas;

748.3 (6) the modification of an existing electric generating plant to increase efficiency, as
748.4 long as the capacity of the plant is not increased more than ten percent or more than 100
748.5 megawatts, whichever is greater;

748.6 (7) a large wind energy conversion system, as defined in section ~~216F.01, subdivision~~
748.7 ~~2~~ 216I.02, subdivision 12, or a solar energy generating system, as defined in section ~~216E.01,~~
748.8 ~~subdivision 9a~~ 216I.02, subdivision 18, for which a site permit application is submitted by
748.9 an independent power producer under chapter ~~216E or 216F~~ 216I; or

748.10 (8) a large wind energy conversion system, as defined in section ~~216F.01, subdivision~~
748.11 ~~2~~ 216I.02, subdivision 12, or a solar energy generating system ~~that is a large energy facility,~~
748.12 as defined in section ~~216B.2421, subdivision 2~~ 216I.02, subdivision 18, engaging in a
748.13 repowering project that:

748.14 (i) will not result in the system exceeding the nameplate capacity under its most recent
748.15 interconnection agreement; or

748.16 (ii) will result in the system exceeding the nameplate capacity under its most recent
748.17 interconnection agreement, provided that the Midcontinent Independent System Operator
748.18 has provided a signed generator interconnection agreement that reflects the expected net
748.19 power increase;

748.20 (9) energy storage systems, as defined in section 216I.02, subdivision 7;

748.21 (10) transmission lines that directly interconnect large wind energy conversion systems,
748.22 solar energy generating systems, or energy storage systems to the transmission system; or

748.23 (11) relocation of an existing high voltage transmission line to new right-of-way, provided
748.24 that any new structures that are installed are not designed for and capable of operation at
748.25 higher voltage.

748.26 (b) For the purpose of this subdivision, "repowering project" means:

748.27 (1) modifying a large wind energy conversion system or a solar energy generating system
748.28 that is a large energy facility to increase its efficiency without increasing its nameplate
748.29 capacity;

748.30 (2) replacing turbines in a large wind energy conversion system without increasing the
748.31 nameplate capacity of the system; or

748.32 (3) increasing the nameplate capacity of a large wind energy conversion system.

749.1 **EFFECTIVE DATE.** (a) The amendment to paragraph (a), clause (7), is effective July
749.2 1, 2025.

749.3 (b) The amendments to paragraph (a), clauses (9), (10), and (11), are effective the day
749.4 following final enactment, except that the reference to Minnesota Statutes, section 216I.02,
749.5 subdivision 7, in paragraph (a), clause (9), is effective July 1, 2025. Prior to July 1, 2025,
749.6 the definition of "energy storage system" in Minnesota Statutes, section 216E.01, subdivision
749.7 3a, applies.

749.8 Sec. 6. Minnesota Statutes 2022, section 216B.243, subdivision 9, is amended to read:

749.9 Subd. 9. **Renewable energy standard and carbon-free energy standard facilities.** This
749.10 section does not apply to a wind energy conversion system or a solar electric generation
749.11 facility that is intended to be used to meet the obligations of section 216B.1691, subdivision
749.12 2a or 2g; provided that, after notice and comment, the commission determines that the
749.13 facility is a reasonable and prudent approach to meeting a utility's obligations under that
749.14 section. When making this determination, the commission must consider:

749.15 (1) the size of the facility relative to a utility's total need for renewable resources;

749.16 (2) alternative approaches for supplying the renewable energy to be supplied by the
749.17 proposed facility;

749.18 (3) the facility's ability to promote economic development, as required under section
749.19 216B.1691, subdivision 9;

749.20 (4) the facility's ability to maintain electric system reliability;

749.21 (5) impacts on ratepayers; and

749.22 (6) other criteria as the commission may determine are relevant.

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

749.24 Sec. 7. Minnesota Statutes 2022, section 216B.246, subdivision 3, is amended to read:

749.25 Subd. 3. **Commission procedure.** (a) If an electric transmission line has been approved
749.26 for construction in a federally registered planning authority transmission plan, the incumbent
749.27 electric transmission owner, or owners if there is more than one owner, shall give notice to
749.28 the commission, in writing, within ~~90~~ 60 days of approval, regarding its intent to construct,
749.29 own, and maintain the electric transmission line. If an incumbent electric transmission owner
749.30 gives notice of intent to build the electric transmission line then, unless exempt from the
749.31 requirements of section 216B.243, within ~~18~~ 12 months from the date of the notice described

750.1 in this paragraph ~~or such longer time approved by the commission~~, the incumbent electric
750.2 transmission owner shall file an application for a certificate of need under section 216B.243
750.3 or certification under section 216B.2425.

750.4 (b) If the incumbent electric transmission owner indicates that it does not intend to build
750.5 the transmission line, such notice shall fully explain the basis for that decision. If the
750.6 incumbent electric transmission owner, or owners, gives notice of intent not to build the
750.7 electric transmission line, then the commission may determine whether the incumbent
750.8 electric transmission owner or other entity will build the electric transmission line, taking
750.9 into consideration issues such as cost, efficiency, reliability, and other factors identified in
750.10 this chapter.

750.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
750.12 applies to any electric transmission line that has been approved for construction in a federally
750.13 registered planning authority transmission plan on or after that date.

750.14 **ARTICLE 45**

750.15 **CONFORMING CHANGES**

750.16 Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended
750.17 to read:

750.18 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
750.19 given:

750.20 (1) "agency" means the Department of Administration; Department of Agriculture;
750.21 Department of Children, Youth, and Families; Department of Commerce; Department of
750.22 Corrections; Department of Education; Department of Employment and Economic
750.23 Development; Department of Health; Office of Higher Education; Housing Finance Agency;
750.24 Department of Human Rights; Department of Human Services; Department of Information
750.25 Technology Services; Department of Iron Range Resources and Rehabilitation; Department
750.26 of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services;
750.27 Department of Military Affairs; Metropolitan Council; Department of Natural Resources;
750.28 Pollution Control Agency; Department of Public Safety; Department of Revenue; Department
750.29 of Transportation; Department of Veterans Affairs; Gambling Control Board; Racing
750.30 Commission; the Minnesota Lottery; the Animal Health Board; the Public Utilities
750.31 Commission; and the Board of Water and Soil Resources;

750.32 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
750.33 governments in the development of policy on matters that have Tribal implications.

751.1 Consultation is the proactive, affirmative process of identifying and seeking input from
751.2 appropriate Tribal governments and considering their interest as a necessary and integral
751.3 part of the decision-making process. This definition adds to statutorily mandated notification
751.4 procedures. During a consultation, the burden is on the agency to show that it has made a
751.5 good faith effort to elicit feedback. Consultation is a formal engagement between agency
751.6 officials and the governing body or bodies of an individual Minnesota Tribal government
751.7 that the agency or an individual Tribal government may initiate. Formal meetings or
751.8 communication between top agency officials and the governing body of a Minnesota Tribal
751.9 government is a necessary element of consultation;

751.10 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
751.11 statements, or other actions that have substantial direct effects on one or more Minnesota
751.12 Tribal governments, or on the distribution of power and responsibilities between the state
751.13 and Minnesota Tribal governments;

751.14 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
751.15 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
751.16 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
751.17 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
751.18 and Upper Sioux Community; and

751.19 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
751.20 allows the result of consultation to be included in the agency's decision-making process for
751.21 a matter that has Tribal implications.

751.22 **EFFECTIVE DATE.** This section is effective August 1, 2024.

751.23 Sec. 2. Minnesota Statutes 2022, section 116C.83, subdivision 6, is amended to read:

751.24 Subd. 6. **Environmental review and protection.** (a) The siting, construction, and
751.25 operation of an independent spent-fuel storage installation located on the site of a Minnesota
751.26 generation facility for dry cask storage of spent nuclear fuel generated solely by that facility
751.27 is subject to all environmental review and protection provisions of this chapter and chapters
751.28 115, 115B, 116, 116B, 116D, and 216B, and rules associated with those chapters, except
751.29 those statutes and rules that apply specifically to a radioactive waste management facility
751.30 as defined in section 116C.71, subdivision 7.

751.31 (b) An environmental impact statement is required under chapter 116D for a proposal
751.32 to construct and operate a new or expanded independent spent-fuel storage installation. The
751.33 ~~commissioner of the Department of Commerce shall be~~ Public Utilities Commission is the

752.1 responsible governmental unit for the environmental impact statement. Prior to finding the
752.2 statement adequate, the ~~commissioner~~ commission must find that the applicant has
752.3 demonstrated that the facility is designed to provide a reasonable expectation that the
752.4 operation of the facility will not result in groundwater contamination in excess of the
752.5 standards established in section 116C.76, subdivision 1, clauses (1) to (3).

752.6 Sec. 3. Minnesota Statutes 2022, section 216A.037, subdivision 1, is amended to read:

752.7 Subdivision 1. **Ex parte communications prohibitions; rules.** (a) The commission
752.8 shall adopt rules under chapter 14 prescribing permissible and impermissible ex parte
752.9 communications. The ex parte rules may prohibit only ex parte communications, directly
752.10 or indirectly, between a commissioner and a participant or party under the commission's
752.11 rules of practice and procedure relating to:

752.12 (1) a material issue during a pending contested case proceeding;

752.13 (2) a material issue in a rulemaking proceeding after the beginning of commission
752.14 deliberations;

752.15 (3) a material issue in a disputed formal petition; and

752.16 (4) any other communication impermissible by law.

752.17 (b) The commission may apply ex parte prohibitions, prospectively and after notice to
752.18 affected parties, to other commission proceedings as the commission deems necessary.

752.19 (c) A contested case is pending from the time the commission refers the matter to the
752.20 Office of Administrative Hearings until the commission has issued its final order, and the
752.21 time to petition for reconsideration has expired or the commission has issued an order finally
752.22 disposing an application for reconsideration, whichever is later.

752.23 (d) Commission staff and consultants that perform environmental review and other
752.24 activities identified in chapters 216G and 216I are not parties, participants, or decision
752.25 making personnel, as defined under Minnesota Rules, part 7845.7000.

752.26 Sec. 4. Minnesota Statutes 2022, section 216A.07, subdivision 3, is amended to read:

752.27 Subd. 3. **Intervention in commission proceeding.** (a) The commissioner may intervene
752.28 as a party in all proceedings before the commission. When intervening in gas or electric
752.29 hearings, the commissioner shall prepare and defend testimony designed to:

752.30 (1) encourage energy conservation improvements as defined in section 216B.241;

753.1 (2) ensure that the greenhouse gas reduction goals are attained on a schedule that keeps
 753.2 pace with the reduction timetable in section 216H.02, subdivision 1;

753.3 (3) ensure that the renewable energy standards, solar energy goal, and carbon-free
 753.4 standards are achieved according to the schedules under section 216B.1691, subdivisions
 753.5 2a, 2f, and 2g, respectively; and

753.6 (4) ensure compliance with state environmental policy, as stated in section 116D.02.

753.7 (b) The attorney general shall act as counsel in the proceedings.

753.8 Sec. 5. Minnesota Statutes 2023 Supplement, section 216E.06, is amended to read:

753.9 **216E.06 EMERGENCY PERMIT PERMITS.**

753.10 Subdivision 1. Utility emergency action. ~~(a)~~ Any utility whose ~~electric power~~ system
 753.11 requires the immediate construction of a large ~~electric power~~ energy infrastructure facility
 753.12 due to a major unforeseen event may apply to the commission for an emergency permit.
 753.13 The application ~~shall~~ must provide notice in writing of the major unforeseen event and the
 753.14 need for immediate construction. The permit must be issued in a timely manner, no later
 753.15 than 195 days after the commission's acceptance of the application and upon a finding by
 753.16 the commission that (1) a demonstrable emergency exists, (2) the emergency requires
 753.17 immediate construction, and (3) adherence to the procedures and time schedules specified
 753.18 ~~in section 216E.03 would jeopardize~~ under this chapter jeopardizes the utility's electric
 753.19 power system or ~~would jeopardize~~ jeopardizes the utility's ability to meet the electric needs
 753.20 of ~~its~~ the utility's customers in an orderly and timely manner.

753.21 Subd. 2. Utility emergency procedures. ~~(b)~~ A public hearing to determine if an
 753.22 emergency exists must be held within 90 days of the application. The commission, after
 753.23 notice and hearing, ~~shall~~ must adopt rules specifying the criteria for emergency certification.

753.24 Sec. 6. Minnesota Statutes 2023 Supplement, section 216E.07, is amended to read:

753.25 **216E.07 ANNUAL HEARING.**

753.26 The commission ~~shall~~ must hold an annual public hearing at a time and place prescribed
 753.27 by rule in order to afford interested persons an opportunity to be heard regarding any matters
 753.28 relating to the siting and routing of large ~~electric power~~ energy infrastructure facilities. At
 753.29 the meeting, the commission ~~shall~~ must advise the public of the permits issued by the
 753.30 commission in the past year. The commission ~~shall~~ must provide at least ten days but no
 753.31 more than 45 days' notice of the annual meeting by mailing or serving electronically, as

754.1 provided in section 216.17, a notice to those persons who have requested notice and by
754.2 publication in the EQB Monitor and the commission's weekly calendar.

754.3 Sec. 7. Minnesota Statutes 2022, section 216E.08, subdivision 2, is amended to read:

754.4 Subd. 2. **Other Public participation.** The commission ~~shall~~ must adopt broad spectrum
754.5 citizen participation as a principal of operation. The form of public participation ~~shall~~ must
754.6 not be limited to public meetings and hearings ~~and advisory task forces~~ and ~~shall~~ must be
754.7 consistent with the commission's rules and guidelines ~~as provided for in~~ under section
754.8 ~~216E.16~~ 216I.24.

754.9 Sec. 8. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 1, is amended
754.10 to read:

754.11 Subdivision 1. **Site or route permit prevails over local provisions.** To assure the
754.12 paramount and controlling effect of the provisions herein over other state agencies, regional,
754.13 county, and local governments, and special purpose government districts, the issuance of a
754.14 site permit or route permit and subsequent purchase and use of ~~such~~ the site or route locations
754.15 for large ~~electric power~~ energy infrastructure facility purposes ~~shall be~~ is the sole site or
754.16 route approval required to be obtained by the ~~utility~~ permittee. ~~Such~~ The permit ~~shall~~
754.17 ~~supersede~~ supersedes and ~~preempt~~ preempts all zoning, building, or land use rules,
754.18 regulations, or ordinances promulgated by regional, county, local and special purpose
754.19 government.

754.20 Sec. 9. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 2, is amended
754.21 to read:

754.22 Subd. 2. **Other state permits.** Notwithstanding anything herein to the contrary, ~~utilities~~
754.23 ~~shall~~ a permittee must obtain state permits that may be required to construct and operate
754.24 large ~~electric power~~ energy infrastructure facilities. A state agency in processing a ~~utility's~~
754.25 permittee's facility permit application ~~shall be~~ is bound to the decisions of the commission;
754.26 with respect to (1) the site or route designation, and ~~with respect to~~ (2) other matters for
754.27 which authority has been granted to the commission by this chapter.

754.28 Sec. 10. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 3, is amended
754.29 to read:

754.30 Subd. 3. **State agency participation.** (a) ~~A state agencies~~ agency authorized to issue
754.31 ~~permits required for construction or operation of~~ to construct or operate a large electric

755.1 ~~power facilities shall~~ energy infrastructure facility must participate during routing and siting
755.2 at public hearings and all other activities of the commission on specific site or route
755.3 designations and design considerations of the commission, and ~~shall~~ must clearly state
755.4 whether the site or route being considered for designation or permit and other design matters
755.5 under consideration for approval ~~will be in compliance~~ complies with state agency standards,
755.6 rules, or policies.

755.7 (b) An applicant for a permit under this section or under chapter 216G ~~shall~~ must notify
755.8 the commissioner of agriculture if the proposed project ~~will impact~~ impacts cultivated
755.9 agricultural land, ~~as that term is defined in section 216G.01, subdivision 4.~~ The commissioner
755.10 may participate and advise the commission as to whether to grant a permit for the project
755.11 and the best options for mitigating adverse impacts to agricultural lands if the permit is
755.12 granted. The Department of Agriculture ~~shall be~~ is the lead agency on the development of
755.13 any agricultural mitigation plan required for the project.

755.14 (c) The Minnesota State Historic Preservation Office must participate in the commission's
755.15 siting and routing activities described in this section. The commission's consideration and
755.16 resolution of Minnesota State Historic Preservation Office's comments satisfies the
755.17 requirements of section 138.665, when applicable.

755.18 Sec. 11. Minnesota Statutes 2022, section 216E.11, is amended to read:

755.19 **216E.11 IMPROVEMENT OF SITES AND ROUTES.**

755.20 ~~Utilities that have acquired~~ A permittee that acquires a site or route in accordance with
755.21 this chapter may proceed to construct or improve the site or route for the intended purposes
755.22 at any time, subject to section ~~216E.10, subdivision 2~~ 216I.16, subdivision 2, provided that
755.23 if the construction and improvement has not commenced within four years after a permit
755.24 for the site or route has been issued, ~~then~~ the utility permittee must certify to the commission
755.25 that the site or route continues to meet the conditions upon which the site or route permit
755.26 was issued.

755.27 Sec. 12. Minnesota Statutes 2022, section 216E.13, is amended to read:

755.28 **216E.13 FAILURE TO ACT.**

755.29 If the commission fails to act within the times specified ~~in section 216E.03~~ under this
755.30 chapter, the applicant or any affected person may seek an order of the district court requiring
755.31 the commission to designate or refuse to designate a site or route.

756.1 Sec. 13. Minnesota Statutes 2022, section 216E.14, is amended to read:

756.2 **216E.14 REVOCATION OR SUSPENSION.**

756.3 A site or route permit may be revoked or suspended by the commission after adequate
756.4 notice of the alleged grounds for revocation or suspension and a full and fair hearing in
756.5 which the affected ~~utility~~ permittee has an opportunity to confront any witness and respond
756.6 to any evidence against ~~it~~ the permittee and to present rebuttal or mitigating evidence upon
756.7 a finding by the commission of:

756.8 (1) any false statement knowingly made in the application or in accompanying statements
756.9 or studies required of the applicant, if a true statement would have warranted a change in
756.10 the commission's findings;

756.11 (2) failure to comply with material conditions of the site certificate or construction
756.12 permit, or failure to maintain health and safety standards; or

756.13 (3) any material violation of the provisions of this chapter, any rule promulgated pursuant
756.14 thereto, or any order of the commission.

756.15 Sec. 14. Minnesota Statutes 2022, section 216E.15, is amended to read:

756.16 **216E.15 JUDICIAL REVIEW.**

756.17 Any applicant, party or person aggrieved by the issuance of a site or route permit, minor
756.18 alteration, amendment, or emergency permit from the commission or a certification of
756.19 continuing suitability filed by a ~~utility~~ permittee with the commission or by a final order in
756.20 accordance with any rules promulgated by the commission, may appeal to the court of
756.21 appeals in accordance with chapter 14. The appeal ~~shall~~ must be filed within 30 days after
756.22 ~~the publication in the State Register of~~ date the notice of the ~~issuance of the permit by the~~
756.23 ~~commission or~~ commission's permit issuance is published in the EQB Monitor, certification
756.24 is filed with the commission, or the ~~filing of~~ any final order is filed by the commission.

756.25 Sec. 15. Minnesota Statutes 2022, section 216E.16, is amended to read:

756.26 **216E.16 RULES.**

756.27 Subdivision 1. Commission rules. The commission, in order to give effect to the purposes
756.28 of this chapter, may adopt rules consistent with this chapter, including promulgation of site
756.29 and route designation criteria, the description of the information to be furnished by the
756.30 utilities, establishment of minimum guidelines for public participation in the development,
756.31 revision, and enforcement of any rule, plan, or program established by the commission,
756.32 procedures for the revocation or suspension of a site or route permit, and the procedure and

757.1 timeliness for proposing alternative routes and sites. ~~No~~ A rule adopted by the commission
 757.2 ~~shall~~ must not grant priority to state-owned wildlife management areas over agricultural
 757.3 lands in the designation of route avoidance areas. ~~The provisions of Chapter 14 shall apply~~
 757.4 applies to the appeal of rules adopted by the commission to the same extent as it applies to
 757.5 review of rules adopted by any other agency of state government.

757.6 Subd. 2. Office of Administrative Hearings rules. The chief administrative law judge
 757.7 ~~shall~~ must adopt procedural rules for public hearings relating to the site and route permit
 757.8 process. The rules ~~shall~~ must attempt to maximize citizen participation in these processes
 757.9 consistent with the time limits for commission decision established ~~in sections 216E.03,~~
 757.10 ~~subdivision 10, and 216E.04, subdivision 7~~ under this chapter.

757.11 Sec. 16. Minnesota Statutes 2022, section 216E.18, subdivision 2a, is amended to read:

757.12 Subd. 2a. **Route Application fee; appropriation.** ~~Every~~ An applicant for a ~~transmission~~
 757.13 ~~line site or~~ route permit ~~shall~~ must pay to the ~~commissioner of commerce~~ commission a fee
 757.14 to cover the necessary and reasonable costs incurred by the commission ~~in acting~~ to act on
 757.15 the permit application and ~~carrying~~ carry out the requirements of this chapter. The
 757.16 commission may adopt rules providing for ~~the~~ fee payment ~~of the fee.~~ Section 16A.1283
 757.17 does not apply to ~~the~~ establishment of ~~this~~ the fee under this subdivision. All money received
 757.18 ~~pursuant to~~ under this subdivision ~~shall~~ must be deposited in a special account. Money in
 757.19 the account is appropriated to the ~~commissioner of commerce~~ commission to pay expenses
 757.20 incurred ~~in processing~~ to process applications for site and route permits in accordance with
 757.21 this chapter and, in the event ~~the~~ expenses are less than the fee paid, to refund the excess
 757.22 fee paid to the applicant.

757.23 Sec. 17. **[216G.025] ROUTING PERMIT; ENVIRONMENTAL REVIEW; CARBON**
 757.24 **DIOXIDE PIPELINES.**

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

757.27 (b) "Carbon dioxide pipeline" means a pipeline located in Minnesota that transports
 757.28 carbon dioxide in a liquid, gaseous, or supercritical state.

757.29 (c) "Commission" means the Public Utilities Commission.

757.30 (d) "Supercritical" means a physical state in which a substance is more dense than a gas
 757.31 but less dense than a liquid.

758.1 Subd. 2. **Routing permit required.** (a) A person is prohibited from constructing or
758.2 operating a carbon dioxide pipeline without a route permit issued by the commission under
758.3 this chapter.

758.4 (b) A person seeking to construct or operate a carbon dioxide pipeline is prohibited from
758.5 applying to the commission for a conditional exclusion or partial exemption from pipeline
758.6 route selection procedures under Minnesota Rules, chapter 7852.

758.7 Subd. 3. **Carbon dioxide pipeline; environmental review.** Notwithstanding any other
758.8 law or rule, an environmental impact statement must be prepared under Minnesota Rules,
758.9 chapter 4410, prior to issuing a route permit under this section for a carbon dioxide pipeline.
758.10 The commission is the governmental unit responsible for preparing an environmental impact
758.11 statement under this subdivision.

758.12 Sec. 18. **TRANSFER OF DUTIES; ENVIRONMENTAL ANALYSIS OF LARGE**
758.13 **ENERGY INFRASTRUCTURE FACILITIES.**

758.14 (a) The responsibility for administering the environmental analysis of large energy
758.15 infrastructure facilities, as described in this act, is transferred from the Department of
758.16 Commerce to the Public Utilities Commission on July 1, 2025.

758.17 (b) Minnesota Statutes, section 15.039, applies to the transfer of duties required under
758.18 this section. Assessments are considered appropriations under Minnesota Statutes, section
758.19 15.039, subdivision 6, for the purposes of the transfer under this section.

758.20 Sec. 19. **ADMINISTRATIVE RULEMAKING.**

758.21 (a) The Public Utilities Commission must adopt rules, using the expedited process under
758.22 Minnesota Statutes, section 14.389, that amend Minnesota Rules, chapters 7849 and 7850,
758.23 to conform with the changes made in this act.

758.24 (b) The Environmental Quality Board must adopt rules, using the expedited process
758.25 under Minnesota Statutes, section 14.389, that amend Minnesota Rules, chapter 4410, to
758.26 conform with the changes made in this act.

758.27 (c) The Public Utilities Commission must amend Minnesota Rules, chapter 7850, to
758.28 authorize applicants for site and route permits to begin submitting preconstruction compliance
758.29 filings to commission staff for review immediately following the commission's vote to grant
758.30 the applicant a site or route permit, but prior to issuing a written commission order.

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

759.1 Sec. 20. APPROPRIATION; PUBLIC UTILITIES COMMISSION.

759.2 \$5,000 in fiscal year 2025 is appropriated from the general fund to the Public Utilities
759.3 Commission for the administrative costs of rulemaking in this article. This is a onetime
759.4 appropriation and is available until June 30, 2026.

759.5 Sec. 21. APPROPRIATION; DEPARTMENT OF COMMERCE.

759.6 \$1,200,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
759.7 of commerce to facilitate timely actions in nonenvironmental review, routing and siting
759.8 proceedings, and to intervene as a party in Public Utilities Commission permitting
759.9 proceedings. The base in fiscal year 2026 and later is \$2,400,000.

759.10 Sec. 22. EFFECTIVE DATE.

759.11 Sections 3 and 5 to 16 are effective July 1, 2025.

759.12 **ARTICLE 46**
759.13 **DISABILITY SERVICES**

759.14 Section 1. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, as amended
759.15 by Laws 2024, chapter 80, article 8, section 2, is amended to read:

759.16 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
759.17 by the welfare system are private data on individuals, and shall not be disclosed except:

759.18 (1) according to section 13.05;

759.19 (2) according to court order;

759.20 (3) according to a statute specifically authorizing access to the private data;

759.21 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
759.22 the state, or the federal government, including a law enforcement person or attorney in the
759.23 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
759.24 administration of a program;

759.25 (5) to personnel of the welfare system who require the data to verify an individual's
759.26 identity; determine eligibility, amount of assistance, and the need to provide services to an
759.27 individual or family across programs; coordinate services for an individual or family;
759.28 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
759.29 suspected fraud;

759.30 (6) to administer federal funds or programs;

760.1 (7) between personnel of the welfare system working in the same program;

760.2 (8) to the Department of Revenue to ~~assess parental contribution amounts for purposes~~
760.3 ~~of section 252.27, subdivision 2a~~, administer and evaluate tax refund or tax credit programs
760.4 and to identify individuals who may benefit from these programs, and prepare the databases
760.5 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section
760.6 6. The following information may be disclosed under this paragraph: an individual's and
760.7 their dependent's names, dates of birth, Social Security or individual taxpayer identification
760.8 numbers, income, addresses, and other data as required, upon request by the Department
760.9 of Revenue. Disclosures by the commissioner of revenue to the commissioner of human
760.10 services for the purposes described in this clause are governed by section 270B.14,
760.11 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
760.12 care credit under section 290.067, the Minnesota working family credit under section
760.13 290.0671, the property tax refund under section 290A.04, and the Minnesota education
760.14 credit under section 290.0674;

760.15 (9) between the Department of Human Services; the Department of Employment and
760.16 Economic Development; the Department of Children, Youth, and Families; and, when
760.17 applicable, the Department of Education, for the following purposes:

760.18 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
760.19 employment or training program administered, supervised, or certified by that agency;

760.20 (ii) to administer any rehabilitation program or child care assistance program, whether
760.21 alone or in conjunction with the welfare system;

760.22 (iii) to monitor and evaluate the Minnesota family investment program or the child care
760.23 assistance program by exchanging data on recipients and former recipients of Supplemental
760.24 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,
760.25 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
760.26 256B or 256L; and

760.27 (iv) to analyze public assistance employment services and program utilization, cost,
760.28 effectiveness, and outcomes as implemented under the authority established in Title II,
760.29 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
760.30 Health records governed by sections 144.291 to 144.298 and "protected health information"
760.31 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
760.32 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
760.33 information, must not be exchanged under this clause;

761.1 (10) to appropriate parties in connection with an emergency if knowledge of the
761.2 information is necessary to protect the health or safety of the individual or other individuals
761.3 or persons;

761.4 (11) data maintained by residential programs as defined in section 245A.02 may be
761.5 disclosed to the protection and advocacy system established in this state according to Part
761.6 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
761.7 disabilities or other related conditions who live in residential facilities for these persons if
761.8 the protection and advocacy system receives a complaint by or on behalf of that person and
761.9 the person does not have a legal guardian or the state or a designee of the state is the legal
761.10 guardian of the person;

761.11 (12) to the county medical examiner or the county coroner for identifying or locating
761.12 relatives or friends of a deceased person;

761.13 (13) data on a child support obligor who makes payments to the public agency may be
761.14 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
761.15 eligibility under section 136A.121, subdivision 2, clause (5);

761.16 (14) participant Social Security or individual taxpayer identification numbers and names
761.17 collected by the telephone assistance program may be disclosed to the Department of
761.18 Revenue to conduct an electronic data match with the property tax refund database to
761.19 determine eligibility under section 237.70, subdivision 4a;

761.20 (15) the current address of a Minnesota family investment program participant may be
761.21 disclosed to law enforcement officers who provide the name of the participant and notify
761.22 the agency that:

761.23 (i) the participant:

761.24 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
761.25 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
761.26 jurisdiction from which the individual is fleeing; or

761.27 (B) is violating a condition of probation or parole imposed under state or federal law;

761.28 (ii) the location or apprehension of the felon is within the law enforcement officer's
761.29 official duties; and

761.30 (iii) the request is made in writing and in the proper exercise of those duties;

762.1 (16) the current address of a recipient of general assistance may be disclosed to probation
762.2 officers and corrections agents who are supervising the recipient and to law enforcement
762.3 officers who are investigating the recipient in connection with a felony level offense;

762.4 (17) information obtained from a SNAP applicant or recipient households may be
762.5 disclosed to local, state, or federal law enforcement officials, upon their written request, for
762.6 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
762.7 to Code of Federal Regulations, title 7, section 272.1(c);

762.8 (18) the address, Social Security or individual taxpayer identification number, and, if
762.9 available, photograph of any member of a household receiving SNAP benefits shall be made
762.10 available, on request, to a local, state, or federal law enforcement officer if the officer
762.11 furnishes the agency with the name of the member and notifies the agency that:

762.12 (i) the member:

762.13 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
762.14 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

762.15 (B) is violating a condition of probation or parole imposed under state or federal law;
762.16 or

762.17 (C) has information that is necessary for the officer to conduct an official duty related
762.18 to conduct described in subitem (A) or (B);

762.19 (ii) locating or apprehending the member is within the officer's official duties; and

762.20 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

762.21 (19) the current address of a recipient of Minnesota family investment program, general
762.22 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
762.23 provide the name of the recipient and notify the agency that the recipient is a person required
762.24 to register under section 243.166, but is not residing at the address at which the recipient is
762.25 registered under section 243.166;

762.26 (20) certain information regarding child support obligors who are in arrears may be
762.27 made public according to section 518A.74;

762.28 (21) data on child support payments made by a child support obligor and data on the
762.29 distribution of those payments excluding identifying information on obligees may be
762.30 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
762.31 actions undertaken by the public authority, the status of those actions, and data on the income
762.32 of the obligor or obligee may be disclosed to the other party;

763.1 (22) data in the work reporting system may be disclosed under section 256.998,
763.2 subdivision 7;

763.3 (23) to the Department of Education for the purpose of matching Department of Education
763.4 student data with public assistance data to determine students eligible for free and
763.5 reduced-price meals, meal supplements, and free milk according to United States Code,
763.6 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
763.7 funds that are distributed based on income of the student's family; and to verify receipt of
763.8 energy assistance for the telephone assistance plan;

763.9 (24) the current address and telephone number of program recipients and emergency
763.10 contacts may be released to the commissioner of health or a community health board as
763.11 defined in section 145A.02, subdivision 5, when the commissioner or community health
763.12 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
763.13 or at risk of illness, and the data are necessary to locate the person;

763.14 (25) to other state agencies, statewide systems, and political subdivisions of this state,
763.15 including the attorney general, and agencies of other states, interstate information networks,
763.16 federal agencies, and other entities as required by federal regulation or law for the
763.17 administration of the child support enforcement program;

763.18 (26) to personnel of public assistance programs as defined in section 256.741, for access
763.19 to the child support system database for the purpose of administration, including monitoring
763.20 and evaluation of those public assistance programs;

763.21 (27) to monitor and evaluate the Minnesota family investment program by exchanging
763.22 data between the Departments of Human Services; Children, Youth, and Families; and
763.23 Education, on recipients and former recipients of SNAP benefits, cash assistance under
763.24 chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical
763.25 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
763.26 256D;

763.27 (28) to evaluate child support program performance and to identify and prevent fraud
763.28 in the child support program by exchanging data between the Department of Human Services;
763.29 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,
763.30 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph
763.31 (c); Department of Health; Department of Employment and Economic Development; and
763.32 other state agencies as is reasonably necessary to perform these functions;

764.1 (29) counties and the Department of Children, Youth, and Families operating child care
764.2 assistance programs under chapter 119B may disseminate data on program participants,
764.3 applicants, and providers to the commissioner of education;

764.4 (30) child support data on the child, the parents, and relatives of the child may be
764.5 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
764.6 Security Act, as authorized by federal law;

764.7 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
764.8 necessary to coordinate services;

764.9 (32) to the chief administrative officer of a school to coordinate services for a student
764.10 and family; data that may be disclosed under this clause are limited to name, date of birth,
764.11 gender, and address;

764.12 (33) to county correctional agencies to the extent necessary to coordinate services and
764.13 diversion programs; data that may be disclosed under this clause are limited to name, client
764.14 demographics, program, case status, and county worker information; or

764.15 (34) between the Department of Human Services and the Metropolitan Council for the
764.16 following purposes:

764.17 (i) to coordinate special transportation service provided under section 473.386 with
764.18 services for people with disabilities and elderly individuals funded by or through the
764.19 Department of Human Services; and

764.20 (ii) to provide for reimbursement of special transportation service provided under section
764.21 473.386.

764.22 The data that may be shared under this clause are limited to the individual's first, last, and
764.23 middle names; date of birth; residential address; and program eligibility status with expiration
764.24 date for the purposes of informing the other party of program eligibility.

764.25 (b) Information on persons who have been treated for substance use disorder may only
764.26 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
764.27 2.1 to 2.67.

764.28 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
764.29 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
764.30 nonpublic while the investigation is active. The data are private after the investigation
764.31 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

765.1 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
765.2 not subject to the access provisions of subdivision 10, paragraph (b).

765.3 For the purposes of this subdivision, a request will be deemed to be made in writing if
765.4 made through a computer interface system.

765.5 Sec. 2. Minnesota Statutes 2022, section 245.821, subdivision 1, is amended to read:

765.6 Subdivision 1. **Notice required.** Notwithstanding any law to the contrary, no private or
765.7 public facility for the treatment, housing, or counseling of more than five persons with
765.8 mental illness, physical disability, developmental disability, ~~as defined in section 252.27,~~
765.9 ~~subdivision 1a,~~ substance use disorder, or another form of dependency, nor any correctional
765.10 facility for more than five persons, shall be established without 30 days' written notice to
765.11 the affected municipality or other political subdivision.

765.12 Sec. 3. Minnesota Statutes 2022, section 245.825, subdivision 1, is amended to read:

765.13 Subdivision 1. **Rules governing aversive and deprivation procedures.** The
765.14 commissioner of human services shall by October, 1983, promulgate rules governing the
765.15 use of aversive and deprivation procedures in all licensed facilities and licensed services
765.16 serving persons with developmental disabilities, ~~as defined in section 252.27, subdivision~~
765.17 ~~1a.~~ No provision of these rules shall encourage or require the use of aversive and deprivation
765.18 procedures. The rules shall prohibit: (1) the application of certain aversive and deprivation
765.19 procedures in facilities except as authorized and monitored by the commissioner; (2) the
765.20 use of aversive and deprivation procedures that restrict the consumers' normal access to
765.21 nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene
765.22 facilities, normal sleeping conditions, and necessary clothing; and (3) the use of faradic
765.23 shock without a court order. The rule shall further specify that consumers may not be denied
765.24 ordinary access to legal counsel and next of kin. In addition, the rule may specify other
765.25 prohibited practices and the specific conditions under which permitted practices are to be
765.26 carried out. For any persons receiving faradic shock, a plan to reduce and eliminate the use
765.27 of faradic shock shall be in effect upon implementation of the procedure.

765.28 Sec. 4. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 7, as amended
765.29 by Laws 2024, chapter 80, article 2, section 37, and Laws 2024, chapter 85, section 53, is
765.30 amended to read:

765.31 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license
765.32 for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult

766.1 foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter
766.2 for a physical location that will not be the primary residence of the license holder for the
766.3 entire period of licensure. If a family adult foster care home license is issued during this
766.4 moratorium, and the license holder changes the license holder's primary residence away
766.5 from the physical location of the foster care license, the commissioner shall revoke the
766.6 license according to section 245A.07. The commissioner shall not issue an initial license
766.7 for a community residential setting licensed under chapter 245D. When approving an
766.8 exception under this paragraph, the commissioner shall consider the resource need
766.9 determination process in paragraph (h), the availability of foster care licensed beds in the
766.10 geographic area in which the licensee seeks to operate, the results of a person's choices
766.11 during their annual assessment and service plan review, and the recommendation of the
766.12 local county board. The determination by the commissioner is final and not subject to appeal.
766.13 Exceptions to the moratorium include:

766.14 (1) a license for a person in a foster care setting that is not the primary residence of the
766.15 license holder and where at least 80 percent of the residents are 55 years of age or older;

766.16 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or
766.17 community residential setting licenses replacing adult foster care licenses in existence on
766.18 December 31, 2013, and determined to be needed by the commissioner under paragraph
766.19 (b);

766.20 (3) new foster care licenses or community residential setting licenses determined to be
766.21 needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,
766.22 or regional treatment center; restructuring of state-operated services that limits the capacity
766.23 of state-operated facilities; or allowing movement to the community for people who no
766.24 longer require the level of care provided in state-operated facilities as provided under section
766.25 256B.092, subdivision 13, or 256B.49, subdivision 24; ~~or~~

766.26 (4) new foster care licenses or community residential setting licenses determined to be
766.27 needed by the commissioner under paragraph (b) for persons requiring hospital-level care;
766.28 or

766.29 (5) new community residential setting licenses determined necessary by the commissioner
766.30 for people affected by the closure of homes with a capacity of five or six beds currently
766.31 licensed as supervised living facilities licensed under Minnesota Rules, chapter 4665, but
766.32 not designated as intermediate care facilities. This exception is available until June 30, 2025.

766.33 (b) The commissioner shall determine the need for newly licensed foster care homes or
766.34 community residential settings as defined under this subdivision. As part of the determination,

767.1 the commissioner shall consider the availability of foster care capacity in the area in which
767.2 the licensee seeks to operate, and the recommendation of the local county board. The
767.3 determination by the commissioner must be final. A determination of need is not required
767.4 for a change in ownership at the same address.

767.5 (c) When an adult resident served by the program moves out of a foster home that is not
767.6 the primary residence of the license holder according to section 256B.49, subdivision 15,
767.7 paragraph (f), or the adult community residential setting, the county shall immediately
767.8 inform the Department of Human Services Licensing Division. The department may decrease
767.9 the statewide licensed capacity for adult foster care settings.

767.10 (d) Residential settings that would otherwise be subject to the decreased license capacity
767.11 established in paragraph (c) shall be exempt if the license holder's beds are occupied by
767.12 residents whose primary diagnosis is mental illness and the license holder is certified under
767.13 the requirements in subdivision 6a or section 245D.33.

767.14 (e) A resource need determination process, managed at the state level, using the available
767.15 data required by section 144A.351, and other data and information shall be used to determine
767.16 where the reduced capacity determined under section 256B.493 will be implemented. The
767.17 commissioner shall consult with the stakeholders described in section 144A.351, and employ
767.18 a variety of methods to improve the state's capacity to meet the informed decisions of those
767.19 people who want to move out of corporate foster care or community residential settings,
767.20 long-term service needs within budgetary limits, including seeking proposals from service
767.21 providers or lead agencies to change service type, capacity, or location to improve services,
767.22 increase the independence of residents, and better meet needs identified by the long-term
767.23 services and supports reports and statewide data and information.

767.24 (f) At the time of application and reapplication for licensure, the applicant and the license
767.25 holder that are subject to the moratorium or an exclusion established in paragraph (a) are
767.26 required to inform the commissioner whether the physical location where the foster care
767.27 will be provided is or will be the primary residence of the license holder for the entire period
767.28 of licensure. If the primary residence of the applicant or license holder changes, the applicant
767.29 or license holder must notify the commissioner immediately. The commissioner shall print
767.30 on the foster care license certificate whether or not the physical location is the primary
767.31 residence of the license holder.

767.32 (g) License holders of foster care homes identified under paragraph (f) that are not the
767.33 primary residence of the license holder and that also provide services in the foster care home
767.34 that are covered by a federally approved home and community-based services waiver, as

768.1 authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human
768.2 services licensing division that the license holder provides or intends to provide these
768.3 waiver-funded services.

768.4 (h) The commissioner may adjust capacity to address needs identified in section
768.5 144A.351. Under this authority, the commissioner may approve new licensed settings or
768.6 delicense existing settings. Delicensing of settings will be accomplished through a process
768.7 identified in section 256B.493.

768.8 (i) The commissioner must notify a license holder when its corporate foster care or
768.9 community residential setting licensed beds are reduced under this section. The notice of
768.10 reduction of licensed beds must be in writing and delivered to the license holder by certified
768.11 mail or personal service. The notice must state why the licensed beds are reduced and must
768.12 inform the license holder of its right to request reconsideration by the commissioner. The
768.13 license holder's request for reconsideration must be in writing. If mailed, the request for
768.14 reconsideration must be postmarked and sent to the commissioner within 20 calendar days
768.15 after the license holder's receipt of the notice of reduction of licensed beds. If a request for
768.16 reconsideration is made by personal service, it must be received by the commissioner within
768.17 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

768.18 (j) The commissioner shall not issue an initial license for children's residential treatment
768.19 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter
768.20 for a program that Centers for Medicare and Medicaid Services would consider an institution
768.21 for mental diseases. Facilities that serve only private pay clients are exempt from the
768.22 moratorium described in this paragraph. The commissioner has the authority to manage
768.23 existing statewide capacity for children's residential treatment services subject to the
768.24 moratorium under this paragraph and may issue an initial license for such facilities if the
768.25 initial license would not increase the statewide capacity for children's residential treatment
768.26 services subject to the moratorium under this paragraph.

768.27 **EFFECTIVE DATE.** This section is effective August 1, 2024.

768.28 Sec. 5. Minnesota Statutes 2022, section 245A.11, subdivision 2a, is amended to read:

768.29 Subd. 2a. **Adult foster care and community residential setting license capacity.** (a)
768.30 The commissioner shall issue adult foster care and community residential setting licenses
768.31 with a maximum licensed capacity of four beds, including nonstaff roomers and boarders,
768.32 except that the commissioner may issue a license with a capacity of five beds, including
768.33 roomers and boarders, according to paragraphs (b) to ~~(g)~~ (h).

769.1 (b) The license holder may have a maximum license capacity of five if all persons in
769.2 care are age 55 or over and do not have a serious and persistent mental illness or a
769.3 developmental disability.

769.4 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a
769.5 licensed capacity of up to five persons to admit an individual under the age of 55 if the
769.6 variance complies with section 245A.04, subdivision 9, and approval of the variance is
769.7 recommended by the county in which the licensed facility is located.

769.8 (d) The commissioner may grant variances to paragraph (a) to allow the use of an
769.9 additional bed, up to six, for emergency crisis services for a person with serious and persistent
769.10 mental illness or a developmental disability, regardless of age, if the variance complies with
769.11 section 245A.04, subdivision 9, and approval of the variance is recommended by the county
769.12 in which the licensed facility is located.

769.13 (e) The commissioner may grant a variance to paragraph (b) to allow for the use of an
769.14 additional bed, up to six, for respite services, as defined in section 245A.02, for persons
769.15 with disabilities, regardless of age, if the variance complies with sections 245A.03,
769.16 subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended
769.17 by the county in which the licensed facility is located. Respite care may be provided under
769.18 the following conditions:

769.19 (1) staffing ratios cannot be reduced below the approved level for the individuals being
769.20 served in the home on a permanent basis;

769.21 (2) no more than two different individuals can be accepted for respite services in any
769.22 calendar month and the total respite days may not exceed 120 days per program in any
769.23 calendar year;

769.24 (3) the person receiving respite services must have his or her own bedroom, which could
769.25 be used for alternative purposes when not used as a respite bedroom, and cannot be the
769.26 room of another person who lives in the facility; and

769.27 (4) individuals living in the facility must be notified when the variance is approved. The
769.28 provider must give 60 days' notice in writing to the residents and their legal representatives
769.29 prior to accepting the first respite placement. Notice must be given to residents at least two
769.30 days prior to service initiation, or as soon as the license holder is able if they receive notice
769.31 of the need for respite less than two days prior to initiation, each time a respite client will
769.32 be served, unless the requirement for this notice is waived by the resident or legal guardian.

770.1 (f) The commissioner may issue an adult foster care or community residential setting
770.2 license with a capacity of five adults if the fifth bed does not increase the overall statewide
770.3 capacity of licensed adult foster care or community residential setting beds in homes that
770.4 are not the primary residence of the license holder, as identified in a plan submitted to the
770.5 commissioner by the county, when the capacity is recommended by the county licensing
770.6 agency of the county in which the facility is located and if the recommendation verifies
770.7 that:

770.8 (1) the facility meets the physical environment requirements in the adult foster care
770.9 licensing rule;

770.10 (2) the five-bed living arrangement is specified for each resident in the resident's:

770.11 (i) individualized plan of care;

770.12 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

770.13 (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105,
770.14 subpart 19, if required;

770.15 (3) the license holder obtains written and signed informed consent from each resident
770.16 or resident's legal representative documenting the resident's informed choice to remain
770.17 living in the home and that the resident's refusal to consent would not have resulted in
770.18 service termination; and

770.19 (4) the facility was licensed for adult foster care before March 1, 2016.

770.20 (g) The commissioner shall not issue a new adult foster care license under paragraph (f)
770.21 after December 31, 2020. The commissioner shall allow a facility with an adult foster care
770.22 license issued under paragraph (f) before December 31, 2020, to continue with a capacity
770.23 of five adults if the license holder continues to comply with the requirements in paragraph
770.24 (f).

770.25 (h) The commissioner may issue an adult foster care or community residential setting
770.26 license with a capacity of five or six adults to facilities meeting the criteria in section
770.27 245A.03, subdivision 7, paragraph (a), clause (5), and grant variances to paragraph (b) to
770.28 allow the facility to admit an individual under the age of 55 if the variance complies with
770.29 section 245A.04, subdivision 9, and approval of the variance is recommended by the county
770.30 in which the licensed facility is located.

770.31 ~~(h)~~(i) Notwithstanding Minnesota Rules, part 9520.0500, adult foster care and community
770.32 residential setting licenses with a capacity of up to six adults as allowed under this subdivision

771.1 are not required to be licensed as an adult mental health residential program according to
771.2 Minnesota Rules, parts 9520.0500 to 9520.0670.

771.3 **EFFECTIVE DATE.** This section is effective August 1, 2024.

771.4 Sec. 6. Minnesota Statutes 2022, section 246.511, as amended by Laws 2024, chapter 79,
771.5 article 2, section 39, is amended to read:

771.6 **246.511 RELATIVE RESPONSIBILITY.**

771.7 Except for substance use disorder services paid for with money provided under chapter
771.8 254B, the executive board must not require under section 246.51 a client's relatives to pay
771.9 more than the following: (1) for services provided in a community-based service, the
771.10 noncovered cost of care as determined under the ability to pay determination; and (2) for
771.11 services provided at a regional treatment center operated by state-operated services, 20
771.12 percent of the cost of care, unless the relatives reside outside the state. ~~The executive board
771.13 must determine the responsibility of parents of children in state facilities to pay according
771.14 to section 252.27, subdivision 2, or in rules adopted under chapter 254B if the cost of care
771.15 is paid under chapter 254B.~~ The executive board may accept voluntary payments in excess
771.16 of 20 percent. The executive board may require full payment of the full per capita cost of
771.17 care in state facilities for clients whose parent, parents, spouse, guardian, or conservator do
771.18 not reside in Minnesota.

771.19 Sec. 7. Minnesota Statutes 2022, section 252.27, subdivision 2b, is amended to read:

771.20 Subd. 2b. ~~Child's responsibility~~ **Parental or guardian reimbursement to counties.** (a)
771.21 Parental or guardian responsibility of for the child for the child's cost of care incurred by
771.22 counties shall be up to the maximum amount of the total income and resources attributed
771.23 to the child except for the clothing and personal needs allowance as provided in section
771.24 256B.35, subdivision 1. Reimbursement by the parents ~~and child~~ or guardians shall be made
771.25 to the county making any payments for services.

771.26 (b) Notwithstanding paragraph (a), the county board may require payment of the full
771.27 cost of caring for children whose parents or guardians do not reside in this state.

771.28 (c) To the extent that a child described in subdivision 1 is eligible for benefits under
771.29 chapter 62A, 62C, 62D, 62E, or 64B, the county is not liable for the cost of services.

772.1 Sec. 8. Minnesota Statutes 2022, section 252.282, subdivision 1, is amended to read:

772.2 Subdivision 1. **Host county responsibility.** ~~(a) For purposes of this section, "local system~~
772.3 ~~needs planning" means the determination of need for ICF/DD services by program type,~~
772.4 ~~location, demographics, and size of licensed services for persons with developmental~~
772.5 ~~disabilities or related conditions.~~

772.6 ~~(b)~~ (a) This section does not apply to semi-independent living services and
772.7 residential-based habilitation services funded as home and community-based services.

772.8 ~~(e)~~ (b) In collaboration with the commissioner and ICF/DD providers, counties shall
772.9 complete a local system needs planning process for each ICF/DD facility. Counties shall
772.10 evaluate the preferences and needs of persons with developmental disabilities to determine
772.11 resource demands through a systematic assessment and planning process by May 15, 2000,
772.12 and by July 1 every two years thereafter beginning in 2001.

772.13 ~~(d)~~ (c) A local system needs planning process shall be undertaken more frequently when
772.14 the needs or preferences of consumers change significantly to require reformation of the
772.15 resources available to persons with developmental disabilities.

772.16 ~~(e)~~ (d) A local system needs plan shall be amended anytime recommendations for
772.17 modifications to existing ICF/DD services are made to the host county, including
772.18 recommendations for:

772.19 (1) closure;

772.20 (2) relocation of services;

772.21 (3) downsizing; or

772.22 (4) modification of existing services for which a change in the framework of service
772.23 delivery is advocated.

772.24 Sec. 9. Minnesota Statutes 2022, section 252.282, is amended by adding a subdivision to
772.25 read:

772.26 Subd. 1a. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
772.27 the meanings given.

772.28 (b) "Local system needs planning" means the determination of need for ICF/DD services
772.29 by program type, location, demographics, and size of licensed services for persons with
772.30 developmental disabilities or related conditions.

772.31 (c) "Related condition" has the meaning given in section 256B.02, subdivision 11.

773.1 Sec. 10. Minnesota Statutes 2023 Supplement, section 256.4764, subdivision 3, is amended
773.2 to read:

773.3 Subd. 3. **Allowable uses of grant money.** (a) Grantees must use grant money to provide
773.4 payments to eligible workers for the following purposes:

773.5 (1) retention, recruitment, and incentive payments;

773.6 (2) postsecondary loan and tuition payments;

773.7 (3) child care costs;

773.8 (4) transportation-related costs;

773.9 (5) personal care assistant background study costs; and

773.10 (6) other costs associated with retaining and recruiting workers, as approved by the
773.11 commissioner.

773.12 (b) Eligible workers may receive cumulative payments up to \$1,000 per calendar year
773.13 from the workforce incentive grant account and all other state money intended for the same
773.14 purpose. Workers are not eligible for payments under this section if they received payments
773.15 under section 256.4766.

773.16 (c) The commissioner must develop a grant cycle distribution plan that allows for
773.17 equitable distribution of money among eligible employers. The commissioner's determination
773.18 of the grant awards and amounts is final and is not subject to appeal.

773.19 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

773.20 Sec. 11. Minnesota Statutes 2022, section 256B.02, subdivision 11, is amended to read:

773.21 Subd. 11. **Related condition.** "Related condition" means ~~that condition defined in section~~
773.22 ~~252.27, subdivision 1a~~ a condition:

773.23 (1) that is found to be closely related to a developmental disability, including but not
773.24 limited to cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi
773.25 syndrome; and

773.26 (2) that meets all of the following criteria:

773.27 (i) is severe and chronic;

773.28 (ii) results in impairment of general intellectual functioning or adaptive behavior similar
773.29 to that of persons with developmental disabilities;

- 774.1 (iii) requires treatment or services similar to those required for persons with
774.2 developmental disabilities;
- 774.3 (iv) is manifested before the person reaches 22 years of age;
- 774.4 (v) is likely to continue indefinitely;
- 774.5 (vi) results in substantial functional limitations in three or more of the following areas
774.6 of major life activity:
- 774.7 (A) self-care;
- 774.8 (B) understanding and use of language;
- 774.9 (C) learning;
- 774.10 (D) mobility;
- 774.11 (E) self-direction; or
- 774.12 (F) capacity for independent living; and
- 774.13 (vii) is not attributable to mental illness as defined in section 245.462, subdivision 20,
774.14 or an emotional disturbance as defined in section 245.4871, subdivision 15. For purposes
774.15 of this item, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15,
774.16 "mental illness" does not include autism or other pervasive developmental disorders.
- 774.17 Sec. 12. Minnesota Statutes 2022, section 256B.076, is amended by adding a subdivision
774.18 to read:
- 774.19 Subd. 4. **Case management provided under contract.** If a county agency provides
774.20 case management under contracts with other individuals or agencies and the county agency
774.21 utilizes a competitive proposal process for the procurement of contracted case management
774.22 services, the competitive proposal process must include evaluation criteria to ensure that
774.23 the county maintains a culturally responsive program for case management services adequate
774.24 to meet the needs of the population of the county. For the purposes of this section, "culturally
774.25 responsive program" means a case management services program that:
- 774.26 (1) ensures effective, equitable, comprehensive, and respectful quality care services that
774.27 are responsive to individuals within a specific population's values, beliefs, practices, health
774.28 literacy, preferred language, and other communication needs; and
- 774.29 (2) is designed to address the unique needs of individuals who share a common language
774.30 or racial, ethnic, or social background.

775.1 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to
775.2 procurement processes that commence on or after that date.

775.3 Sec. 13. Minnesota Statutes 2022, section 256B.0911, subdivision 12, is amended to read:

775.4 Subd. 12. **Exception to use of MnCHOICES assessment; contracted assessors.** ~~(a)~~
775.5 A lead agency that has not implemented MnCHOICES assessments and uses contracted
775.6 assessors as of January 1, 2022, is not subject to the requirements of subdivisions 11, clauses
775.7 (7) to (9); 13; 14, paragraphs (a) to (c); 16 to 21; 23; 24; and 29 to 31.

775.8 ~~(b) This subdivision expires upon statewide implementation of MnCHOICES assessments.~~
775.9 ~~The commissioner shall notify the revisor of statutes when statewide implementation has~~
775.10 ~~occurred.~~

775.11 Sec. 14. Minnesota Statutes 2023 Supplement, section 256B.0911, subdivision 13, is
775.12 amended to read:

775.13 Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The
775.14 commissioner shall develop and implement a curriculum and an assessor certification
775.15 process.

775.16 (b) MnCHOICES certified assessors must:

775.17 (1) either have a bachelor's degree in social work, nursing with a public health nursing
775.18 certificate, or other closely related field or be a registered nurse ~~with at least two years of~~
775.19 ~~home and community-based experience;~~ and

775.20 (2) have received training and certification specific to assessment and consultation for
775.21 long-term care services in the state.

775.22 (c) Certified assessors shall demonstrate best practices in assessment and support
775.23 planning, including person-centered planning principles, and have a common set of skills
775.24 that ensures consistency and equitable access to services statewide.

775.25 (d) Certified assessors must be recertified every three years.

775.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

775.27 Sec. 15. Minnesota Statutes 2022, section 256B.0911, subdivision 17, is amended to read:

775.28 Subd. 17. **MnCHOICES assessments.** (a) A person requesting long-term care
775.29 consultation services must be visited by a long-term care consultation team within 20
775.30 ~~calendar~~ working days after the date on which an assessment was requested or recommended.

776.1 Assessments must be conducted according to this subdivision and subdivisions 19 to 21,
776.2 23, 24, and 29 to 31.

776.3 (b) Lead agencies shall use certified assessors to conduct the assessment.

776.4 (c) For a person with complex health care needs, a public health or registered nurse from
776.5 the team must be consulted.

776.6 (d) The lead agency must use the MnCHOICES assessment provided by the commissioner
776.7 to complete a comprehensive, conversation-based, person-centered assessment. The
776.8 assessment must include the health, psychological, functional, environmental, and social
776.9 needs of the individual necessary to develop a person-centered assessment summary that
776.10 meets the individual's needs and preferences.

776.11 (e) Except as provided in subdivision 24, an assessment must be conducted by a certified
776.12 assessor in an in-person conversational interview with the person being assessed.

776.13 Sec. 16. Minnesota Statutes 2022, section 256B.0911, subdivision 20, is amended to read:

776.14 Subd. 20. **MnCHOICES assessments; duration of validity.** (a) An assessment that is
776.15 completed as part of an eligibility determination for multiple programs for the alternative
776.16 care, elderly waiver, developmental disabilities, community access for disability inclusion,
776.17 community alternative care, and brain injury waiver programs under chapter 256S and
776.18 sections 256B.0913, 256B.092, and 256B.49 is valid to establish service eligibility for no
776.19 more than ~~60 calendar~~ 365 days after the date of the assessment.

776.20 (b) The effective eligibility start date for programs in paragraph (a) can never be prior
776.21 to the date of assessment. ~~If an assessment was completed more than 60 days before the~~
776.22 ~~effective waiver or alternative care program eligibility start date, assessment and support~~
776.23 ~~plan information must be updated and documented in the department's Medicaid Management~~
776.24 ~~Information System (MMIS).~~ Notwithstanding retroactive medical assistance coverage of
776.25 state plan services, the effective date of eligibility for programs included in paragraph (a)
776.26 cannot be prior to the completion date of the most recent updated assessment.

776.27 ~~(c) If an eligibility update is completed within 90 days of the previous assessment and~~
776.28 ~~documented in the department's Medicaid Management Information System (MMIS), the~~
776.29 ~~effective date of eligibility for programs included in paragraph (a) is the date of the previous~~
776.30 ~~in-person assessment when all other eligibility requirements are met.~~

776.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

777.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 256B.092, subdivision 1a, is
777.2 amended to read:

777.3 Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based
777.4 waiver shall be provided case management services by qualified vendors as described in
777.5 the federally approved waiver application.

777.6 (b) Case management service activities provided to or arranged for a person include:

777.7 (1) development of the person-centered support plan under subdivision 1b;

777.8 (2) informing the individual or the individual's legal guardian or conservator, or parent
777.9 if the person is a minor, of service options, including all service options available under the
777.10 waiver plan;

777.11 (3) consulting with relevant medical experts or service providers;

777.12 (4) assisting the person in the identification of potential providers of chosen services,
777.13 including:

777.14 (i) providers of services provided in a non-disability-specific setting;

777.15 (ii) employment service providers;

777.16 (iii) providers of services provided in settings that are not controlled by a provider; and

777.17 (iv) providers of financial management services;

777.18 (5) assisting the person to access services and assisting in appeals under section 256.045;

777.19 (6) coordination of services, if coordination is not provided by another service provider;

777.20 (7) evaluation and monitoring of the services identified in the support plan, which must
777.21 incorporate at least one annual face-to-face visit by the case manager with each person; and

777.22 (8) reviewing support plans and providing the lead agency with recommendations for
777.23 service authorization based upon the individual's needs identified in the support plan.

777.24 (c) Case management service activities that are provided to the person with a
777.25 developmental disability shall be provided directly by county agencies or under contract.
777.26 If a county agency contracts for case management services, the county agency must provide
777.27 each recipient of home and community-based services who is receiving contracted case
777.28 management services with the contact information the recipient may use to file a grievance
777.29 with the county agency about the quality of the contracted services the recipient is receiving
777.30 from a county-contracted case manager. If a county agency provides case management
777.31 under contracts with other individuals or agencies and the county agency utilizes a

778.1 competitive proposal process for the procurement of contracted case management services,
778.2 the competitive proposal process must include evaluation criteria to ensure that the county
778.3 maintains a culturally responsive program for case management services adequate to meet
778.4 the needs of the population of the county. For the purposes of this section, "culturally
778.5 responsive program" means a case management services program that: (1) ensures effective,
778.6 equitable, comprehensive, and respectful quality care services that are responsive to
778.7 individuals within a specific population's values, beliefs, practices, health literacy, preferred
778.8 language, and other communication needs; and (2) is designed to address the unique needs
778.9 of individuals who share a common language or racial, ethnic, or social background.

778.10 (d) Case management services must be provided by a public or private agency that is
778.11 enrolled as a medical assistance provider determined by the commissioner to meet all of
778.12 the requirements in the approved federal waiver plans. Case management services must not
778.13 be provided to a recipient by a private agency that has a financial interest in the provision
778.14 of any other services included in the recipient's support plan. For purposes of this section,
778.15 "private agency" means any agency that is not identified as a lead agency under section
778.16 256B.0911, subdivision 10.

778.17 ~~(d)~~ (e) Case managers are responsible for service provisions listed in paragraphs (a) and
778.18 (b). Case managers shall collaborate with consumers, families, legal representatives, and
778.19 relevant medical experts and service providers in the development and annual review of the
778.20 person-centered support plan and habilitation plan.

778.21 ~~(e)~~ (f) For persons who need a positive support transition plan as required in chapter
778.22 245D, the case manager shall participate in the development and ongoing evaluation of the
778.23 plan with the expanded support team. At least quarterly, the case manager, in consultation
778.24 with the expanded support team, shall evaluate the effectiveness of the plan based on progress
778.25 evaluation data submitted by the licensed provider to the case manager. The evaluation must
778.26 identify whether the plan has been developed and implemented in a manner to achieve the
778.27 following within the required timelines:

778.28 (1) phasing out the use of prohibited procedures;

778.29 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's
778.30 timeline; and

778.31 (3) accomplishment of identified outcomes.

778.32 If adequate progress is not being made, the case manager shall consult with the person's
778.33 expanded support team to identify needed modifications and whether additional professional
778.34 support is required to provide consultation.

779.1 ~~(f)~~ (g) The Department of Human Services shall offer ongoing education in case
779.2 management to case managers. Case managers shall receive no less than 20 hours of case
779.3 management education and disability-related training each year. The education and training
779.4 must include person-centered planning, informed choice, cultural competency, employment
779.5 planning, community living planning, self-direction options, and use of technology supports.
779.6 By August 1, 2024, all case managers must complete an employment support training course
779.7 identified by the commissioner of human services. For case managers hired after August
779.8 1, 2024, this training must be completed within the first six months of providing case
779.9 management services. For the purposes of this section, "person-centered planning" or
779.10 "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case
779.11 managers must document completion of training in a system identified by the commissioner.

779.12 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to
779.13 procurement processes that commence on or after that date.

779.14 Sec. 18. Minnesota Statutes 2022, section 256B.0924, subdivision 3, is amended to read:

779.15 Subd. 3. **Eligibility.** Persons are eligible to receive targeted case management services
779.16 under this section if the requirements in paragraphs (a) and (b) are met.

779.17 (a) The person must be assessed and determined by the local county agency to:

779.18 (1) be age 18 or older;

779.19 (2) be receiving medical assistance;

779.20 (3) have significant functional limitations; and

779.21 (4) be in need of service coordination to attain or maintain living in an integrated
779.22 community setting.

779.23 (b) The person must be a vulnerable adult in need of adult protection as defined in section
779.24 626.5572, or is an adult with a developmental disability as defined in section 252A.02,
779.25 subdivision 2, or a related condition as defined in section ~~252.27, subdivision 1a~~ 256B.02,
779.26 subdivision 11, and is not receiving home and community-based waiver services, or is an
779.27 adult who lacks a permanent residence and who has been without a permanent residence
779.28 for at least one year or on at least four occasions in the last three years.

780.1 Sec. 19. Minnesota Statutes 2023 Supplement, section 256B.0949, subdivision 15, is
780.2 amended to read:

780.3 Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be employed by an agency
780.4 and be:

780.5 (1) a licensed mental health professional who has at least 2,000 hours of supervised
780.6 clinical experience or training in examining or treating people with ASD or a related condition
780.7 or equivalent documented coursework at the graduate level by an accredited university in
780.8 ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child
780.9 development; or

780.10 (2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised
780.11 clinical experience or training in examining or treating people with ASD or a related condition
780.12 or equivalent documented coursework at the graduate level by an accredited university in
780.13 the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and
780.14 typical child development.

780.15 (b) A level I treatment provider must be employed by an agency and:

780.16 (1) have at least 2,000 hours of supervised clinical experience or training in examining
780.17 or treating people with ASD or a related condition or equivalent documented coursework
780.18 at the graduate level by an accredited university in ASD diagnostics, ASD developmental
780.19 and behavioral treatment strategies, and typical child development or an equivalent
780.20 combination of documented coursework or hours of experience; and

780.21 (2) have or be at least one of the following:

780.22 (i) a master's degree in behavioral health or child development or related fields including,
780.23 but not limited to, mental health, special education, social work, psychology, speech
780.24 pathology, or occupational therapy from an accredited college or university;

780.25 (ii) a bachelor's degree in a behavioral health, child development, or related field
780.26 including, but not limited to, mental health, special education, social work, psychology,
780.27 speech pathology, or occupational therapy, from an accredited college or university, and
780.28 advanced certification in a treatment modality recognized by the department;

780.29 (iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification
780.30 Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis
780.31 Credentialing Board; or

781.1 (iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical
781.2 experience that meets all registration, supervision, and continuing education requirements
781.3 of the certification.

781.4 (c) A level II treatment provider must be employed by an agency and must be:

781.5 (1) a person who has a bachelor's degree from an accredited college or university in a
781.6 behavioral or child development science or related field including, but not limited to, mental
781.7 health, special education, social work, psychology, speech pathology, or occupational
781.8 therapy; and meets at least one of the following:

781.9 (i) has at least 1,000 hours of supervised clinical experience or training in examining or
781.10 treating people with ASD or a related condition or equivalent documented coursework at
781.11 the graduate level by an accredited university in ASD diagnostics, ASD developmental and
781.12 behavioral treatment strategies, and typical child development or a combination of
781.13 coursework or hours of experience;

781.14 (ii) has certification as a board-certified assistant behavior analyst from the Behavior
781.15 Analyst Certification Board or a qualified autism service practitioner from the Qualified
781.16 Applied Behavior Analysis Credentialing Board;

781.17 (iii) is a registered behavior technician as defined by the Behavior Analyst Certification
781.18 Board or an applied behavior analysis technician as defined by the Qualified Applied
781.19 Behavior Analysis Credentialing Board; or

781.20 (iv) is certified in one of the other treatment modalities recognized by the department;
781.21 or

781.22 (2) a person who has:

781.23 (i) an associate's degree in a behavioral or child development science or related field
781.24 including, but not limited to, mental health, special education, social work, psychology,
781.25 speech pathology, or occupational therapy from an accredited college or university; and

781.26 (ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people
781.27 with ASD or a related condition. Hours worked as a mental health behavioral aide or level
781.28 III treatment provider may be included in the required hours of experience; or

781.29 (3) a person who has at least 4,000 hours of supervised clinical experience in delivering
781.30 treatment to people with ASD or a related condition. Hours worked as a mental health
781.31 behavioral aide or level III treatment provider may be included in the required hours of
781.32 experience; or

782.1 (4) a person who is a graduate student in a behavioral science, child development science,
782.2 or related field and is receiving clinical supervision by a QSP affiliated with an agency to
782.3 meet the clinical training requirements for experience and training with people with ASD
782.4 or a related condition; or

782.5 (5) a person who is at least 18 years of age and who:

782.6 (i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

782.7 (ii) completed the level III EIDBI training requirements; and

782.8 (iii) receives observation and direction from a QSP or level I treatment provider at least
782.9 once a week until the person meets 1,000 hours of supervised clinical experience.

782.10 (d) A level III treatment provider must be employed by an agency, have completed the
782.11 level III training requirement, be at least 18 years of age, and have at least one of the
782.12 following:

782.13 (1) a high school diploma or commissioner of education-selected high school equivalency
782.14 certification;

782.15 (2) fluency in a non-English language or Tribal Nation certification;

782.16 (3) one year of experience as a primary personal care assistant, community health worker,
782.17 waiver service provider, or special education assistant to a person with ASD or a related
782.18 condition within the previous five years; or

782.19 (4) completion of all required EIDBI training within six months of employment.

782.20 Sec. 20. Minnesota Statutes 2023 Supplement, section 256B.49, subdivision 13, is amended
782.21 to read:

782.22 Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver
782.23 shall be provided case management services by qualified vendors as described in the federally
782.24 approved waiver application. The case management service activities provided must include:

782.25 (1) finalizing the person-centered written support plan within the timelines established
782.26 by the commissioner and section 256B.0911, subdivision 29;

782.27 (2) informing the recipient or the recipient's legal guardian or conservator of service
782.28 options, including all service options available under the waiver plans;

782.29 (3) assisting the recipient in the identification of potential service providers of chosen
782.30 services, including:

782.31 (i) available options for case management service and providers;

- 783.1 (ii) providers of services provided in a non-disability-specific setting;
- 783.2 (iii) employment service providers;
- 783.3 (iv) providers of services provided in settings that are not community residential settings;
- 783.4 and
- 783.5 (v) providers of financial management services;
- 783.6 (4) assisting the recipient to access services and assisting with appeals under section
- 783.7 256.045; and
- 783.8 (5) coordinating, evaluating, and monitoring of the services identified in the service
- 783.9 plan.
- 783.10 (b) The case manager may delegate certain aspects of the case management service
- 783.11 activities to another individual provided there is oversight by the case manager. The case
- 783.12 manager may not delegate those aspects which require professional judgment including:
- 783.13 (1) finalizing the person-centered support plan;
- 783.14 (2) ongoing assessment and monitoring of the person's needs and adequacy of the
- 783.15 approved person-centered support plan; and
- 783.16 (3) adjustments to the person-centered support plan.
- 783.17 (c) Case management services must be provided by a public or private agency that is
- 783.18 enrolled as a medical assistance provider determined by the commissioner to meet all of
- 783.19 the requirements in the approved federal waiver plans. If a county agency provides case
- 783.20 management under contracts with other individuals or agencies and the county agency
- 783.21 utilizes a competitive proposal process for the procurement of contracted case management
- 783.22 services, the competitive proposal process must include evaluation criteria to ensure that
- 783.23 the county maintains a culturally responsive program for case management services adequate
- 783.24 to meet the needs of the population of the county. For the purposes of this section, "culturally
- 783.25 responsive program" means a case management services program that: (1) ensures effective,
- 783.26 equitable, comprehensive, and respectful quality care services that are responsive to
- 783.27 individuals within a specific population's values, beliefs, practices, health literacy, preferred
- 783.28 language, and other communication needs; and (2) is designed to address the unique needs
- 783.29 of individuals who share a common language or racial, ethnic, or social background.
- 783.30 (d) Case management services must not be provided to a recipient by a private agency
- 783.31 that has any financial interest in the provision of any other services included in the recipient's

784.1 support plan. For purposes of this section, "private agency" means any agency that is not
784.2 identified as a lead agency under section 256B.0911, subdivision 10.

784.3 ~~(d)~~ (e) For persons who need a positive support transition plan as required in chapter
784.4 245D, the case manager shall participate in the development and ongoing evaluation of the
784.5 plan with the expanded support team. At least quarterly, the case manager, in consultation
784.6 with the expanded support team, shall evaluate the effectiveness of the plan based on progress
784.7 evaluation data submitted by the licensed provider to the case manager. The evaluation must
784.8 identify whether the plan has been developed and implemented in a manner to achieve the
784.9 following within the required timelines:

784.10 (1) phasing out the use of prohibited procedures;

784.11 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's
784.12 timeline; and

784.13 (3) accomplishment of identified outcomes.

784.14 If adequate progress is not being made, the case manager shall consult with the person's
784.15 expanded support team to identify needed modifications and whether additional professional
784.16 support is required to provide consultation.

784.17 ~~(e)~~ (f) The Department of Human Services shall offer ongoing education in case
784.18 management to case managers. Case managers shall receive no less than 20 hours of case
784.19 management education and disability-related training each year. The education and training
784.20 must include person-centered planning, informed choice, cultural competency, employment
784.21 planning, community living planning, self-direction options, and use of technology supports.
784.22 By August 1, 2024, all case managers must complete an employment support training course
784.23 identified by the commissioner of human services. For case managers hired after August
784.24 1, 2024, this training must be completed within the first six months of providing case
784.25 management services. For the purposes of this section, "person-centered planning" or
784.26 "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case
784.27 managers shall document completion of training in a system identified by the commissioner.

784.28 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to
784.29 procurement processes that commence on or after that date.

784.30 Sec. 21. Minnesota Statutes 2022, section 256B.49, subdivision 16, is amended to read:

784.31 Subd. 16. **Services and supports.** (a) Services and supports included in the home and
784.32 community-based waivers for persons with disabilities must meet the requirements set out
784.33 in United States Code, title 42, section 1396n. The services and supports, which are offered

785.1 as alternatives to institutional care, must promote consumer choice, community inclusion,
785.2 self-sufficiency, and self-determination.

785.3 (b) The commissioner must simplify and improve access to home and community-based
785.4 ~~waivered~~ waiver services, to the extent possible, through the establishment of a common
785.5 service menu that is available to eligible recipients regardless of age, disability type, or
785.6 waiver program.

785.7 (c) Consumer-directed community supports must be offered as an option to all persons
785.8 eligible for services under subdivision 11.

785.9 (d) Services and supports must be arranged and provided consistent with individualized
785.10 written plans of care for eligible waiver recipients.

785.11 ~~(e) A transitional supports allowance must be available to all persons under a home and
785.12 community-based waiver who are moving from a licensed setting to a community setting.
785.13 "Transitional supports allowance" means a onetime payment of up to \$3,000, to cover the
785.14 costs, not covered by other sources, associated with moving from a licensed setting to a
785.15 community setting. Covered costs include:~~

785.16 ~~(1) lease or rent deposits;~~

785.17 ~~(2) security deposits;~~

785.18 ~~(3) utilities setup costs, including telephone;~~

785.19 ~~(4) essential furnishings and supplies; and~~

785.20 ~~(5) personal supports and transports needed to locate and transition to community settings.~~

785.21 ~~(f)~~ (e) The state of Minnesota and county agencies that administer home and
785.22 community-based ~~waivered~~ waiver services for persons with disabilities must not be liable
785.23 for damages, injuries, or liabilities sustained through the purchase of supports by the
785.24 individual, the individual's family, legal representative, or the authorized representative
785.25 with funds received through consumer-directed community supports under this section.
785.26 Liabilities include but are not limited to workers' compensation liability, the Federal Insurance
785.27 Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA).

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

786.1 Sec. 22. Minnesota Statutes 2022, section 256B.4911, is amended by adding a subdivision
786.2 to read:

786.3 Subd. 7. **Budget procedures.** When a lead agency authorizes or reauthorizes
786.4 consumer-directed community supports services for a home and community-based services
786.5 waiver participant, the lead agency must provide to the waiver participant and the waiver
786.6 participant's legal representative the following information in an accessible format and in
786.7 a manner that meets the participant's needs:

786.8 (1) an explanation of how the participant's consumer-directed community supports
786.9 services budget was calculated, including a detailed explanation of the variables used in the
786.10 budget formula;

786.11 (2) a copy of the formula used to calculate the participant's consumer-directed community
786.12 supports services budget; and

786.13 (3) information about the participant's right to appeal the consumer-directed community
786.14 supports services budget in accordance with sections 256.045 and 256.0451.

786.15 Sec. 23. Minnesota Statutes 2022, section 256B.4911, is amended by adding a subdivision
786.16 to read:

786.17 Subd. 8. **Consumer-directed community supports policy.** Policies governing the
786.18 consumer-directed community supports program must be created solely by the commissioner.
786.19 Lead agencies must not create or implement any policies that are in addition to or inconsistent
786.20 with policies created by the commissioner or federal or state laws. Any handbooks,
786.21 procedures, or other guidance documents maintained by a lead agency do not have the force
786.22 or effect of law, and must not be given deference if introduced in a state fair hearing
786.23 conducted under sections 256.045 and 256.0451.

786.24 Sec. 24. Minnesota Statutes 2022, section 256B.4912, subdivision 1, is amended to read:

786.25 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers
786.26 providing services to seniors and individuals with disabilities under chapter 256S and
786.27 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

786.28 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota
786.29 health care program requirements;

786.30 (2) regular reviews of provider qualifications, and including requests of proof of
786.31 documentation; and

787.1 (3) processes to gather the necessary information to determine provider qualifications.

787.2 (b) A provider shall not require or coerce any service recipient to change waiver programs
787.3 or move to a different location, consistent with the informed choice and independent living
787.4 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

787.5 ~~(b)~~ (c) Beginning July 1, 2012, staff that provide direct contact, as defined in section
787.6 245C.02, subdivision 11, for services specified in the federally approved waiver plans must
787.7 meet the requirements of chapter 245C prior to providing waiver services and as part of
787.8 ongoing enrollment. Upon federal approval, this requirement must also apply to
787.9 consumer-directed community supports.

787.10 ~~(e)~~ (d) Beginning January 1, 2014, service owners and managerial officials overseeing
787.11 the management or policies of services that provide direct contact as specified in the federally
787.12 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment
787.13 or revalidation or, for new providers, prior to initial enrollment if they have not already
787.14 done so as a part of service licensure requirements.

787.15 Sec. 25. Minnesota Statutes 2023 Supplement, section 256B.766, is amended to read:

787.16 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

787.17 (a) Effective for services provided on or after July 1, 2009, total payments for basic care
787.18 services, shall be reduced by three percent, except that for the period July 1, 2009, through
787.19 June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance
787.20 and general assistance medical care programs, prior to third-party liability and spenddown
787.21 calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services,
787.22 occupational therapy services, and speech-language pathology and related services as basic
787.23 care services. The reduction in this paragraph shall apply to physical therapy services,
787.24 occupational therapy services, and speech-language pathology and related services provided
787.25 on or after July 1, 2010.

787.26 (b) Payments made to managed care plans and county-based purchasing plans shall be
787.27 reduced for services provided on or after October 1, 2009, to reflect the reduction effective
787.28 July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010,
787.29 to reflect the reduction effective July 1, 2010.

787.30 (c) Effective for services provided on or after September 1, 2011, through June 30, 2013,
787.31 total payments for outpatient hospital facility fees shall be reduced by five percent from the
787.32 rates in effect on August 31, 2011.

788.1 (d) Effective for services provided on or after September 1, 2011, through June 30, 2013,
788.2 total payments for ambulatory surgery centers facility fees, medical supplies and durable
788.3 medical equipment not subject to a volume purchase contract, prosthetics and orthotics,
788.4 renal dialysis services, laboratory services, public health nursing services, physical therapy
788.5 services, occupational therapy services, speech therapy services, eyeglasses not subject to
788.6 a volume purchase contract, hearing aids not subject to a volume purchase contract, and
788.7 anesthesia services shall be reduced by three percent from the rates in effect on August 31,
788.8 2011.

788.9 (e) Effective for services provided on or after September 1, 2014, payments for
788.10 ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory
788.11 services, public health nursing services, eyeglasses not subject to a volume purchase contract,
788.12 and hearing aids not subject to a volume purchase contract shall be increased by three percent
788.13 and payments for outpatient hospital facility fees shall be increased by three percent.
788.14 Payments made to managed care plans and county-based purchasing plans shall not be
788.15 adjusted to reflect payments under this paragraph.

788.16 (f) Payments for medical supplies and durable medical equipment not subject to a volume
788.17 purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through
788.18 June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies and durable
788.19 medical equipment not subject to a volume purchase contract, and prosthetics and orthotics,
788.20 provided on or after July 1, 2015, shall be increased by three percent from the rates as
788.21 determined under paragraphs (i) and (j).

788.22 (g) Effective for services provided on or after July 1, 2015, payments for outpatient
788.23 hospital facility fees, medical supplies and durable medical equipment not subject to a
788.24 volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified
788.25 in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent
788.26 from the rates in effect on June 30, 2015. Payments made to managed care plans and
788.27 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

788.28 (h) This section does not apply to physician and professional services, inpatient hospital
788.29 services, family planning services, mental health services, dental services, prescription
788.30 drugs, medical transportation, federally qualified health centers, rural health centers, Indian
788.31 health services, and Medicare cost-sharing.

788.32 (i) Effective for services provided on or after July 1, 2015, the following categories of
788.33 medical supplies and durable medical equipment shall be individually priced items:
788.34 customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and

789.1 durable medical equipment repair and service. This paragraph does not apply to medical
789.2 supplies and durable medical equipment subject to a volume purchase contract, products
789.3 subject to the preferred diabetic testing supply program, and items provided to dually eligible
789.4 recipients when Medicare is the primary payer for the item. The commissioner shall not
789.5 apply any medical assistance rate reductions to durable medical equipment as a result of
789.6 Medicare competitive bidding.

789.7 (j) Effective for services provided on or after July 1, 2015, medical assistance payment
789.8 rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased
789.9 as follows:

789.10 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that
789.11 were subject to the Medicare competitive bid that took effect in January of 2009 shall be
789.12 increased by 9.5 percent; and

789.13 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on
789.14 the medical assistance fee schedule, whether or not subject to the Medicare competitive bid
789.15 that took effect in January of 2009, shall be increased by 2.94 percent, with this increase
789.16 being applied after calculation of any increased payment rate under clause (1).

789.17 This paragraph does not apply to medical supplies and durable medical equipment subject
789.18 to a volume purchase contract, products subject to the preferred diabetic testing supply
789.19 program, items provided to dually eligible recipients when Medicare is the primary payer
789.20 for the item, and individually priced items identified in paragraph (i). Payments made to
789.21 managed care plans and county-based purchasing plans shall not be adjusted to reflect the
789.22 rate increases in this paragraph.

789.23 (k) Effective for nonpressure support ventilators provided on or after January 1, 2016,
789.24 the rate shall be the lower of the submitted charge or the Medicare fee schedule rate. Effective
789.25 for pressure support ventilators provided on or after January 1, 2016, the rate shall be the
789.26 lower of the submitted charge or 47 percent above the Medicare fee schedule rate. For
789.27 payments made in accordance with this paragraph, if, and to the extent that, the commissioner
789.28 identifies that the state has received federal financial participation for ventilators in excess
789.29 of the amount allowed effective January 1, 2018, under United States Code, title 42, section
789.30 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and
789.31 Medicaid Services with state funds and maintain the full payment rate under this paragraph.

789.32 (l) Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that
789.33 are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social

790.1 Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall
790.2 not be applied to the items listed in this paragraph.

790.3 (m) For dates of service on or after July 1, 2023, through June 30, ~~2024~~ 2025, enteral
790.4 nutrition and supplies must be paid according to this paragraph. If sufficient data exists for
790.5 a product or supply, payment must be based upon the 50th percentile of the usual and
790.6 customary charges per product code submitted to the commissioner, using only charges
790.7 submitted per unit. Increases in rates resulting from the 50th percentile payment method
790.8 must not exceed 150 percent of the previous fiscal year's rate per code and product
790.9 combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines
790.10 by at least ten different providers for a given product or supply; or (2) in the absence of the
790.11 data in clause (1), the commissioner has at least 20 claim lines by at least five different
790.12 providers for a product or supply that does not meet the requirements of clause (1). If
790.13 sufficient data are not available to calculate the 50th percentile for enteral products or
790.14 supplies, the payment rate must be the payment rate in effect on June 30, 2023.

790.15 (n) For dates of service on or after July 1, ~~2024~~ 2025, enteral nutrition and supplies must
790.16 be paid according to this paragraph and updated annually each January 1. If sufficient data
790.17 exists for a product or supply, payment must be based upon the 50th percentile of the usual
790.18 and customary charges per product code submitted to the commissioner for the previous
790.19 calendar year, using only charges submitted per unit. Increases in rates resulting from the
790.20 50th percentile payment method must not exceed 150 percent of the previous year's rate per
790.21 code and product combination. Data are sufficient if: (1) the commissioner has at least 100
790.22 paid claim lines by at least ten different providers for a given product or supply; or (2) in
790.23 the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least
790.24 five different providers for a product or supply that does not meet the requirements of clause
790.25 (1). If sufficient data are not available to calculate the 50th percentile for enteral products
790.26 or supplies, the payment must be the manufacturer's suggested retail price of that product
790.27 or supply minus 20 percent. If the manufacturer's suggested retail price is not available,
790.28 payment must be the actual acquisition cost of that product or supply plus 20 percent.

790.29 Sec. 26. Minnesota Statutes 2022, section 256B.77, subdivision 7a, is amended to read:

790.30 Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as
790.31 provided in this subdivision.

790.32 (b) "Eligible individuals" means those persons living in the demonstration site who are
790.33 eligible for medical assistance and are disabled based on a disability determination under

791.1 section 256B.055, subdivisions 7 and 12, or who are eligible for medical assistance and
791.2 have been diagnosed as having:

791.3 (1) serious and persistent mental illness as defined in section 245.462, subdivision 20;

791.4 (2) severe emotional disturbance as defined in section 245.4871, subdivision 6; or

791.5 (3) developmental disability, or being a person with a developmental disability as defined
791.6 in section 252A.02, or a related condition as defined in section ~~252.27, subdivision 1a~~
791.7 256B.02, subdivision 11.

791.8 Other individuals may be included at the option of the county authority based on agreement
791.9 with the commissioner.

791.10 (c) Eligible individuals include individuals in excluded time status, as defined in chapter
791.11 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time
791.12 status as long as they live in the demonstration site and shall be eligible for 90 days after
791.13 placement outside the demonstration site if they move to excluded time status in a county
791.14 within Minnesota other than their county of financial responsibility.

791.15 (d) A person who is a sexual psychopathic personality as defined in section 253D.02,
791.16 subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision
791.17 16, is excluded from enrollment in the demonstration project.

791.18 Sec. 27. Minnesota Statutes 2022, section 256S.07, subdivision 1, is amended to read:

791.19 Subdivision 1. **Elderly waiver case management provided by counties and tribes.** (a)
791.20 For participants not enrolled in a managed care organization, the county of residence or
791.21 tribe must provide or arrange to provide elderly waiver case management activities under
791.22 section 256S.09, subdivisions 2 and 3.

791.23 (b) If a county agency provides case management under contracts with other individuals
791.24 or agencies and the county agency utilizes a competitive proposal process for the procurement
791.25 of contracted case management services, the competitive proposal process must include
791.26 evaluation criteria to ensure that the county maintains a culturally responsive program for
791.27 case management services adequate to meet the needs of the population of the county. For
791.28 the purposes of this section, "culturally responsive program" means a case management
791.29 services program that:

791.30 (1) ensures effective, equitable, comprehensive, and respectful quality care services that
791.31 are responsive to individuals within a specific population's values, beliefs, practices, health
791.32 literacy, preferred language, and other communication needs; and

792.1 (2) is designed to address the unique needs of individuals who share a common language
792.2 or racial, ethnic, or social background.

792.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to
792.4 procurement processes that commence on or after that date.

792.5 Sec. 28. Minnesota Statutes 2023 Supplement, section 270B.14, subdivision 1, is amended
792.6 to read:

792.7 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of
792.8 the commissioner of human services, the commissioner shall disclose return information
792.9 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the
792.10 extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

792.11 (b) Data that may be disclosed are limited to data relating to the identity, whereabouts,
792.12 employment, income, and property of a person owing or alleged to be owing an obligation
792.13 of child support.

792.14 (c) The commissioner of human services may request data only for the purposes of
792.15 carrying out the child support enforcement program and to assist in the location of parents
792.16 who have, or appear to have, deserted their children. Data received may be used only as set
792.17 forth in section 256.978.

792.18 (d) The commissioner shall provide the records and information necessary to administer
792.19 the supplemental housing allowance to the commissioner of human services.

792.20 (e) At the request of the commissioner of human services, the commissioner of revenue
792.21 shall electronically match the Social Security or individual taxpayer identification numbers
792.22 and names of participants in the telephone assistance plan operated under sections 237.69
792.23 to 237.71, with those of property tax refund filers under chapter 290A or renter's credit filers
792.24 under section 290.0693, and determine whether each participant's household income is
792.25 within the eligibility standards for the telephone assistance plan.

792.26 (f) The commissioner may provide records and information collected under sections
792.27 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
792.28 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
792.29 102-234. Upon the written agreement by the United States Department of Health and Human
792.30 Services to maintain the confidentiality of the data, the commissioner may provide records
792.31 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
792.32 Medicaid Services section of the United States Department of Health and Human Services
792.33 for purposes of meeting federal reporting requirements.

793.1 (g) The commissioner may provide records and information to the commissioner of
793.2 human services as necessary to administer the early refund of refundable tax credits.

793.3 (h) The commissioner may disclose information to the commissioner of human services
793.4 as necessary for income verification for eligibility and premium payment under the
793.5 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
793.6 assistance program under chapter 256B.

793.7 (i) The commissioner may disclose information to the commissioner of human services
793.8 necessary to verify whether applicants or recipients for the Minnesota family investment
793.9 program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),
793.10 Minnesota supplemental aid program, and child care assistance have claimed refundable
793.11 tax credits under chapter 290 and the property tax refund under chapter 290A, and the
793.12 amounts of the credits.

793.13 ~~(j) The commissioner may disclose information to the commissioner of human services~~
793.14 ~~necessary to verify income for purposes of calculating parental contribution amounts under~~
793.15 ~~section 252.27, subdivision 2a.~~

793.16 ~~(k)~~ (j) At the request of the commissioner of human services and when authorized in
793.17 writing by the taxpayer, the commissioner of revenue may match the business legal name
793.18 or individual legal name, and the Minnesota tax identification number, federal Employer
793.19 Identification Number, or Social Security number of the applicant under section 245A.04,
793.20 subdivision 1; 245I.20; or 245H.03; or license or certification holder. The commissioner of
793.21 revenue may share the matching with the commissioner of human services. The matching
793.22 may only be used by the commissioner of human services to determine eligibility for provider
793.23 grant programs and to facilitate the regulatory oversight of license and certification holders
793.24 as it relates to ownership and public funds program integrity. This paragraph applies only
793.25 if the commissioner of human services and the commissioner of revenue enter into an
793.26 interagency agreement for the purposes of this paragraph.

793.27 Sec. 29. Minnesota Statutes 2022, section 447.42, subdivision 1, is amended to read:

793.28 Subdivision 1. **Establishment.** Notwithstanding any provision of Minnesota Statutes
793.29 to the contrary, any city, county, town, or nonprofit corporation approved by the
793.30 commissioner of human services, or any combination of them may establish and operate a
793.31 community residential facility for persons with developmental disabilities or related
793.32 conditions, as defined in section ~~252.27, subdivision 1a~~ 256B.02, subdivision 11.

794.1 Sec. 30. Laws 2021, First Special Session chapter 7, article 13, section 68, is amended to
794.2 read:

794.3 Sec. 68. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
794.4 **DIRECT CARE SERVICES DURING SHORT-TERM ACUTE HOSPITAL VISITS.**

794.5 The commissioner of human services, in consultation with stakeholders, shall develop
794.6 a new covered state plan service under Minnesota Statutes, chapter 256B, or develop
794.7 modifications to existing covered state plan services, ~~that permits receipt of direct care~~
794.8 ~~services in an acute care hospital in a manner consistent with the requirements of~~ for people
794.9 eligible for home care services as identified in Minnesota Statutes, section 256B.0651, and
794.10 community first services and supports as identified in Minnesota Statutes, section 256B.85,
794.11 for the purposes of support during acute care hospital stays, as authorized under United
794.12 States Code, title 42, section 1396a(h). By ~~August 31, 2022~~ January 1, 2025, the
794.13 commissioner must provide to the chairs and ranking minority members of the house of
794.14 representatives and senate committees ~~and divisions~~ with jurisdiction over direct care services
794.15 any draft legislation as may be necessary to implement the new or modified covered state
794.16 plan service.

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

794.18 Sec. 31. Laws 2023, chapter 61, article 1, section 60, subdivision 1, is amended to read:

794.19 Subdivision 1. **Definition.** "New American" means an individual born abroad and the
794.20 individual's children, ~~irrespective of immigration status.~~

794.21 Sec. 32. Laws 2023, chapter 61, article 1, section 60, subdivision 2, is amended to read:

794.22 Subd. 2. **Grant program established.** The commissioner of human services shall
794.23 establish a new American legal, social services, and long-term care workforce grant program
794.24 for organizations that serve and support new Americans:

794.25 (1) in seeking or maintaining legal or citizenship status ~~to legally obtain or retain~~ and
794.26 obtaining or retaining legal authorization for employment in the United States in any field
794.27 or industry; or

794.28 (2) to provide specialized services and supports to new Americans to enter the long-term
794.29 care workforce.

795.1 **Sec. 33. ASSISTIVE TECHNOLOGY LEAD AGENCY PARTNERSHIPS.**

795.2 (a) Lead agencies may establish partnerships with enrolled medical assistance providers
795.3 of home and community-based services under Minnesota Statutes, section 256B.0913,
795.4 256B.092, 256B.093, or 256B.49, or Minnesota Statutes, chapter 256S, to evaluate the
795.5 benefits of informed choice in accessing the following existing assistive technology home
795.6 and community-based waiver services:

795.7 (1) assistive technology;

795.8 (2) specialized equipment and supplies;

795.9 (3) environmental accessibility adaptations; and

795.10 (4) 24-hour emergency assistance.

795.11 (b) Lead agencies may identify eligible individuals who desire to participate in the
795.12 partnership authorized by this section using existing home and community-based waiver
795.13 criteria under Minnesota Statutes, chapters 256B and 256S.

795.14 (c) Lead agencies must ensure individuals who choose to participate have informed
795.15 choice in accessing the services and must adhere to conflict-free case management
795.16 requirements.

795.17 (d) Lead agencies may identify efficiencies for service authorizations, provide
795.18 evidence-based cost data and quality analysis to the commissioner, and collect feedback on
795.19 the use of technology systems from home and community-based waiver services recipients,
795.20 family caregivers, and any other interested community partners.

795.21 **Sec. 34. DIRECTION TO COMMISSIONER; CONSUMER-DIRECTED**
795.22 **COMMUNITY SUPPORTS.**

795.23 By December 31, 2024, the commissioner of human services shall seek any necessary
795.24 changes to home and community-based services waiver plans regarding consumer-directed
795.25 community supports in order to:

795.26 (1) clarify that allowable goods and services for a consumer-directed community supports
795.27 participant do not need to be for the sole benefit of the participant, and that goods and
795.28 services may benefit others if there is also a direct benefit to the participant based on the
795.29 participant's assessed needs;

795.30 (2) clarify that goods or services that support the participant's assessed needs for
795.31 community integration and inclusion are allowable under the consumer-directed community
795.32 supports program;

796.1 (3) clarify that the rate authorized for services approved under the consumer-directed
796.2 community supports personal assistance category may exceed the reasonable range of similar
796.3 services in the participant's community if the participant has an assessed need for an enhanced
796.4 rate; and

796.5 (4) clarify that a participant's spouse or a parent of a minor participant, as defined in the
796.6 waiver plans, may be paid for consumer-directed community support services at a rate that
796.7 exceeds that which would otherwise be paid to a provider of a similar service or that exceeds
796.8 what is allowed by the commissioner for the payment of personal care assistance services
796.9 if the participant has an assessed need for an enhanced rate.

796.10 **Sec. 35. REIMBURSEMENT FOR COMMUNITY-FIRST SERVICES AND**
796.11 **SUPPORTS WORKERS REPORT.**

796.12 (a) The commissioner of human services must explore options to permit reimbursement
796.13 of community-first services and supports workers under Minnesota Statutes, sections 256B.85
796.14 and 256B.851, to provide:

796.15 (1) up to eight hours of overtime per week per worker beyond the current maximum
796.16 number of reimbursable hours per month;

796.17 (2) asleep overnight and awake overnight staffing in the same manner as direct support
796.18 professionals under the brain injury waiver, community alternative care waiver, community
796.19 access for disability inclusion waiver, and developmental disabilities waiver; and

796.20 (3) services in shifts of up to 80 consecutive hours when otherwise compliant with federal
796.21 and state labor laws.

796.22 (b) The commissioner must report recommendations to the chairs and ranking minority
796.23 members of the legislative committees with jurisdiction over human services policy and
796.24 finance by February 1, 2025.

796.25 **Sec. 36. DISABILITY HOME AND COMMUNITY-BASED SERVICES**
796.26 **REIMBURSEMENT IN ACUTE CARE HOSPITAL STAYS.**

796.27 (a) The commissioner of human services must seek approval to amend Minnesota's
796.28 federally approved disability waiver plans under Minnesota Statutes, sections 256B.092
796.29 and 256B.49, to reimburse for delivery of unit-based services under Minnesota Statutes,
796.30 section 256B.4914, in acute care hospital settings, as authorized under United States Code,
796.31 title 42, section 1396a(h).

796.32 (b) Reimbursed services must:

797.1 (1) be identified in an individual's person-centered support plan as required under
797.2 Minnesota Statutes, section 256B.0911;

797.3 (2) be provided to meet the needs of the person that are not met through the provision
797.4 of hospital services;

797.5 (3) not substitute services that the hospital is obligated to provide as required under state
797.6 and federal law; and

797.7 (4) be designed to ensure smooth transitions between acute care settings and home and
797.8 community-based settings and to preserve the person's functional abilities.

797.9 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025, or upon federal
797.10 approval, whichever is later. The commissioner of human services shall notify the revisor
797.11 of statutes when federal approval is obtained.

797.12 **Sec. 37. ELECTRONIC VISIT VERIFICATION IMPLEMENTATION GRANT.**

797.13 Subdivision 1. **Establishment.** The commissioner of human services must establish a
797.14 onetime grant program to assist home care service providers with a portion of the costs of
797.15 implementation of electronic visit verification.

797.16 Subd. 2. **Eligible grant recipients.** Eligible grant recipients must:

797.17 (1) be providers of home care services licensed under Minnesota Statutes, chapter 144A;

797.18 (2) have an average daily census of at least 30 individuals; and

797.19 (3) have an average daily census of medical assistance and MinnesotaCare enrollees of
797.20 20 percent or higher in the 12 months prior to application.

797.21 Subd. 3. **Allowable uses.** Allowable uses of grant money include:

797.22 (1) administrative implementation of an electronic visit verification system, including
797.23 but not limited to staff costs for loading patient information into the portal, programming,
797.24 and training staff;

797.25 (2) electronic visit verification operations and maintenance, including but not limited
797.26 to staff costs for addressing system flaws related to geographical location and clocking in
797.27 and out;

797.28 (3) purchase and monthly fees for an upgraded electronic visit verification system;

797.29 (4) purchase of or reimbursement for cell phones and electronic tablets to be used by
797.30 staff and the monthly fee for the phone service; and

798.1 (5) other activities approved by the commissioner.

798.2 Subd. 4. **Application for and distribution of grant money.** In order to receive a grant
798.3 under this section, providers must apply to the commissioner by November 1, 2024. Grants
798.4 must be distributed no later than February 1, 2025. Grant amounts awarded to each approved
798.5 applicant must be determined by the total number of approved grantees and each approved
798.6 applicant's medical assistance and MinnesotaCare average daily census.

798.7 Subd. 5. **Expiration.** This section expires June 30, 2026.

798.8 Sec. 38. **EMERGENCY RELIEF GRANTS FOR RURAL EARLY INTENSIVE**
798.9 **DEVELOPMENTAL AND BEHAVIORAL INTERVENTION PROVIDERS.**

798.10 Subdivision 1. **Establishment and purpose.** (a) The commissioner of human services
798.11 shall award grants to financially distressed organizations that provide early intensive
798.12 developmental and behavioral intervention services to rural communities. For the purposes
798.13 of this section, "rural communities" means communities outside the metropolitan counties
798.14 listed in Minnesota Statutes, section 473.121, subdivision 4, and outside the cities of Duluth,
798.15 Mankato, Moorhead, Rochester, and St. Cloud.

798.16 (b) The commissioner shall conduct community engagement, provide technical assistance,
798.17 and work with the commissioners of management and budget and administration to mitigate
798.18 barriers in accessing grant money.

798.19 (c) The commissioner shall limit expenditures under this section to the amount
798.20 appropriated for this purpose.

798.21 Subd. 2. **Eligibility.** (a) To be an eligible applicant for a grant under this section, a
798.22 provider of early intensive developmental and behavioral intervention services must submit
798.23 to the commissioner of human services a grant application in the form and according to the
798.24 timelines established by the commissioner.

798.25 (b) In a grant application, an applicant must demonstrate that:

798.26 (1) the total net income of the provider of early intensive developmental and behavioral
798.27 intervention services is not generating sufficient revenue to cover the provider's operating
798.28 expenses;

798.29 (2) the provider is at risk of closure or ceasing to provide early intensive developmental
798.30 and behavioral intervention services; and

799.1 (3) additional emergency operating revenue is necessary to preserve access to early
799.2 intensive developmental and behavioral intervention services within the rural community
799.3 the provider serves.

799.4 (c) In a grant application, the applicant must make a request based on the information
799.5 submitted under paragraph (b) for the minimal funding amount sufficient to preserve access
799.6 to early intensive developmental and behavioral intervention services within the rural
799.7 community the provider serves.

799.8 Subd. 3. **Approving grants.** The commissioner must evaluate all grant applications on
799.9 a competitive basis and award grants to successful applicants within available appropriations
799.10 for this purpose. The commissioner's decisions are final and not subject to appeal.

799.11 Sec. 39. **LEGISLATIVE TASK FORCE ON GUARDIANSHIP.**

799.12 Subdivision 1. **Membership.** (a) The Legislative Task Force on Guardianship consists
799.13 of the following members:

799.14 (1) one member of the house of representatives, appointed by the speaker of the house
799.15 of representatives;

799.16 (2) one member of the house of representatives, appointed by the minority leader of the
799.17 house of representatives;

799.18 (3) one member of the senate, appointed by the senate majority leader;

799.19 (4) one member of the senate, appointed by the senate minority leader;

799.20 (5) one judge who has experience working on guardianship cases, appointed by the chief
799.21 justice of the supreme court;

799.22 (6) two individuals presently or formerly under guardianship or emergency guardianship,
799.23 appointed by the Minnesota Council on Disability;

799.24 (7) one private, professional guardian, appointed by the Minnesota Council on Disability;

799.25 (8) one private, nonprofessional guardian, appointed by the Minnesota Council on
799.26 Disability;

799.27 (9) one representative of the Department of Human Services with knowledge of public
799.28 guardianship issues, appointed by the commissioner of human services;

799.29 (10) one member appointed by the Minnesota Council on Disability;

799.30 (11) two members of two different disability advocacy organizations, appointed by the
799.31 Minnesota Council on Disability;

800.1 (12) one member of a professional or advocacy group representing the interests of the
800.2 guardian who has experience working in the judicial system on guardianship cases, appointed
800.3 by the Minnesota Council on Disability;

800.4 (13) one member of a professional or advocacy group representing the interests of persons
800.5 subject to guardianship who has experience working in the judicial system on guardianship
800.6 cases, appointed by the Minnesota Council on Disability;

800.7 (14) two members of two different advocacy groups representing the interests of older
800.8 Minnesotans who are or may find themselves subject to guardianship, appointed by the
800.9 Minnesota Council on Disability;

800.10 (15) one employee acting as the Disability Systems Planner in the Center for Health
800.11 Equity at the Minnesota Department of Health, appointed by the commissioner of health;

800.12 (16) one member appointed by the Minnesota Indian Affairs Council;

800.13 (17) one member from the Commission of the Deaf, Deafblind, and Hard-of-Hearing,
800.14 appointed by the executive director of the commission;

800.15 (18) one member of the Council on Developmental Disabilities, appointed by the
800.16 executive director of the council;

800.17 (19) one employee from the Office of Ombudsman for Mental Health and Developmental
800.18 Disabilities, appointed by the ombudsman;

800.19 (20) one employee from the Office of Ombudsman for Long Term Care, appointed by
800.20 the ombudsman;

800.21 (21) one member appointed by the Minnesota Association of County Social Services
800.22 Administrators (MACSSA);

800.23 (22) one employee from the Olmstead Implementation Office, appointed by the director
800.24 of the office; and

800.25 (23) one member representing an organization dedicated to supported decision-making
800.26 alternatives to guardianship, appointed by the Minnesota Council on Disability.

800.27 (b) Appointees to the task force must be named by each appointing authority by June
800.28 30, 2025. Appointments made by an agency or commissioner may also be made by a
800.29 designee.

800.30 (c) The member from the Minnesota Council on Disability serves as chair of the task
800.31 force. The chair must designate a member to serve as secretary.

801.1 Subd. 2. Meetings; administrative support. The first meeting of the task force must
801.2 be convened by the chair no later than September 1, 2025, if an appropriation is made by
801.3 that date for the task force. The task force must meet at least quarterly. Meetings are subject
801.4 to Minnesota Statutes, chapter 13D. The task force may meet by telephone or interactive
801.5 technology consistent with Minnesota Statutes, section 13D.015. The Minnesota Council
801.6 on Disability shall provide meeting space and administrative and research support to the
801.7 task force.

801.8 Subd. 3. Duties. (a) The task force must make recommendations to address concerns
801.9 and gaps related to guardianships and less restrictive alternatives to guardianships in
801.10 Minnesota, including but not limited to:

801.11 (1) developing efforts to sustain and increase the number of qualified guardians;

801.12 (2) increasing compensation for in forma pauperis (IFP) guardians by studying current
801.13 funding streams to develop approaches to ensure that the funding streams are consistent
801.14 across the state and sufficient to serve the needs of persons subject to guardianship;

801.15 (3) securing ongoing funding for guardianships and less restrictive alternatives;

801.16 (4) establishing guardian certification or licensure;

801.17 (5) identifying standards of practice for guardians and options for providing education
801.18 to guardians on standards and less restrictive alternatives;

801.19 (6) securing ongoing funding for the guardian and conservator administrative complaint
801.20 process;

801.21 (7) identifying and understanding alternatives to guardianship whenever possible to meet
801.22 the needs of patients and the challenges of providers in the delivery of health care, behavioral
801.23 health care, and residential and home-based care services;

801.24 (8) expanding supported decision-making alternatives to guardianships and
801.25 conservatorships;

801.26 (9) reducing the removal of civil rights when appointing a guardian, including by ensuring
801.27 guardianship is only used as a last resort; and

801.28 (10) identifying ways to preserve and to maximize the civil rights of the person, including
801.29 due process considerations.

801.30 (b) The task force must seek input from the public, the judiciary, people subject to
801.31 guardianship, guardians, advocacy groups, and attorneys. The task force must hold hearings
801.32 to gather information to fulfill the purpose of the task force.

802.1 Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation
802.2 and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision
802.3 3.

802.4 Subd. 5. **Report; expiration.** The task force shall submit a report to the chairs and
802.5 ranking minority members of the legislative committees with jurisdiction over guardianship
802.6 issues no later than January 15, 2027. The report must describe any concerns about the
802.7 current guardianship system identified by the task force and recommend policy options to
802.8 address those concerns and to promote less restrictive alternatives to guardianship. The
802.9 report must include draft legislation to implement recommended policy.

802.10 Subd. 6. **Expiration.** The task force expires upon submission of its report, or January
802.11 16, 2027, whichever is earlier.

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

802.13 Sec. 40. **TRANSITIONAL SUPPORTS ALLOWANCE INCREASE.**

802.14 Upon federal approval, the commissioner of human services must increase to \$5,000
802.15 the transitional supports allowance under Minnesota's federally approved home and
802.16 community-based service waiver plans authorized under Minnesota Statutes, sections
802.17 256B.092 and 256B.49.

802.18 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
802.19 whichever is later. The commissioner of human services shall notify the revisor of statutes
802.20 when federal approval is obtained.

802.21 Sec. 41. **TRIBAL VULNERABLE ADULT AND DEVELOPMENTAL DISABILITY**
802.22 **TARGETED CASE MANAGEMENT MEDICAL ASSISTANCE BENEFIT.**

802.23 (a) The commissioner of human services must engage with Minnesota's
802.24 federally-recognized Tribal Nations and urban American Indian providers and leaders to
802.25 design and recommend a Tribal-specific vulnerable adult and developmental disability
802.26 medical assistance targeted case management benefit to meet community needs and reduce
802.27 disparities experienced by Tribal members and urban American Indian populations. The
802.28 commissioner must honor and uphold Tribal sovereignty as part of this engagement, ensuring
802.29 Tribal Nations are equitably and authentically included in planning and policy discussions.

802.30 (b) By January 1, 2025, the commissioner must report recommendations to the chairs
802.31 and ranking minority members of the legislative committees with jurisdiction over health
802.32 and human services finance and policy. Recommendations must include a description of

803.1 engagement with Tribal Nations, Tribal perspectives shared throughout the engagement
803.2 process, service design, and reimbursement methodology.

803.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

803.4 Sec. 42. **ELECTRONIC VISIT VERIFICATION SIMPLIFICATION FOR LIVE-IN**
803.5 **CAREGIVERS.**

803.6 The commissioner must explore options to simplify documentation requirements for
803.7 direct support professionals who live in the same house as the person they support and are
803.8 reimbursed for services subject to electronic visit verification requirements under Minnesota
803.9 Statutes, section 256B.073. The commissioner may evaluate information technology barriers
803.10 and opportunities, attestation options, worker identification options, and program integrity
803.11 considerations. The commissioner must report recommendations to the chairs and ranking
803.12 minority members of the legislative committees with jurisdiction over health and human
803.13 services policy and finance by February 1, 2025, with short- and long-term policy changes
803.14 that will simplify documentation requirements and minimize burdens on providers and
803.15 recipients.

803.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

803.17 Sec. 43. **LICENSE TRANSITION SUPPORT FOR SMALL DISABILITY WAIVER**
803.18 **PROVIDERS.**

803.19 Subdivision 1. **Onetime transition support.** The commissioner of human services must
803.20 distribute onetime payments to medical assistance disability waiver customized living and
803.21 community residential providers to assist with the transition from small, customized living
803.22 settings to licensed community residential services under Minnesota Statutes, chapter 245D
803.23 and section 256B.49.

803.24 Subd. 2. **Definitions.** For purposes of this section, "eligible provider" means an enrolled
803.25 provider that received approval from the commissioner of human services for a corporate
803.26 foster care moratorium exception under Minnesota Statutes, section 245A.03, subdivision
803.27 7, related to transitioning between customized living services and community residential
803.28 services. This approval must have been received between July 1, 2022, and December 31,
803.29 2023.

803.30 Subd. 3. **Allowable uses of payments.** Allowable uses of payments include costs incurred
803.31 by a community residential service provider or customized living provider directly related to
803.32 the provider's transition from providing medical assistance customized living or 24-hour

804.1 customized living and technical assistance to adapt business models and meet policy and
804.2 regulatory guidance.

804.3 Subd. 4. **Payment request and requirements.** License holders of eligible settings must
804.4 apply for payments using an application process determined by the commissioner of human
804.5 services. Payments are onetime amounts of \$15,000 per eligible setting. To be considered
804.6 for a payment, eligible settings must submit a payment application no later than March 1,
804.7 2025. The commissioner may approve payment applications on a rolling basis. Payments
804.8 must be distributed without compliance to time-consuming procedures and formalities
804.9 prescribed in law, including the following statutes and related policies: Minnesota Statutes,
804.10 sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8, the express
804.11 audit clause requirement. The commissioner's determination of the payment amount
804.12 determined under this section is final and is not subject to appeal. This subdivision does not
804.13 apply to recoupment by the commissioner under subdivision 7.

804.14 Subd. 5. **Attestation.** As a condition of obtaining payments under this section, an eligible
804.15 provider must attest, on the payment application form, to the following:

804.16 (1) the provider's intent to provide services through December 31, 2027; and

804.17 (2) the provider's intent to use the payment for allowable uses under subdivision 3.

804.18 Subd. 6. **Agreement.** As a condition of obtaining a payment under this section, an eligible
804.19 provider must agree to the following on the payment application form:

804.20 (1) to cooperate with the commissioner of human services to deliver services according
804.21 to the requirements in this section;

804.22 (2) to maintain documentation sufficient to demonstrate the costs required to transition
804.23 to a new setting as described under subdivision 3; and

804.24 (3) to acknowledge that payments may be subject to a recoupment under this section if
804.25 a state audit performed under this section determines that the provider used payments for
804.26 purposes not authorized under this section.

804.27 Subd. 7. **Recoupment.** (a) The commissioner of human services may perform an audit
804.28 under this section up to six years after the payments are distributed to ensure the funds are
804.29 utilized solely for the purposes stated in subdivision 3.

804.30 (b) If the commissioner determines that a provider used the allocated payment for
804.31 purposes not authorized under this section, the commissioner must treat any amount used
804.32 for a purpose not authorized under this section as an overpayment. The commissioner must
804.33 recover any overpayment.

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

805.2 Sec. 44. **DISABILITY SERVICES PERSON-CENTERED ENGAGEMENT AND**
805.3 **NAVIGATION STUDY.**

805.4 (a) The commissioner of human services must issue a request for proposals for the design
805.5 and administration of a study of a person's experience in accessing and navigating medical
805.6 assistance state plan and home and community-based waiver services and state funded
805.7 disability services to improve people's experiences in accessing and navigating the system.

805.8 (b) The person-centered disability services engagement and navigation study must engage
805.9 with people and families who use services, lead agencies, and providers to assess:

805.10 (1) access to the full range of disability services programs in metropolitan, suburban,
805.11 and rural counties with a focus on non-English-speaking communities and by various
805.12 populations, including but not limited to Black people, Indigenous people, people of color,
805.13 and communities with vision, hearing, physical, neurocognitive, or intellectual developmental
805.14 disabilities;

805.15 (2) how people and families experience and navigate the system, including their customer
805.16 service experiences and barriers to person-centered and culturally responsive navigation
805.17 support and resources; and

805.18 (3) opportunities to improve state, lead agency, and provider capacity to improve the
805.19 experiences of people accessing and navigating the system.

805.20 (c) To be eligible to respond to the request for proposals, an entity must demonstrate
805.21 that it has engaged successfully with people who use disability services and their families.

805.22 (d) The commissioner must report the results of the study and provide specific
805.23 recommendations and administrative strategy or policy modifications to improve system
805.24 accessibility, efficiency, and person-centered systemic design to the chairs and ranking
805.25 minority members of the legislative committees with jurisdiction over health and human
805.26 services finance and policy by January 15, 2026.

805.27 Sec. 45. **PERSONAL CARE ASSISTANCE COMPENSATION FOR SERVICES**
805.28 **PROVIDED BY A PARENT OR SPOUSE.**

805.29 (a) Notwithstanding Minnesota Statutes, section 256B.0659, subdivision 3, paragraph
805.30 (a), clause (1); subdivision 11, paragraph (c); and subdivision 19, paragraph (b), clause (3),
805.31 beginning October 1, 2024, a parent, stepparent, or legal guardian of a minor who is a

806.1 personal care assistance recipient or the spouse of a personal care assistance recipient may
806.2 provide and be paid for providing personal care assistance services under medical assistance.

806.3 (b) This section expires upon full implementation of community first services and
806.4 supports under Minnesota Statutes, section 256B.85. The commissioner of human services
806.5 shall notify the revisor of statutes when this section expires.

806.6 **EFFECTIVE DATE.** This section is effective for services rendered on or after October
806.7 1, 2024.

806.8 Sec. 46. **OWN HOME SERVICES PROVIDER CAPACITY-BUILDING GRANTS.**

806.9 Subdivision 1. **Establishment.** The commissioner of human services shall establish a
806.10 onetime grant program to incentivize providers to support individuals to move out of
806.11 congregate living settings and into an individual's own home as described in Minnesota
806.12 Statutes, section 256B.492, subdivision 3.

806.13 Subd. 2. **Eligible grant recipients.** Eligible grant recipients are providers of home and
806.14 community-based services under Minnesota Statutes, chapter 245D.

806.15 Subd. 3. **Grant application.** In order to receive a grant under this section, providers
806.16 must apply to the commissioner on the forms and according to the timelines established by
806.17 the commissioner.

806.18 Subd. 4. **Allowable uses of grant money.** Allowable uses of grant money include:

806.19 (1) enhancing resources and staffing to support people and families in understanding
806.20 housing options;

806.21 (2) housing expenses related to moving an individual into their own home, if the person
806.22 is not eligible for other available housing services;

806.23 (3) moving expenses that are not covered by other housing services for which the
806.24 individual is eligible;

806.25 (4) implementing and testing innovative approaches to better support people with
806.26 disabilities and their families in living in their own homes;

806.27 (5) financial incentives for providers that have successfully moved an individual out of
806.28 congregate living and into their own home; and

806.29 (6) other activities approved by the commissioner.

806.30 Subd. 5. **Expiration.** This section expires June 30, 2026.

807.1 **Sec. 47. DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME**
807.2 **TRANSITION PILOT PROGRAM.**

807.3 (a) The commissioner of human services must award a single competitive grant to a
807.4 home care nursing provider to develop and implement, in coordination with the commissioner
807.5 of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare,
807.6 and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and
807.7 facilitate pediatric hospital-to-home discharges for patients receiving services in this state
807.8 under medical assistance, including under the community alternative care waiver, community
807.9 access for disability inclusion waiver, and developmental disabilities waiver.

807.10 (b) Grant money awarded under this section must be used only to support the
807.11 administrative, training, and auxiliary services necessary to reduce:

807.12 (1) delayed discharge days due to unavailability of home care nursing staffing to
807.13 accommodate complex pediatric patients;

807.14 (2) avoidable rehospitalization days for pediatric patients;

807.15 (3) unnecessary emergency department utilization by pediatric patients following
807.16 discharge;

807.17 (4) long-term nursing needs for pediatric patients; and

807.18 (5) the number of school days missed by pediatric patients.

807.19 (c) Grant money must not be used to supplant payment rates for services covered under
807.20 Minnesota Statutes, chapter 256B.

807.21 (d) No later than December 15, 2026, the commissioner must prepare a report
807.22 summarizing the impact of the pilot program that includes but is not limited to: (1) the
807.23 number of delayed discharge days eliminated; (2) the number of rehospitalization days
807.24 eliminated; (3) the number of unnecessary emergency department admissions eliminated;
807.25 (4) the number of missed school days eliminated; and (5) an estimate of the return on
807.26 investment of the pilot program.

807.27 (e) The commissioner must submit the report under paragraph (d) to the chairs and
807.28 ranking minority members of the legislative committees with jurisdiction over health and
807.29 human services finance and policy.

807.30 **Sec. 48. REPEALER.**

807.31 (a) Minnesota Statutes 2022, section 252.27, subdivisions 1a, 2, 3, 4a, 5, and 6, are
807.32 repealed.

808.1 (b) Minnesota Statutes 2022, section 256B.0916, subdivision 10, is repealed.

808.2 (c) Minnesota Statutes 2023 Supplement, section 252.27, subdivision 2a, is repealed.

808.3 (d) Laws 2024, chapter 79, article 4, section 1, subdivision 3, is repealed.

808.4 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025.

808.5 **ARTICLE 47**

808.6 **AGING SERVICES**

808.7 Section 1. **[144G.195] FACILITY RELOCATION.**

808.8 Subdivision 1. **New license not required.** (a) Beginning March 15, 2025, an assisted
808.9 living facility with a licensed resident capacity of five residents or fewer may operate under
808.10 the licensee's current license if the facility is relocated with the approval of the commissioner
808.11 of health during the period the current license is valid.

808.12 (b) A licensee is not required to apply for a new license solely because the licensee
808.13 receives approval to relocate a facility. The licensee's license for the relocated facility
808.14 remains valid until the expiration date specified on the existing license. The commissioner
808.15 of health must apply the licensing and survey cycle previously established for the facility's
808.16 prior location to the facility's new location.

808.17 (c) A licensee must notify the commissioner of health, on a form developed by the
808.18 commissioner, of the licensee's intent to relocate the licensee's facility and submit a
808.19 nonrefundable relocation fee of \$3,905. The commissioner must deposit all relocation fees
808.20 in the state treasury to be credited to the state government special revenue fund.

808.21 (d) The licensee must obtain plan review approval for the building to which the licensee
808.22 intends to relocate the facility and a certificate of occupancy from the commissioner of labor
808.23 and industry or the commissioner of labor and industry's delegated authority for the building.
808.24 Upon issuance of a certificate of occupancy, the commissioner of health must review and
808.25 inspect the building to which the licensee intends to relocate the facility and approve or
808.26 deny the license relocation within 30 calendar days.

808.27 (e) A licensee may only relocate a facility within the geographic boundaries of the
808.28 municipality in which the facility is currently located or within the geographic boundaries
808.29 of a contiguous municipality.

808.30 (f) A licensee may only relocate one time in any three-year period, except that the
808.31 commissioner may approve an additional relocation within a three-year period upon a

809.1 licensee's demonstration of an extenuating circumstance, including but not limited to the
809.2 criteria outlined in section 256B.49, subdivision 28a, paragraph (c).

809.3 (g) A licensee that receives approval from the commissioner to relocate a facility must
809.4 provide each resident with a new assisted living contract and comply with the coordinated
809.5 move requirements under section 144G.55.

809.6 (h) A licensee denied approval by the commissioner of health to relocate a facility may
809.7 continue to operate the facility in its current location, follow the requirements in section
809.8 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent
809.9 to relocate the facility to an alternative new location. If the licensee notifies the commissioner
809.10 of the licensee's intent to relocate the facility to an alternative new location, paragraph (c)
809.11 applies, including the timelines for approving or denying the license relocation for the
809.12 alternative new location.

809.13 Subd. 2. **Limited exemption from the customized living setting moratorium and**
809.14 **age limitations.** (a) A licensee that receives approval from the commissioner of health under
809.15 subdivision 1 to relocate a facility that is also enrolled with the Department of Human
809.16 Services as a customized living setting to deliver 24-hour customized living services or
809.17 customized living services to participants through the brain injury and community access
809.18 for disability inclusion home and community-based services waiver plans and under section
809.19 256B.49 must inform the commissioner of human services of the licensee's intent to relocate.

809.20 (b) If the licensee at the time of the intended relocation is providing customized living
809.21 or 24-hour customized living services under the brain injury and community access for
809.22 disability inclusion home and community-based services waiver plans and section 256B.49
809.23 to at least one individual, and the licensee intends to continue serving that individual in the
809.24 new location, the licensee must inform the commissioner of human services of the licensee's
809.25 intention to do so and meet the requirements specified under section 256B.49, subdivision
809.26 28a.

809.27 **EFFECTIVE DATE.** This section is effective January 1, 2025, except subdivision 2
809.28 is effective January 1, 2025, or 90 days after federal approval, whichever is later. The
809.29 commissioner of human services shall notify the revisor of statutes when federal approval
809.30 is obtained.

809.31 Sec. 2. Minnesota Statutes 2022, section 144G.41, subdivision 1, is amended to read:

809.32 Subdivision 1. **Minimum requirements.** All assisted living facilities shall:

809.33 (1) distribute to residents the assisted living bill of rights;

- 810.1 (2) provide services in a manner that complies with the Nurse Practice Act in sections
810.2 148.171 to 148.285;
- 810.3 (3) utilize a person-centered planning and service delivery process;
- 810.4 (4) have and maintain a system for delegation of health care activities to unlicensed
810.5 personnel by a registered nurse, including supervision and evaluation of the delegated
810.6 activities as required by the Nurse Practice Act in sections 148.171 to 148.285;
- 810.7 (5) provide a means for residents to request assistance for health and safety needs 24
810.8 hours per day, seven days per week;
- 810.9 (6) allow residents the ability to furnish and decorate the resident's unit within the terms
810.10 of the assisted living contract;
- 810.11 (7) permit residents access to food at any time;
- 810.12 (8) allow residents to choose the resident's visitors and times of visits;
- 810.13 (9) allow the resident the right to choose a roommate if sharing a unit;
- 810.14 (10) notify the resident of the resident's right to have and use a lockable door to the
810.15 resident's unit. The licensee shall provide the locks on the unit. Only a staff member with
810.16 a specific need to enter the unit shall have keys, and advance notice must be given to the
810.17 resident before entrance, when possible. An assisted living facility must not lock a resident
810.18 in the resident's unit;
- 810.19 (11) develop and implement a staffing plan for determining its staffing level that:
- 810.20 (i) includes an evaluation, to be conducted at least twice a year, of the appropriateness
810.21 of staffing levels in the facility;
- 810.22 (ii) ensures sufficient staffing at all times to meet the scheduled and reasonably
810.23 foreseeable unscheduled needs of each resident as required by the residents' assessments
810.24 and service plans on a 24-hour per day basis; and
- 810.25 (iii) ensures that the facility can respond promptly and effectively to individual resident
810.26 emergencies and to emergency, life safety, and disaster situations affecting staff or residents
810.27 in the facility;
- 810.28 (12) ensure that one or more persons are available 24 hours per day, seven days per
810.29 week, who are responsible for responding to the requests of residents for assistance with
810.30 health or safety needs. Such persons must be:
- 810.31 (i) awake;

811.1 (ii) located in the same building, in an attached building, or on a contiguous campus
811.2 with the facility in order to respond within a reasonable amount of time;

811.3 (iii) capable of communicating with residents;

811.4 (iv) capable of providing or summoning the appropriate assistance; and

811.5 (v) capable of following directions; and

811.6 ~~(13) offer to provide or make available at least the following services to residents:~~

811.7 ~~(i) at least three nutritious meals daily with snacks available seven days per week,~~
811.8 ~~according to the recommended dietary allowances in the United States Department of~~
811.9 ~~Agriculture (USDA) guidelines, including seasonal fresh fruit and fresh vegetables. The~~
811.10 ~~following apply:~~

811.11 ~~(A) menus must be prepared at least one week in advance, and made available to all~~
811.12 ~~residents. The facility must encourage residents' involvement in menu planning. Meal~~
811.13 ~~substitutions must be of similar nutritional value if a resident refuses a food that is served.~~
811.14 ~~Residents must be informed in advance of menu changes;~~

811.15 ~~(B) food must be prepared and served according to the Minnesota Food Code, Minnesota~~
811.16 ~~Rules, chapter 4626; and~~

811.17 ~~(C) the facility cannot require a resident to include and pay for meals in their contract;~~

811.18 ~~(ii) weekly housekeeping;~~

811.19 ~~(iii) weekly laundry service;~~

811.20 ~~(iv) upon the request of the resident, provide direct or reasonable assistance with arranging~~
811.21 ~~for transportation to medical and social services appointments, shopping, and other recreation,~~
811.22 ~~and provide the name of or other identifying information about the persons responsible for~~
811.23 ~~providing this assistance;~~

811.24 ~~(v) upon the request of the resident, provide reasonable assistance with accessing~~
811.25 ~~community resources and social services available in the community, and provide the name~~
811.26 ~~of or other identifying information about persons responsible for providing this assistance;~~

811.27 ~~(vi) provide culturally sensitive programs; and~~

811.28 ~~(vii) have a daily program of social and recreational activities that are based upon~~
811.29 ~~individual and group interests, physical, mental, and psychosocial needs, and that creates~~
811.30 ~~opportunities for active participation in the community at large; and~~

812.1 ~~(14)~~(13) provide staff access to an on-call registered nurse 24 hours per day, seven days
812.2 per week.

812.3 Sec. 3. Minnesota Statutes 2022, section 144G.41, is amended by adding a subdivision to
812.4 read:

812.5 Subd. 1a. **Minimum requirements; required food services.** (a) All assisted living
812.6 facilities must offer to provide or make available at least three nutritious meals daily with
812.7 snacks available seven days per week, according to the recommended dietary allowances
812.8 in the United States Department of Agriculture (USDA) guidelines, including seasonal fresh
812.9 fruit and fresh vegetables. The menus must be prepared at least one week in advance, and
812.10 made available to all residents. The facility must encourage residents' involvement in menu
812.11 planning. Meal substitutions must be of similar nutritional value if a resident refuses a food
812.12 that is served. Residents must be informed in advance of menu changes. The facility must
812.13 not require a resident to include and pay for meals in the resident's contract. Except as
812.14 provided in paragraph (b), food must be prepared and served according to the Minnesota
812.15 Food Code, Minnesota Rules, chapter 4626.

812.16 (b) For an assisted living facility with a licensed capacity of ten or fewer residents:

812.17 (1) notwithstanding Minnesota Rules, part 4626.0033, item A, the facility may share a
812.18 certified food protection manager (CFPM) with one other facility located within a 60-mile
812.19 radius and under common management provided the CFPM is present at each facility
812.20 frequently enough to effectively administer, manage, and supervise each facility's food
812.21 service operation;

812.22 (2) notwithstanding Minnesota Rules, part 4626.0545, item A, kick plates that are not
812.23 removable or cannot be rotated open are allowed unless the facility has been issued repeated
812.24 correction orders for violations of Minnesota Rules, part 4626.1565 or 4626.1570;

812.25 (3) notwithstanding Minnesota Rules, part 4626.0685, item A, the facility is not required
812.26 to provide integral drainboards, utensil racks, or tables large enough to accommodate soiled
812.27 and clean items that may accumulate during hours of operation provided soiled items do
812.28 not contaminate clean items, surfaces, or food, and clean equipment and dishes are air dried
812.29 in a manner that prevents contamination before storage;

812.30 (4) notwithstanding Minnesota Rules, part 4626.1070, item A, the facility is not required
812.31 to install a dedicated handwashing sink in its existing kitchen provided it designates one
812.32 well of a two-compartment sink for use only as a handwashing sink;

813.1 (5) notwithstanding Minnesota Rules, parts 4626.1325, 4626.1335, and 4626.1360, item
813.2 A, existing floor, wall, and ceiling finishes are allowed provided the facility keeps them
813.3 clean and in good condition;

813.4 (6) notwithstanding Minnesota Rules, part 4626.1375, shielded or shatter-resistant
813.5 lightbulbs are not required, but if a light bulb breaks, the facility must discard all exposed
813.6 food and fully clean all equipment, dishes, and surfaces to remove any glass particles; and

813.7 (7) notwithstanding Minnesota Rules, part 4626.1390, toilet rooms are not required to
813.8 be provided with a self-closing door.

813.9 Sec. 4. Minnesota Statutes 2022, section 144G.41, is amended by adding a subdivision to
813.10 read:

813.11 Subd. 1b. **Minimum requirements; other required services.** All assisted living facilities
813.12 must offer to provide or make available the following services to residents:

813.13 (1) weekly housekeeping;

813.14 (2) weekly laundry service;

813.15 (3) upon the request of the resident, provide direct or reasonable assistance with arranging
813.16 for transportation to medical and social services appointments, shopping, and other recreation,
813.17 and provide the name of or other identifying information about the persons responsible for
813.18 providing this assistance;

813.19 (4) upon the request of the resident, provide reasonable assistance with accessing
813.20 community resources and social services available in the community, and provide the name
813.21 of or other identifying information about persons responsible for providing this assistance;

813.22 (5) provide culturally sensitive programs; and

813.23 (6) have a daily program of social and recreational activities that are based upon individual
813.24 and group interests, physical, mental, and psychosocial needs, and that creates opportunities
813.25 for active participation in the community at large.

813.26 Sec. 5. Minnesota Statutes 2022, section 144G.63, subdivision 1, is amended to read:

813.27 Subdivision 1. **Orientation of staff and supervisors.** (a) All staff providing and
813.28 supervising direct services must complete an orientation to assisted living facility licensing
813.29 requirements and regulations before providing assisted living services to residents. The
813.30 orientation may be incorporated into the training required under subdivision 5. The orientation

814.1 need only be completed once for each staff person and is not transferable to another facility,
814.2 except as provided in paragraph (b).

814.3 (b) A staff person is not required to repeat the orientation required under subdivision 2
814.4 if the staff person transfers from one licensed assisted living facility to another facility
814.5 operated by the same licensee or by a licensee affiliated with the same corporate organization
814.6 as the licensee of the first facility, or to another facility managed by the same entity managing
814.7 the first facility. The facility to which the staff person transfers must document that the staff
814.8 person completed the orientation at the prior facility. The facility to which the staff person
814.9 transfers must nonetheless provide the transferred staff person with supplemental orientation
814.10 specific to the facility and document that the supplemental orientation was provided. The
814.11 supplemental orientation must include the types of assisted living services the staff person
814.12 will be providing, the facility's category of licensure, and the facility's emergency procedures.
814.13 A staff person cannot transfer to an assisted living facility with dementia care without
814.14 satisfying the additional training requirements under section 144G.83.

814.15 Sec. 6. Minnesota Statutes 2022, section 144G.63, subdivision 4, is amended to read:

814.16 Subd. 4. **Training required relating to dementia, mental illness, and de-escalation.** All
814.17 direct care staff and supervisors providing direct services must demonstrate an understanding
814.18 of the training specified in section 144G.64.

814.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

814.20 Sec. 7. Minnesota Statutes 2022, section 144G.64, is amended to read:

814.21 **144G.64 TRAINING IN DEMENTIA CARE, MENTAL ILLNESS, AND**
814.22 **DE-ESCALATION REQUIRED.**

814.23 (a) All assisted living facilities must meet the following dementia care, mental illness,
814.24 and de-escalation training requirements:

814.25 (1) supervisors of direct-care staff must have at least eight hours of initial training on
814.26 dementia topics specified under paragraph (b), clauses (1) to (5), and two hours of initial
814.27 training on mental illness and de-escalation topics specified under paragraph (b), clauses
814.28 (6) to (8), within 120 working hours of the employment start date, and. Supervisors must
814.29 have at least two hours of training on topics related to dementia care and one hour of training
814.30 on topics related to mental illness and de-escalation for each 12 months of employment
814.31 thereafter;

815.1 (2) direct-care employees must have completed at least eight hours of initial training on
815.2 dementia topics specified under paragraph (b), clauses (1) to (5), and two hours of initial
815.3 training on mental illness and de-escalation topics specified under paragraph (b), clauses
815.4 (6) to (8), within 160 working hours of the employment start date. Until this initial training
815.5 is complete, an employee must not provide direct care unless there is another employee on
815.6 site who has completed the initial eight hours of training on topics related to dementia ~~care~~
815.7 and the initial two hours of training on topics related to mental illness and de-escalation and
815.8 who can act as a resource and assist if issues arise. A trainer of the requirements under
815.9 paragraph (b) or a supervisor meeting the requirements in clause (1) must be available for
815.10 consultation with the new employee until the training requirement is complete. Direct-care
815.11 employees must have at least two hours of training on topics related to dementia and one
815.12 hour of training on topics related to mental illness and de-escalation for each 12 months of
815.13 employment thereafter;

815.14 (3) for assisted living facilities with dementia care, direct-care employees must have
815.15 completed at least eight hours of initial training on topics specified under paragraph (b)
815.16 within 80 working hours of the employment start date. Until this initial training is complete,
815.17 an employee must not provide direct care unless there is another employee on site who has
815.18 completed the initial eight hours of training on topics related to dementia ~~care~~ and two hours
815.19 of training on topics related to mental illness and de-escalation and who can act as a resource
815.20 and assist if issues arise. A trainer of the requirements under paragraph (b) or a supervisor
815.21 meeting the requirements in clause (1) must be available for consultation with the new
815.22 employee until the training requirement is complete. Direct-care employees must have at
815.23 least two hours of training on topics related to dementia and one hour of training on topics
815.24 related to mental illness and de-escalation for each 12 months of employment thereafter;

815.25 (4) staff who do not provide direct care, including maintenance, housekeeping, and food
815.26 service staff, must have at least four hours of initial training on topics specified under
815.27 paragraph (b), clauses (1) to (5), and two hours of initial training on mental illness and
815.28 de-escalation topics specified under paragraph (b), clauses (6) to (8), within 160 working
815.29 hours of the employment start date, and must have at least two hours of training on topics
815.30 related to dementia ~~care~~ and one hour of training on topics related to mental illness and
815.31 de-escalation for each 12 months of employment thereafter; and

815.32 (5) new employees may satisfy the initial training requirements by producing written
815.33 proof of previously completed required training within the past 18 months.

815.34 (b) Areas of required dementia, mental illness, and de-escalation training include:

- 816.1 (1) an explanation of Alzheimer's disease and other dementias;
- 816.2 (2) assistance with activities of daily living;
- 816.3 (3) problem solving with challenging behaviors;
- 816.4 (4) communication skills; ~~and~~
- 816.5 (5) person-centered planning and service delivery;
- 816.6 (6) recognizing symptoms of common mental illness diagnoses, including but not limited
- 816.7 to mood disorders, anxiety disorders, trauma- and stressor-related disorders, personality
- 816.8 and psychotic disorders, substance use disorder, and substance misuse;
- 816.9 (7) de-escalation techniques and communication; and
- 816.10 (8) crisis resolution and suicide prevention, including procedures for contacting county
- 816.11 crisis response teams and 988 suicide and crisis lifelines.

816.12 (c) The facility shall provide to consumers in written or electronic form a description of

816.13 the training program, the categories of employees trained, the frequency of training, and

816.14 the basic topics covered.

816.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

816.16 Sec. 8. Minnesota Statutes 2022, section 256.9755, subdivision 2, is amended to read:

816.17 Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate ~~to area agencies on~~

816.18 ~~aging~~ the state funds ~~which~~ that are received under this section for the caregiver support

816.19 program ~~in a manner consistent with federal requirements~~. The board shall give priority to

816.20 those areas where there is a high need of respite services as evidenced by the data provided

816.21 by the board.

816.22 Sec. 9. Minnesota Statutes 2022, section 256.9755, subdivision 3, is amended to read:

816.23 Subd. 3. **Caregiver support services.** Funds allocated under this section ~~to an area~~

816.24 ~~agency on aging~~ for caregiver support services must be used ~~in a manner consistent with~~

816.25 ~~the National Family Caregiver Support Program~~ to reach family caregivers of persons with

816.26 ALS, ~~except that~~ and such funds may be used to provide services benefiting people under

816.27 the age of 60 and their caregivers. The funds must be used to provide social,

816.28 community-based services and activities that provide social interaction for participants. The

816.29 funds may also be used to provide respite care.

817.1 Sec. 10. Minnesota Statutes 2023 Supplement, section 256.9756, subdivision 1, is amended
817.2 to read:

817.3 Subdivision 1. **Caregiver respite services grant program established.** The Minnesota
817.4 Board on Aging must establish a caregiver respite services grant program to increase the
817.5 availability of respite services for family caregivers of people with dementia ~~and older adults~~
817.6 and to provide information, education, and training to respite caregivers and volunteers
817.7 regarding caring for people with dementia. From the money made available for this purpose,
817.8 the board must award grants on a competitive basis to respite service providers, giving
817.9 priority to areas of the state where there is a high need of respite services.

817.10 Sec. 11. Minnesota Statutes 2023 Supplement, section 256.9756, subdivision 2, is amended
817.11 to read:

817.12 Subd. 2. **Eligible uses.** Grant recipients awarded grant money under this section must
817.13 use a portion of the grant award as determined by the board to provide free or subsidized
817.14 respite services for family caregivers of people with dementia ~~and older adults~~.

817.15 Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.0913, subdivision 5, as
817.16 amended by Laws 2024, chapter 85, section 68, is amended to read:

817.17 Subd. 5. **Services covered under alternative care.** (a) Alternative care funding may
817.18 be used for payment of costs of:

- 817.19 (1) adult day services and adult day services bath;
- 817.20 (2) home care;
- 817.21 (3) homemaker services;
- 817.22 (4) personal care;
- 817.23 (5) case management and conversion case management;
- 817.24 (6) respite care;
- 817.25 (7) specialized supplies and equipment;
- 817.26 (8) home-delivered meals;
- 817.27 (9) nonmedical transportation;
- 817.28 (10) nursing services;
- 817.29 (11) chore services;

- 818.1 (12) companion services;
- 818.2 (13) nutrition services;
- 818.3 (14) family caregiver training and education;
- 818.4 (15) coaching and counseling;
- 818.5 (16) telehome care to provide services in their own homes in conjunction with in-home
- 818.6 visits;
- 818.7 (17) consumer-directed community supports;
- 818.8 (18) environmental accessibility and adaptations; ~~and~~
- 818.9 (19) transitional services; and
- 818.10 ~~(19)~~ (20) discretionary services, for which lead agencies may make payment from their
- 818.11 alternative care program allocation for services not otherwise defined in this section or
- 818.12 section 256B.0625, following approval by the commissioner.

818.13 (b) Total annual payments for discretionary services for all clients served by a lead

818.14 agency must not exceed 25 percent of that lead agency's annual alternative care program

818.15 base allocation, except that when alternative care services receive federal financial

818.16 participation under the 1115 waiver demonstration, funding shall be allocated in accordance

818.17 with subdivision 17.

818.18 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,

818.19 whichever is later. The commissioner of human services shall notify the revisor of statutes

818.20 when federal approval is obtained.

818.21 Sec. 13. Minnesota Statutes 2022, section 256B.0913, subdivision 5a, is amended to read:

818.22 Subd. 5a. **Services; service definitions; service standards.** (a) Unless specified in

818.23 statute, the services, service definitions, and standards for alternative care services shall be

818.24 the same as the services, service definitions, and standards specified in the federally approved

818.25 elderly waiver plan, except alternative care does not cover ~~transitional support services,~~

818.26 assisted living services, adult foster care services, and residential care and benefits defined

818.27 under section 256B.0625 that meet primary and acute health care needs.

818.28 (b) The lead agency must ensure that the funds are not used to supplant or supplement

818.29 services available through other public assistance or services programs, including

818.30 supplementation of client co-pays, deductibles, premiums, or other cost-sharing arrangements

818.31 for health-related benefits and services or entitlement programs and services that are available

819.1 to the person, but in which they have elected not to enroll. The lead agency must ensure
819.2 that the benefit department recovery system in the Medicaid Management Information
819.3 System (MMIS) has the necessary information on any other health insurance or third-party
819.4 insurance policy to which the client may have access. Supplies and equipment may be
819.5 purchased from a vendor not certified to participate in the Medicaid program if the cost for
819.6 the item is less than that of a Medicaid vendor.

819.7 (c) Personal care services must meet the service standards defined in the federally
819.8 approved elderly waiver plan, except that a lead agency may authorize services to be provided
819.9 by a client's relative who meets the relative hardship waiver requirements or a relative who
819.10 meets the criteria and is also the responsible party under an individual service plan that
819.11 ensures the client's health and safety and supervision of the personal care services by a
819.12 qualified professional as defined in section 256B.0625, subdivision 19c. Relative hardship
819.13 is established by the lead agency when the client's care causes a relative caregiver to do any
819.14 of the following: resign from a paying job, reduce work hours resulting in lost wages, obtain
819.15 a leave of absence resulting in lost wages, incur substantial client-related expenses, provide
819.16 services to address authorized, unstaffed direct care time, or meet special needs of the client
819.17 unmet in the formal service plan.

819.18 (d) Alternative care covers sign language interpreter services and spoken language
819.19 interpreter services for recipients eligible for alternative care when the services are necessary
819.20 to help deaf and hard-of-hearing recipients or recipients with limited English proficiency
819.21 obtain covered services. Coverage for face-to-face spoken language interpreter services
819.22 shall be provided only if the spoken language interpreter used by the enrolled health care
819.23 provider is listed in the registry or roster established under section 144.058.

819.24 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
819.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
819.26 when federal approval is obtained.

819.27 Sec. 14. Minnesota Statutes 2022, section 256B.434, is amended by adding a subdivision
819.28 to read:

819.29 **Subd. 4k. Property rate increase for certain nursing facilities.** (a) A rate increase
819.30 under this subdivision ends upon the effective date of the transition of the facility's property
819.31 rate to a property payment rate under section 256R.26, subdivision 8, or May 31, 2026,
819.32 whichever is earlier.

819.33 (b) The commissioner shall increase the property rate of a nursing facility located in the
819.34 city of St. Paul at 1415 Almond Avenue in Ramsey County by \$10.65 on January 1, 2025.

820.1 (c) The commissioner shall increase the property rate of a nursing facility located in the
820.2 city of Duluth at 3111 Church Place in St. Louis County by \$20.81 on January 1, 2025.

820.3 (d) The commissioner shall increase the property rate of a nursing facility located in the
820.4 city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on January 1,
820.5 2025.

820.6 (e) Effective January 1, 2025, through June 30, 2025, the commissioner shall increase
820.7 the property rate of a nursing facility located in the city of Fergus Falls at 1131 South
820.8 Mabelle Avenue in Ottertail County by \$38.56.

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

820.10 Sec. 15. Minnesota Statutes 2022, section 256B.49, is amended by adding a subdivision
820.11 to read:

820.12 **Subd. 28a. Transfer of customized living enrollment dates.** (a) For the purposes of
820.13 this subdivision, "operational" has the meaning given in subdivision 28.

820.14 (b) This paragraph applies only to customized living settings enrolled and operational
820.15 on or before June 30, 2021, and customized living settings that have previously transferred
820.16 their customized living enrollment date under this paragraph. A provider that receives
820.17 approval from the commissioner of health under section 144G.195, subdivision 1, to relocate
820.18 a licensed assisted living facility that was enrolled prior to January 11, 2021, to deliver
820.19 medical assistance 24-hour customized living services, or customized living services as
820.20 defined by the brain injury and community access for disability inclusion federally approved
820.21 home and community-based services waiver plans, may continue to operate the customized
820.22 living setting under the original setting's customized living enrollment date if all of the
820.23 requirements under this subdivision are met.

820.24 (c) A transfer of enrollment date is allowed under this subdivision only if the facility
820.25 relocation is due to:

820.26 (1) a provider that rents the original setting being unable to continue to rent the original
820.27 setting because of eviction, nonrenewal of its lease by the property owner, or sale of the
820.28 property by the owner;

820.29 (2) a provider that rents the original setting being unable to make the necessary updates
820.30 or improvements to the original setting to comply with the physical plant and other
820.31 requirements under state or federal law, including but not limited to chapter 144G;

820.32 (3) a provider's monthly rent increasing more than three percent in a 12-month period;

821.1 (4) the original setting being destroyed or damaged by fire, lightning, flood, wind, ground
821.2 shifts, or other such hazards, including environmental hazards, to such an extent that the
821.3 original setting cannot be repaired and the safety of residents would be jeopardized by
821.4 continuing to reside in the original setting; or

821.5 (5) a provider or an entity that directly or indirectly through one or more intermediaries
821.6 is controlled by, is under common control with, or controls the entity enrolled to provide
821.7 customized living services at the current setting purchases a new setting and the commissioner
821.8 of health approves the relocation of the provider's assisted living facility license to the newly
821.9 purchased setting.

821.10 (d) When a relocation is necessitated by a qualifying situation under paragraph (c),
821.11 clauses (1) to (5), the provider must submit a notification to the commissioner of human
821.12 services, the ombudsman of long-term care, the ombudsperson of mental health and
821.13 developmental disabilities, relevant lead agencies, each resident's case manager, and either
821.14 each person receiving services at the setting or the person's legal representative. The
821.15 notification must be made at least 30 days prior to the relocation date and on forms and in
821.16 the manner prescribed by the commissioner of human services.

821.17 (e) A provider proposing to transfer a customized living setting enrollment date to a new
821.18 setting must submit, with the provider's notification to the commissioner of human services
821.19 under paragraph (d), the following information:

821.20 (1) the addresses of the vacating location and of the proposed new location;

821.21 (2) the anticipated date of the move to the new location;

821.22 (3) contacts for the lead agency and each resident's waiver case manager;

821.23 (4) documentation that the Department of Health has received an application to relocate
821.24 pursuant to section 144G.195, subdivision 1, for the new location; and

821.25 (5) documentation that the customized living provider's assisted living facility license
821.26 is not conditional.

821.27 (f) The commissioner of human services has 30 days to approve or deny requests to
821.28 transfer the original setting's customized living enrollment date to the new setting.

821.29 (g) The commissioner of human services must deny requests to transfer a customized
821.30 living enrollment date to a new setting if:

821.31 (1) the new setting approved by the commissioner of health under section 144G.195,
821.32 subdivision 1, is adjoined to or on the same property as an institution as defined in Code of

822.1 Federal Regulations, title 42, section 441.301(c), or one or more licensed assisted living
 822.2 facilities;

822.3 (2) the requesting provider fails to notify the commissioner of human services of the
 822.4 proposed relocation within the time frames required under this subdivision;

822.5 (3) the requesting provider's assisted living facility license is conditional; or

822.6 (4) the requesting provider is changing ownership at the same time as the proposed
 822.7 relocation.

822.8 (h) The setting to which the original customized living enrollment date is transferred
 822.9 must:

822.10 (1) comply with setting requirements in the brain injury and community access for
 822.11 disability inclusion federally approved home and community-based services waiver plans
 822.12 and under this section as the requirements existed on the customized living enrollment date
 822.13 of the original setting;

822.14 (2) have a resident capacity less than or equal to the resident capacity of the original
 822.15 setting;

822.16 (3) not require or coerce any resident of the original setting to move to the new setting,
 822.17 consistent with informed choice and independent living policies under section 256B.4905,
 822.18 subdivisions 1a, 2a, 3a, and 8; and

822.19 (4) provide each resident with a new assisted living contract and comply with the
 822.20 coordinated move requirements under section 144G.55.

822.21 **EFFECTIVE DATE.** This section is effective January 1, 2025, or 90 days after federal
 822.22 approval, whichever is later. The commissioner of human services shall notify the revisor
 822.23 of statutes when federal approval is obtained.

822.24 Sec. 16. Minnesota Statutes 2023 Supplement, section 256R.55, is amended to read:

822.25 **256R.55 FINANCIALLY DISTRESSED NURSING FACILITY LONG-TERM**
 822.26 **SERVICES AND SUPPORTS LOAN PROGRAM.**

822.27 Subdivision 1. ~~Financially distressed nursing facility loans~~ **Long-term services and**
 822.28 **supports loan program.** The commissioner of human services shall establish a competitive
 822.29 ~~financially distressed nursing facility~~ loan program to provide operating loans to eligible
 822.30 ~~nursing~~ **long-term services and supports providers and facilities.** The commissioner shall
 822.31 initiate the application process for the loan described in this section at least once annually

823.1 if money is available. A second application process may be initiated each year at the
823.2 discretion of the commissioner.

823.3 Subd. 2. **Eligibility.** To be an eligible applicant for a loan under this section, a ~~nursing~~
823.4 facility provider must submit to the commissioner of human services a loan application in
823.5 the form and according to the timelines established by the commissioner. In its loan
823.6 application, a loan applicant must demonstrate ~~that~~ the following:

823.7 (1) for nursing facilities with a medical assistance provider agreement that are licensed
823.8 as a nursing home or boarding care home according to section 256R.02, subdivision 33:

823.9 ~~(1)~~ (i) the total net income of the nursing facility is not generating sufficient revenue to
823.10 cover the nursing facility's operating expenses;

823.11 ~~(2)~~ (ii) the nursing facility is at risk of closure; and

823.12 ~~(3)~~ (iii) additional operating revenue is necessary to either preserve access to nursing
823.13 facility services within the community or support people with complex, high-acuity support
823.14 needs; and

823.15 (2) for other long-term services and supports providers:

823.16 (i) demonstration that the provider is enrolled in a Minnesota health care program and
823.17 provides one or more of the following services in a Minnesota health care program:

823.18 (A) home and community-based services under chapter 245D;

823.19 (B) personal care assistance services under section 256B.0659;

823.20 (C) community first services and supports under section 256B.85;

823.21 (D) early intensive developmental and behavioral intervention services under section
823.22 256B.0949;

823.23 (E) home care services as defined under section 256B.0651, subdivision 1, paragraph
823.24 (d); or

823.25 (F) customized living services as defined in section 256S.02; and

823.26 (ii) additional operating revenue is necessary to preserve access to services within the
823.27 community, expand services to people within the community, expand services to new
823.28 communities, or support people with complex, high-acuity support needs.

823.29 Subd. 2a. Allowable uses of loan money. (a) A loan awarded to a nursing facility under
823.30 subdivision 2, clause (1), must only be used to cover the facility's short-term operating

824.1 expenses. Nursing facilities receiving loans must not use the loan proceeds to pay related
824.2 organizations as defined in section 256R.02, subdivision 43.

824.3 (b) A loan awarded to a long-term services and supports provider under subdivision 2,
824.4 clause (2), must only be used to cover expenses related to achieving outcomes identified in
824.5 subdivision 2, clause (2), item (ii).

824.6 Subd. 3. **Approving loans.** The commissioner must evaluate all loan applications on a
824.7 competitive basis and award loans to successful applicants within available appropriations
824.8 for this purpose. The commissioner's decisions are final and not subject to appeal.

824.9 Subd. 4. **Disbursement schedule.** Successful loan applicants under this section may
824.10 receive loan disbursements as a lump sum, or on an agreed upon disbursement schedule, ~~or~~
824.11 ~~as a time-limited line of credit.~~ The commissioner shall approve disbursements to successful
824.12 loan applicants through a memorandum of understanding. Memoranda of understanding
824.13 must specify the amount and schedule of loan disbursements.

824.14 Subd. 5. **Loan administration.** The commissioner may contract with an independent
824.15 third party to administer the loan program under this section.

824.16 Subd. 6. **Loan payments.** The commissioner shall negotiate the terms of the loan
824.17 repayment, including the start of the repayment plan, the due date of the repayment, and
824.18 the frequency of the repayment installments. Repayment installments must not begin until
824.19 at least 18 months after the first disbursement date. The memoranda of understanding must
824.20 specify the amount and schedule of loan payments. The repayment term must not exceed
824.21 72 months. If any loan payment to the commissioner is not paid within the time specified
824.22 by the memoranda of understanding, the late payment must be assessed a penalty rate of
824.23 0.01 percent of the original loan amount each month the payment is past due. For nursing
824.24 facilities, this late fee is not an allowable cost on the department's cost report. The
824.25 commissioner shall have the power to abate penalties when discrepancies occur resulting
824.26 from but not limited to circumstances of error and mail delivery.

824.27 Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent
824.28 in the timely payment of a contractual payment under this section, the provisions in
824.29 paragraphs (b) to (e) apply.

824.30 (b) The commissioner may withhold some or all of the amount of the delinquent loan
824.31 payment, together with any penalties due and owing on those amounts, from any money
824.32 the department owes to the borrower. The commissioner may, at the commissioner's
824.33 discretion, also withhold future contractual payments from any money the commissioner
824.34 owes the provider as those contractual payments become due and owing. The commissioner

825.1 may continue this withholding until the commissioner determines there is no longer any
825.2 need to do so.

825.3 (c) The commissioner shall give prior notice of the commissioner's intention to withhold
825.4 by mail, facsimile, or email at least ten business days before the date of the first payment
825.5 period for which the withholding begins. The notice must be deemed received as of the date
825.6 of mailing or receipt of the facsimile or electronic notice. The notice must:

825.7 (1) state the amount of the delinquent contractual payment;

825.8 (2) state the amount of the withholding per payment period;

825.9 (3) state the date on which the withholding is to begin;

825.10 (4) state whether the commissioner intends to withhold future installments of the
825.11 provider's contractual payments; and

825.12 (5) state other contents as the commissioner deems appropriate.

825.13 (d) The commissioner, or the commissioner's designee, may enter into written settlement
825.14 agreements with a provider to resolve disputes and other matters involving unpaid loan
825.15 contractual payments or future loan contractual payments.

825.16 (e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties,
825.17 are overpayments for the purposes of section 256B.0641, subdivision 1. The current owner
825.18 of a nursing home ~~or~~, boarding care home, or long-term services and supports provider is
825.19 liable for the overpayment amount owed by a former owner for any facility sold, transferred,
825.20 or reorganized.

825.21 Subd. 8. **Audit.** Loan money allocated under this section is subject to audit to determine
825.22 whether the money was spent as authorized under this section.

825.23 Subd. 8a. **Special revenue account.** A long-term services and supports loan account is
825.24 created in the special revenue fund in the state treasury. Money appropriated for the purposes
825.25 of this section must be transferred to the long-term services and supports loan account. All
825.26 payments received under subdivision 6, along with fees, penalties, and interest, must be
825.27 deposited into the special revenue account and are appropriated to the commissioner for the
825.28 purposes of this section.

825.29 Subd. 9. **Carryforward.** Notwithstanding section 16A.28, subdivision 3, ~~any~~
825.30 appropriation money in the long-term services and supports loan account for the purposes
825.31 under this section carries forward and does not lapse ~~until the close of the fiscal year in~~
825.32 ~~which this section expires.~~

826.1 ~~Subd. 10. **Expiration.** This section expires June 30, 2029.~~

826.2 **EFFECTIVE DATE.** This section is effective July 1, 2024, except that subdivision 8a
826.3 is effective retroactively from July 1, 2023.

826.4 Sec. 17. **[256S.191] ELDERLY WAIVER BUDGET AND RATE EXCEPTIONS;**
826.5 **HIGH-NEED PARTICIPANTS.**

826.6 Subdivision 1. **Eligibility for budget and rate exceptions.** A participant is eligible to
826.7 request an elderly waiver budget and rate exception when:

826.8 (1) hospitalization of the participant is no longer medically necessary but the participant
826.9 has not been discharged to the community due to lack of community care options;

826.10 (2) the participant requires a support plan that exceeds elderly waiver budgets and rates
826.11 due to the participant's specific assessed needs; and

826.12 (3) the participant meets all eligibility criteria for the elderly waiver.

826.13 Subd. 2. **Requests for budget and rate exceptions.** (a) A participant eligible under
826.14 subdivision 1 may request, in a format prescribed by the commissioner, an elderly waiver
826.15 budget and rate exception when requesting an eligibility determination for elderly waiver
826.16 services. The participant may request an exception to the elderly waiver case mix caps, the
826.17 customized living service rate limits, service rates, or any combination of the three.

826.18 (b) The participant must document in the request that the participant's needs cannot be
826.19 met within the existing case mix caps, customized living service rate limits, or service rates
826.20 and how an exception to any of the three will meet the participant's needs.

826.21 (c) The participant must include in the request the basis for the underlying costs used to
826.22 determine the overall cost of the proposed service plan.

826.23 (d) The commissioner must respond to all exception requests, whether the request is
826.24 granted, denied, or granted as modified. The commissioner must include in the response
826.25 the basis for the action and provide notification of the right to appeal.

826.26 (e) Participants granted exceptions under this section must apply annually in a format
826.27 prescribed by the commissioner to continue or modify the exception.

826.28 (f) A participant no longer qualifies for an exception when the participant's needs can
826.29 be met within standard elderly waiver budgets and rates.

827.1 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
827.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
827.3 when federal approval is obtained.

827.4 Sec. 18. Minnesota Statutes 2022, section 256S.205, subdivision 2, is amended to read:

827.5 Subd. 2. **Rate adjustment application.** (a) Effective through September 30, 2023, a
827.6 facility may apply to the commissioner for designation as a disproportionate share facility.
827.7 Applications must be submitted annually between September 1 and September 30. The
827.8 applying facility must apply in a manner determined by the commissioner. The applying
827.9 facility must document each of the following on the application:

827.10 (1) the number of customized living residents in the facility on September 1 of the
827.11 application year, broken out by specific waiver program; and

827.12 (2) the total number of people residing in the facility on September 1 of the application
827.13 year.

827.14 (b) Effective October 1, 2023, the commissioner must not process any new applications
827.15 for disproportionate share facilities after the September 1 through September 30, 2023,
827.16 application period.

827.17 (c) A facility that receives rate floor payments in rate year 2024 may submit an application
827.18 under this subdivision to maintain its designation as a disproportionate share facility for
827.19 rate year 2025.

827.20 Sec. 19. Minnesota Statutes 2022, section 256S.205, subdivision 3, is amended to read:

827.21 Subd. 3. **Rate adjustment eligibility criteria.** (a) Effective through September 30, 2023,
827.22 only facilities satisfying all of the following conditions on September 1 of the application
827.23 year are eligible for designation as a disproportionate share facility:

827.24 (1) at least 83.5 percent of the residents of the facility are customized living residents;
827.25 and

827.26 (2) at least 70 percent of the customized living residents are elderly waiver participants.

827.27 (b) A facility determined eligible for the disproportionate share rate adjustment in
827.28 application year 2023 and receiving payments in rate year 2024 is eligible to receive payments
827.29 in rate year 2025 only if the commissioner determines that the facility continues to meet
827.30 the eligibility requirements under this subdivision as determined by the application process
827.31 under subdivision 2, paragraph (c).

828.1 Sec. 20. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

828.2 Subd. 5. **Rate adjustment; rate floor.** (a) Effective through December 31, 2025,
828.3 notwithstanding the 24-hour customized living monthly service rate limits under section
828.4 256S.202, subdivision 2, and the component service rates established under section 256S.201,
828.5 subdivision 4, the commissioner must establish a rate floor equal to ~~\$119~~ \$141 per resident
828.6 per day for 24-hour customized living services provided to an elderly waiver participant in
828.7 a designated disproportionate share facility.

828.8 (b) The commissioner must apply the rate floor to the services described in paragraph
828.9 (a) provided during the rate year.

828.10 ~~(c) The commissioner must adjust the rate floor by the same amount and at the same~~
828.11 ~~time as any adjustment to the 24-hour customized living monthly service rate limits under~~
828.12 ~~section 256S.202, subdivision 2.~~

828.13 ~~(d) The commissioner shall not implement the rate floor under this section if the~~
828.14 ~~customized living rates established under sections 256S.21 to 256S.215 will be implemented~~
828.15 ~~at 100 percent on January 1 of the year following an application year.~~

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

828.17 Sec. 21. Minnesota Statutes 2022, section 256S.205, is amended by adding a subdivision
828.18 to read:

828.19 Subd. 7. **Expiration.** This section expires January 1, 2026.

828.20 Sec. 22. **DIRECTION TO COMMISSIONER; HOME AND COMMUNITY-BASED**
828.21 **SERVICES SYSTEM REFORM ANALYSIS.**

828.22 (a) The commissioner of human services must study Minnesota's existing home and
828.23 community-based services system for older adults and evaluate options to meet the needs
828.24 of older adults with high support needs that cannot be addressed by services or individual
828.25 participant budgets available under the elderly waiver. The commissioner must propose
828.26 reforms to the home and community-based services system to meet the following goals:

828.27 (1) address the needs of older adults with high support needs, including older adults with
828.28 high support needs currently residing in the community;

828.29 (2) develop provider capacity to meet the needs of older adults with high support needs;
828.30 and

829.1 (3) ensure access to a full range of services and supports necessary to address the needs
829.2 of older adults with high support needs.

829.3 (b) The commissioner must submit a report with recommendations to meet the goals in
829.4 paragraph (a) to the chairs and ranking minority members of the legislative committees with
829.5 jurisdiction over human services finance and policy by December 31, 2025.

829.6 Sec. 23. REVISOR INSTRUCTION.

829.7 The revisor of statutes shall renumber Minnesota Statutes, section 256R.55, as Minnesota
829.8 Statutes, section 256.4792, and correct all cross-references.

829.9 ARTICLE 48

829.10 SUBSTANCE USE DISORDER SERVICES

829.11 Section 1. Minnesota Statutes 2022, section 151.065, subdivision 7, is amended to read:

829.12 Subd. 7. **Deposit of fees.** (a) The license fees collected under this section, with the
829.13 exception of the fees identified in paragraphs (b) and (c), shall be deposited in the state
829.14 government special revenue fund.

829.15 (b) \$5,000 of each fee collected under subdivision 1, clauses (6) to (9), and (11) to (15),
829.16 and subdivision 3, clauses (4) to (7), and (9) to (13), and \$55,000 of each fee collected under
829.17 subdivision 1, clause (16), and subdivision 3, clause (14), shall be deposited in the opiate
829.18 epidemic response fund established in section 256.043.

829.19 ~~(c) If the fees collected under subdivision 1, clause (16), or subdivision 3, clause (14),~~
829.20 ~~are reduced under section 256.043, \$5,000 of the reduced fee shall be deposited in the opiate~~
829.21 ~~epidemic response fund in section 256.043.~~

829.22 Sec. 2. Minnesota Statutes 2023 Supplement, section 245.91, subdivision 4, is amended
829.23 to read:

829.24 Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or
829.25 residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency,
829.26 facility, or program that provides services or treatment for mental illness, developmental
829.27 disability, substance use disorder, or emotional disturbance that is required to be licensed,
829.28 certified, or registered by the commissioner of human services, health, or education; a sober
829.29 home as defined in section 254B.01, subdivision 11; peer recovery support services provided
829.30 by a recovery community organization as defined in section 254B.01, subdivision 8; and

830.1 an acute care inpatient facility that provides services or treatment for mental illness,
830.2 developmental disability, substance use disorder, or emotional disturbance.

830.3 Sec. 3. Minnesota Statutes 2023 Supplement, section 245G.07, subdivision 2, is amended
830.4 to read:

830.5 Subd. 2. **Additional treatment service.** A license holder may provide or arrange the
830.6 following additional treatment service as a part of the client's individual treatment plan:

830.7 (1) relationship counseling provided by a qualified professional to help the client identify
830.8 the impact of the client's substance use disorder on others and to help the client and persons
830.9 in the client's support structure identify and change behaviors that contribute to the client's
830.10 substance use disorder;

830.11 (2) therapeutic recreation to allow the client to participate in recreational activities
830.12 without the use of mood-altering chemicals and to plan and select leisure activities that do
830.13 not involve the inappropriate use of chemicals;

830.14 (3) stress management and physical well-being to help the client reach and maintain an
830.15 appropriate level of health, physical fitness, and well-being;

830.16 (4) living skills development to help the client learn basic skills necessary for independent
830.17 living;

830.18 (5) employment or educational services to help the client become financially independent;

830.19 (6) socialization skills development to help the client live and interact with others in a
830.20 positive and productive manner;

830.21 (7) room, board, and supervision at the treatment site to provide the client with a safe
830.22 and appropriate environment to gain and practice new skills; and

830.23 (8) peer recovery support services must be provided by an individual in a recovery peer
830.24 qualified according to section 245I.04, subdivision 18. Peer recovery support services include
830.25 education; advocacy; mentoring through self-disclosure of personal recovery experiences;
830.26 attending recovery and other support groups with a client; accompanying the client to
830.27 appointments that support recovery; assistance accessing resources to obtain housing,
830.28 employment, education, and advocacy services; and nonclinical recovery support to assist
830.29 the transition from treatment into the recovery community must be provided according to
830.30 sections 254B.05, subdivision 5, and 254B.052.

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

831.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 245I.04, subdivision 19, is amended
831.2 to read:

831.3 Subd. 19. **Recovery peer scope of practice.** (a) A recovery peer, under the supervision
831.4 of an a licensed alcohol and drug counselor or mental health professional who meets the
831.5 qualifications under subdivision 2, must:

831.6 (1) provide individualized peer support and individual recovery planning to each client;

831.7 (2) promote a client's recovery goals, self-sufficiency, self-advocacy, and development
831.8 of natural supports; and

831.9 (3) support a client's maintenance of skills that the client has learned from other services.

831.10 (b) A licensed alcohol and drug counselor or mental health professional providing
831.11 supervision to a recovery peer must meet with the recovery peer face-to-face, either remotely
831.12 or in person, at least once per month in order to provide adequate supervision to the recovery
831.13 peer. Supervision must include reviewing individual recovery plans, as defined in section
831.14 254B.01, subdivision 4e, and reviewing documentation of peer recovery support services
831.15 provided for clients and may include client updates, discussion of ethical considerations,
831.16 and any other questions or issues relevant to peer recovery support services.

831.17 Sec. 5. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to
831.18 read:

831.19 Subd. 4e. **Individual recovery plan.** "Individual recovery plan" means a person-centered
831.20 outline of supports that an eligible vendor of peer recovery support services under section
831.21 254B.05, subdivision 1, must develop to respond to an individual's peer recovery support
831.22 services needs and goals.

831.23 Sec. 6. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to
831.24 read:

831.25 Subd. 8a. **Recovery peer.** "Recovery peer" means a person who is qualified according
831.26 to section 245I.04, subdivision 18, to provide peer recovery support services within the
831.27 scope of practice provided under section 245I.04, subdivision 19.

831.28 Sec. 7. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 1, is amended
831.29 to read:

831.30 Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the
831.31 commissioner are eligible vendors. Hospitals may apply for and receive licenses to be

832.1 eligible vendors, notwithstanding the provisions of section 245A.03. American Indian
832.2 programs that provide substance use disorder treatment, extended care, transitional residence,
832.3 or outpatient treatment services, and are licensed by tribal government are eligible vendors.

832.4 (b) A licensed professional in private practice as defined in section 245G.01, subdivision
832.5 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible
832.6 vendor of a comprehensive assessment and assessment summary provided according to
832.7 section 245G.05, and treatment services provided according to sections 245G.06 and
832.8 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses
832.9 (1) to (6).

832.10 (c) A county is an eligible vendor for a comprehensive assessment and assessment
832.11 summary when provided by an individual who meets the staffing credentials of section
832.12 245G.11, subdivisions 1 and 5, and completed according to the requirements of section
832.13 245G.05. A county is an eligible vendor of care coordination services when provided by an
832.14 individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and
832.15 provided according to the requirements of section 245G.07, subdivision 1, paragraph (a),
832.16 clause (5). A county is an eligible vendor of peer recovery services when the services are
832.17 provided by an individual who meets the requirements of section 245G.11, subdivision 8.

832.18 (d) A recovery community organization that meets the requirements of clauses (1) to
832.19 ~~(10)~~ (12) and meets ~~membership certification~~ or accreditation requirements of ~~the Association~~
832.20 ~~of Recovery Community Organizations~~ the Alliance for Recovery Centered Organizations,
832.21 the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide
832.22 recovery community organization identified by the commissioner is an eligible vendor of
832.23 peer recovery support services. A Minnesota statewide recovery organization identified by
832.24 the commissioner must update recovery community organization applicants for certification
832.25 or accreditation on the status of the application within 45 days of receipt. If the approved
832.26 statewide recovery organization denies an application, it must provide a written explanation
832.27 for the denial to the recovery community organization. Eligible vendors under this paragraph
832.28 must:

832.29 (1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be
832.30 free from conflicting self-interests, and be autonomous in decision-making, program
832.31 development, peer recovery support services provided, and advocacy efforts for the purpose
832.32 of supporting the recovery community organization's mission;

833.1 (2) be led and governed by individuals in the recovery community, with more than 50
833.2 percent of the board of directors or advisory board members self-identifying as people in
833.3 personal recovery from substance use disorders;

833.4 (3) ~~primarily focus on recovery from substance use disorders, with missions and visions~~
833.5 ~~that support this primary focus~~ have a mission statement and conduct corresponding activities
833.6 indicating that the organization's primary purpose is to support recovery from substance
833.7 use disorder;

833.8 (4) ~~be grassroots and reflective of and engaged with the community served~~ demonstrate
833.9 ongoing community engagement with the identified primary region and population served
833.10 by the organization, including individuals in recovery and their families, friends, and recovery
833.11 allies;

833.12 (5) be accountable to the recovery community through documented priority-setting and
833.13 participatory decision-making processes that promote the ~~involvement~~ and engagement of,
833.14 and consultation with, people in recovery and their families, friends, and recovery allies;

833.15 (6) provide nonclinical peer recovery support services, including but not limited to
833.16 recovery support groups, recovery coaching, telephone recovery support, skill-building
833.17 ~~groups~~, and harm-reduction activities, and provide recovery public education and advocacy;

833.18 (7) have written policies that allow for and support opportunities for all paths toward
833.19 recovery and refrain from excluding anyone based on their chosen recovery path, which
833.20 may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based
833.21 paths;

833.22 (8) ~~be purposeful in meeting the diverse~~ maintain organizational practices to meet the
833.23 needs of Black, Indigenous, and people of color communities, including LGBTQ+
833.24 communities, and other underrepresented or marginalized communities. Organizational
833.25 practices may include board and staff ~~development activities, organizational practices~~
833.26 training, service offerings, advocacy efforts, and culturally informed outreach and ~~service~~
833.27 plans services;

833.28 (9) ~~be stewards of~~ use recovery-friendly language in all media and written materials that
833.29 is supportive of and promotes recovery across diverse geographical and cultural contexts
833.30 and reduces stigma; ~~and~~

833.31 (10) establish and maintain an employee and volunteer a publicly available recovery
833.32 community organization code of ethics and easily accessible grievance policy and procedures
833.33 ~~posted in physical spaces, on websites, or on program policies or forms.;~~

834.1 (11) provide an orientation for recovery peers that includes an overview of the consumer
834.2 advocacy services provided by the Ombudsman for Mental Health and Developmental
834.3 Disabilities and other relevant advocacy services; and

834.4 (12) provide notice to peer recovery support services participants that includes the
834.5 following statement: "If you have a complaint about the provider or the person providing
834.6 your peer recovery support services, you may contact the Minnesota Alliance of Recovery
834.7 Community Organizations. You may also contact the Office of Ombudsman for Mental
834.8 Health and Developmental Disabilities." The statement must also include:

834.9 (i) the telephone number, website address, email address, and mailing address of the
834.10 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman
834.11 for Mental Health and Developmental Disabilities;

834.12 (ii) the recovery community organization's name, address, email, telephone number, and
834.13 name or title of the person at the recovery community organization to whom problems or
834.14 complaints may be directed; and

834.15 (iii) a statement that the recovery community organization will not retaliate against a
834.16 peer recovery support services participant because of a complaint.

834.17 (e) A recovery community organization approved by the commissioner
834.18 before June 30, 2023, shall retain their designation as recovery community organizations
834.19 must have begun the application process as required by an approved certifying or accrediting
834.20 entity and have begun the process to meet the requirements under paragraph (d) by September
834.21 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

834.22 (f) A recovery community organization that is aggrieved by an accreditation, certification,
834.23 or membership determination and believes it meets the requirements under paragraph (d)
834.24 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause
834.25 (15), for reconsideration as an eligible vendor. If the human services judge determines that
834.26 the recovery community organization meets the requirements under paragraph (d), the
834.27 recovery community organization is an eligible vendor of peer recovery support services.

834.28 (g) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to
834.29 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or
834.30 nonresidential substance use disorder treatment or withdrawal management program by the
834.31 commissioner or by tribal government or do not meet the requirements of subdivisions 1a
834.32 and 1b are not eligible vendors.

835.1 (h) Hospitals, federally qualified health centers, and rural health clinics are eligible
835.2 vendors of a comprehensive assessment when the comprehensive assessment is completed
835.3 according to section 245G.05 and by an individual who meets the criteria of an alcohol and
835.4 drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor
835.5 must be individually enrolled with the commissioner and reported on the claim as the
835.6 individual who provided the service.

835.7 (i) Any complaints about a recovery community organization or peer recovery support
835.8 services may be made to and reviewed or investigated by the ombudsperson for behavioral
835.9 health and developmental disabilities under sections 245.91 and 245.94.

835.10 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
835.11 the amendments adding paragraph (d), clauses (11) and (12), and paragraph (i) are effective
835.12 July 1, 2025.

835.13 Sec. 8. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 5, as amended
835.14 by Laws 2024, chapter 85, section 59, is amended to read:

835.15 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance
835.16 use disorder services and service enhancements funded under this chapter.

835.17 (b) Eligible substance use disorder treatment services include:

835.18 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
835.19 and provided according to the following ASAM levels of care:

835.20 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,
835.21 subdivision 1, clause (1);

835.22 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,
835.23 subdivision 1, clause (2);

835.24 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
835.25 subdivision 1, clause (3);

835.26 (iv) ASAM level 2.5 partial hospitalization services provided according to section
835.27 254B.19, subdivision 1, clause (4);

835.28 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
835.29 according to section 254B.19, subdivision 1, clause (5);

835.30 (vi) ASAM level 3.3 clinically managed population-specific high-intensity residential
835.31 services provided according to section 254B.19, subdivision 1, clause (6); and

- 836.1 (vii) ASAM level 3.5 clinically managed high-intensity residential services provided
836.2 according to section 254B.19, subdivision 1, clause (7);
- 836.3 (2) comprehensive assessments provided according to sections 245.4863, paragraph (a),
836.4 and 245G.05;
- 836.5 (3) treatment coordination services provided according to section 245G.07, subdivision
836.6 1, paragraph (a), clause (5);
- 836.7 (4) peer recovery support services provided according to section 245G.07, subdivision
836.8 2, clause (8);
- 836.9 (5) withdrawal management services provided according to chapter 245F;
- 836.10 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
836.11 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to
836.12 144.56;
- 836.13 (7) adolescent treatment programs that are licensed as outpatient treatment programs
836.14 according to sections 245G.01 to 245G.18 or as residential treatment programs according
836.15 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
836.16 applicable tribal license;
- 836.17 (8) ASAM 3.5 clinically managed high-intensity residential services that are licensed
836.18 according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which
836.19 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
836.20 and are provided by a state-operated vendor or to clients who have been civilly committed
836.21 to the commissioner, present the most complex and difficult care needs, and are a potential
836.22 threat to the community; and
- 836.23 (9) room and board facilities that meet the requirements of subdivision 1a.
- 836.24 (c) The commissioner shall establish higher rates for programs that meet the requirements
836.25 of paragraph (b) and one of the following additional requirements:
- 836.26 (1) programs that serve parents with their children if the program:
- 836.27 (i) provides on-site child care during the hours of treatment activity that:
- 836.28 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
836.29 9503; or
- 836.30 (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

- 837.1 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
837.2 licensed under chapter 245A as:
- 837.3 (A) a child care center under Minnesota Rules, chapter 9503; or
837.4 (B) a family child care home under Minnesota Rules, chapter 9502;
- 837.5 (2) culturally specific or culturally responsive programs as defined in section 254B.01,
837.6 subdivision 4a;
- 837.7 (3) disability responsive programs as defined in section 254B.01, subdivision 4b;
- 837.8 (4) programs that offer medical services delivered by appropriately credentialed health
837.9 care staff in an amount equal to two hours per client per week if the medical needs of the
837.10 client and the nature and provision of any medical services provided are documented in the
837.11 client file; or
- 837.12 (5) programs that offer services to individuals with co-occurring mental health and
837.13 substance use disorder problems if:
- 837.14 (i) the program meets the co-occurring requirements in section 245G.20;
- 837.15 (ii) 25 percent of the counseling staff are licensed mental health professionals under
837.16 section 245I.04, subdivision 2, or are students or licensing candidates under the supervision
837.17 of a licensed alcohol and drug counselor supervisor and mental health professional under
837.18 section 245I.04, subdivision 2, except that no more than 50 percent of the mental health
837.19 staff may be students or licensing candidates with time documented to be directly related
837.20 to provisions of co-occurring services;
- 837.21 (iii) clients scoring positive on a standardized mental health screen receive a mental
837.22 health diagnostic assessment within ten days of admission;
- 837.23 (iv) the program has standards for multidisciplinary case review that include a monthly
837.24 review for each client that, at a minimum, includes a licensed mental health professional
837.25 and licensed alcohol and drug counselor, and their involvement in the review is documented;
- 837.26 (v) family education is offered that addresses mental health and substance use disorder
837.27 and the interaction between the two; and
- 837.28 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
837.29 training annually.
- 837.30 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
837.31 that provides arrangements for off-site child care must maintain current documentation at

838.1 the substance use disorder facility of the child care provider's current licensure to provide
838.2 child care services.

838.3 (e) Adolescent residential programs that meet the requirements of Minnesota Rules,
838.4 parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
838.5 in paragraph (c), clause (5), items (i) to (iv).

838.6 (f) ~~Subject to federal approval,~~ Substance use disorder services that are otherwise covered
838.7 as direct face-to-face services may be provided via telehealth as defined in section 256B.0625,
838.8 subdivision 3b. The use of telehealth to deliver services must be medically appropriate to
838.9 the condition and needs of the person being served. Reimbursement shall be at the same
838.10 rates and under the same conditions that would otherwise apply to direct face-to-face services.

838.11 (g) For the purpose of reimbursement under this section, substance use disorder treatment
838.12 services provided in a group setting without a group participant maximum or maximum
838.13 client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one.
838.14 At least one of the attending staff must meet the qualifications as established under this
838.15 chapter for the type of treatment service provided. A recovery peer may not be included as
838.16 part of the staff ratio.

838.17 (h) Payment for outpatient substance use disorder services that are licensed according
838.18 to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless
838.19 prior authorization of a greater number of hours is obtained from the commissioner.

838.20 (i) Payment for substance use disorder services under this section must start from the
838.21 day of service initiation, when the comprehensive assessment is completed within the
838.22 required timelines.

838.23 (j) Eligible vendors of peer recovery support services must:

838.24 (1) submit to a review by the commissioner of up to ten percent of all medical assistance
838.25 and behavioral health fund claims to determine the medical necessity of peer recovery
838.26 support services for entities billing for peer recovery support services individually and not
838.27 receiving a daily rate; and

838.28 (2) limit an individual client to 14 hours per week for peer recovery support services
838.29 from an individual provider of peer recovery support services.

838.30 (k) Peer recovery support services not provided in accordance with section 254B.052
838.31 are subject to monetary recovery under section 256B.064 as money improperly paid.

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

839.1 **Sec. 9. [254B.052] PEER RECOVERY SUPPORT SERVICES REQUIREMENTS.**

839.2 **Subdivision 1. Peer recovery support services; service requirements.** (a) Peer recovery
839.3 support services are face-to-face interactions between a recovery peer and a client, on a
839.4 one-on-one basis, in which specific goals identified in an individual recovery plan, treatment
839.5 plan, or stabilization plan are discussed and addressed. Peer recovery support services are
839.6 provided to promote a client's recovery goals, self-sufficiency, self-advocacy, and
839.7 development of natural supports and to support maintenance of a client's recovery.

839.8 (b) Peer recovery support services must be provided according to an individual recovery
839.9 plan if provided by a recovery community organization or county, a treatment plan if provided
839.10 in a substance use disorder treatment program under chapter 245G, or a stabilization plan
839.11 if provided by a withdrawal management program under chapter 245F.

839.12 (c) A client receiving peer recovery support services must participate in the services
839.13 voluntarily. Any program that incorporates peer recovery support services must provide
839.14 written notice to the client that peer recovery support services will be provided.

839.15 (d) Peer recovery support services may not be provided to a client residing with or
839.16 employed by a recovery peer from whom they receive services.

839.17 **Subd. 2. Individual recovery plan.** (a) The individual recovery plan must be developed
839.18 with the client and must be completed within the first three sessions with a recovery peer.

839.19 (b) The recovery peer must document how each session ties into the client's individual
839.20 recovery plan. The individual recovery plan must be updated as needed. The individual
839.21 recovery plan must include:

839.22 (1) the client's name;

839.23 (2) the recovery peer's name;

839.24 (3) the name of the recovery peer's supervisor;

839.25 (4) the client's recovery goals;

839.26 (5) the client's resources and assets to support recovery;

839.27 (6) activities that may support meeting identified goals; and

839.28 (7) the planned frequency of peer recovery support services sessions between the recovery
839.29 peer and the client.

839.30 **Subd. 3. Eligible vendor documentation requirements.** An eligible vendor of peer
839.31 recovery support services under section 254B.05, subdivision 1, must keep a secure file for

840.1 each individual receiving medical assistance peer recovery support services. The file must
840.2 include, at a minimum:

840.3 (1) the client's comprehensive assessment under section 245G.05 that led to the client's
840.4 referral for peer recovery support services;

840.5 (2) the client's individual recovery plan; and

840.6 (3) documentation of each billed peer recovery support services interaction between the
840.7 client and the recovery peer, including the date, start and end time with a.m. and p.m.
840.8 designations, the client's response, and the name of the recovery peer who provided the
840.9 service.

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

840.11 Sec. 10. Minnesota Statutes 2023 Supplement, section 254B.19, subdivision 1, is amended
840.12 to read:

840.13 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level
840.14 of care, eligible vendors must implement the standards set by the ASAM for the respective
840.15 level of care. Additionally, vendors must meet the following requirements:

840.16 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of
840.17 developing a substance-related problem but may not have a diagnosed substance use disorder,
840.18 early intervention services may include individual or group counseling, treatment
840.19 coordination, peer recovery support, screening brief intervention, and referral to treatment
840.20 provided according to section 254A.03, subdivision 3, paragraph (c).

840.21 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per
840.22 week of skilled treatment services and adolescents must receive up to five hours per week.
840.23 Services must be licensed according to section 245G.20 and meet requirements under section
840.24 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly
840.25 skilled treatment service hours allowable per week.

840.26 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours
840.27 per week of skilled treatment services and adolescents must receive six or more hours per
840.28 week. Vendors must be licensed according to section 245G.20 and must meet requirements
840.29 under section 256B.0759. Peer recovery services and treatment coordination may be provided
840.30 beyond the hourly skilled treatment service hours allowable per week. If clinically indicated
840.31 on the client's treatment plan, this service may be provided in conjunction with room and
840.32 board according to section 254B.05, subdivision 1a.

841.1 (4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or
841.2 more of skilled treatment services. Services must be licensed according to section 245G.20
841.3 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need
841.4 daily monitoring in a structured setting, as directed by the individual treatment plan and in
841.5 accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically
841.6 indicated on the client's treatment plan, this service may be provided in conjunction with
841.7 room and board according to section 254B.05, subdivision 1a.

841.8 (5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs
841.9 must provide at least 5 hours of skilled treatment services per week according to each client's
841.10 specific treatment schedule, as directed by the individual treatment plan. Programs must be
841.11 licensed according to section 245G.20 and must meet requirements under section 256B.0759.

841.12 (6) For ASAM level 3.3 clinically managed population-specific high-intensity residential
841.13 clients, programs must be licensed according to section 245G.20 and must meet requirements
841.14 under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must
841.15 be enrolled as a disability responsive program as described in section 254B.01, subdivision
841.16 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive
841.17 impairment so significant, and the resulting level of impairment so great, that outpatient or
841.18 other levels of residential care would not be feasible or effective. Programs must provide,
841.19 at a minimum, daily skilled treatment services seven days a week according to each client's
841.20 specific treatment schedule, as directed by the individual treatment plan.

841.21 (7) For ASAM level 3.5 clinically managed high-intensity residential clients, services
841.22 must be licensed according to section 245G.20 and must meet requirements under section
841.23 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum,
841.24 daily skilled treatment services seven days a week according to each client's specific treatment
841.25 schedule, as directed by the individual treatment plan.

841.26 (8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal
841.27 management must be provided according to chapter 245F.

841.28 (9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal
841.29 management must be provided according to chapter 245F.

841.30 (b) Notwithstanding the minimum daily skilled treatment service requirements under
841.31 paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors must provide each client
841.32 at least 30 hours of treatment services per week for the period between January 1, 2024,
841.33 through June 30, 2024.

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

842.1 Sec. 11. Minnesota Statutes 2023 Supplement, section 256.043, subdivision 3, is amended
842.2 to read:

842.3 Subd. 3. **Appropriations from registration and license fee account.** (a) The
842.4 appropriations in paragraphs (b) to (n) shall be made from the registration and license fee
842.5 account on a fiscal year basis in the order specified.

842.6 (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs
842.7 (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be
842.8 made accordingly.

842.9 (c) \$100,000 is appropriated to the commissioner of human services for grants for opiate
842.10 antagonist distribution. Grantees may utilize funds for opioid overdose prevention,
842.11 community asset mapping, education, and opiate antagonist distribution.

842.12 (d) \$2,000,000 is appropriated to the commissioner of human services for grants to Tribal
842.13 nations and five urban Indian communities for traditional healing practices for American
842.14 Indians and to increase the capacity of culturally specific providers in the behavioral health
842.15 workforce.

842.16 (e) \$400,000 is appropriated to the commissioner of human services for competitive
842.17 grants for opioid-focused Project ECHO programs.

842.18 (f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the
842.19 commissioner of human services to administer the funding distribution and reporting
842.20 requirements in paragraph (o).

842.21 (g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated
842.22 to the commissioner of human services for safe recovery sites start-up and capacity building
842.23 grants under section 254B.18.

842.24 (h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to
842.25 the commissioner of human services for the opioid overdose surge alert system under section
842.26 245.891.

842.27 (i) \$300,000 is appropriated to the commissioner of management and budget for
842.28 evaluation activities under section 256.042, subdivision 1, paragraph (c).

842.29 (j) \$261,000 is appropriated to the commissioner of human services for the provision of
842.30 administrative services to the Opiate Epidemic Response Advisory Council and for the
842.31 administration of the grants awarded under paragraph (n).

843.1 (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
843.2 fees under section 151.066.

843.3 (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
843.4 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
843.5 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

843.6 (m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining
843.7 amount is appropriated to the commissioner of human services for distribution to county
843.8 social service agencies and Tribal social service agency initiative projects authorized under
843.9 section 256.01, subdivision 14b, to provide prevention and child protection services to
843.10 children and families who are affected by addiction. The commissioner shall distribute this
843.11 money proportionally to county social service agencies and Tribal social service agency
843.12 initiative projects through a formula based on intake data from the previous three calendar
843.13 years related to substance use and out-of-home placement episodes where parental drug
843.14 abuse is the primary a reason for the out-of-home placement using data from the previous
843.15 calendar year. County social service agencies and Tribal social service agency initiative
843.16 projects receiving funds from the opiate epidemic response fund must annually report to
843.17 the commissioner on how the funds were used to provide prevention and child protection
843.18 services, including measurable outcomes, as determined by the commissioner. County social
843.19 service agencies and Tribal social service agency initiative projects must not use funds
843.20 received under this paragraph to supplant current state or local funding received for child
843.21 protection services for children and families who are affected by addiction.

843.22 (n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in
843.23 the account is appropriated to the commissioner of human services to award grants as
843.24 specified by the Opiate Epidemic Response Advisory Council in accordance with section
843.25 256.042, unless otherwise appropriated by the legislature.

843.26 (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service
843.27 agencies and Tribal social service agency initiative projects under paragraph (m) and grant
843.28 funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n)
843.29 may be distributed on a calendar year basis.

843.30 (p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs
843.31 (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

844.1 **Sec. 12. [256B.0761] REENTRY DEMONSTRATION WAIVER.**

844.2 **Subdivision 1. Establishment.** The commissioner must submit a waiver application to
844.3 the Centers for Medicare and Medicaid Services to implement a medical assistance
844.4 demonstration project to provide health care and coordination services that bridge to
844.5 community-based services for individuals confined in state, local, or Tribal correctional
844.6 facilities, or facilities located outside of the seven-county metropolitan area that have an
844.7 inmate census with a significant proportion of Tribal members or American Indians, prior
844.8 to community reentry. The demonstration must be designed to:

844.9 (1) increase continuity of coverage;

844.10 (2) improve access to health care services, including mental health services, physical
844.11 health services, and substance use disorder treatment services;

844.12 (3) enhance coordination between Medicaid systems, health and human services systems,
844.13 correctional systems, and community-based providers;

844.14 (4) reduce overdoses and deaths following release;

844.15 (5) decrease disparities in overdoses and deaths following release; and

844.16 (6) maximize health and overall community reentry outcomes.

844.17 **Subd. 2. Eligible individuals.** Notwithstanding section 256B.055, subdivision 14,
844.18 individuals are eligible to receive services under this demonstration if they are eligible under
844.19 section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the
844.20 commissioner in collaboration with correctional facilities, local governments, and Tribal
844.21 governments.

844.22 **Subd. 3. Eligible correctional facilities.** (a) The commissioner's waiver application is
844.23 limited to:

844.24 (1) three state correctional facilities to be determined by the commissioner of corrections,
844.25 one of which must be the Minnesota Correctional Facility-Shakopee;

844.26 (2) two facilities for delinquent children and youth licensed under section 241.021,
844.27 subdivision 2, identified in coordination with the Minnesota Juvenile Detention Association
844.28 and the Minnesota Sheriffs' Association;

844.29 (3) four correctional facilities for adults licensed under section 241.021, subdivision 1,
844.30 identified in coordination with the Minnesota Sheriffs' Association and the Association of
844.31 Minnesota Counties; and

845.1 (4) one correctional facility owned and managed by a Tribal government or a facility
845.2 located outside of the seven-county metropolitan area that has an inmate census with a
845.3 significant proportion of Tribal members or American Indians.

845.4 (b) Additional facilities may be added to the waiver contingent on legislative authorization
845.5 and appropriations.

845.6 Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an
845.7 individual's release date or, if an individual's confinement is less than 90 days, during the
845.8 time period between a medical assistance eligibility determination and the release to the
845.9 community.

845.10 (b) Facilities must offer the following services using either community-based or
845.11 corrections-based providers:

845.12 (1) case management activities to address physical and behavioral health needs, including
845.13 a comprehensive assessment of individual needs, development of a person-centered care
845.14 plan, referrals and other activities to address assessed needs, and monitoring and follow-up
845.15 activities;

845.16 (2) drug coverage in accordance with section 256B.0625, subdivision 13, including up
845.17 to a 30-day supply of drugs upon release;

845.18 (3) substance use disorder comprehensive assessments according section 254B.05,
845.19 subdivision 5, paragraph (b), clause (2);

845.20 (4) treatment coordination services according to section 254B.05, subdivision 5, paragraph
845.21 (b), clause (3);

845.22 (5) peer recovery support services according to sections 245I.04, subdivisions 18 and
845.23 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

845.24 (6) substance use disorder individual and group counseling provided according to sections
845.25 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;

845.26 (7) mental health diagnostic assessments as required under section 245I.10;

845.27 (8) group and individual psychotherapy as required under section 256B.0671;

845.28 (9) peer specialist services as required under sections 245I.04 and 256B.0615;

845.29 (10) family planning and obstetrics and gynecology services; and

845.30 (11) physical health well-being and screenings and care for adults and youth.

846.1 (c) Services outlined in this subdivision must only be authorized when an individual
846.2 demonstrates medical necessity or other eligibility as required under this chapter or applicable
846.3 state and federal laws.

846.4 Subd. 5. **Provider requirements and standards.** (a) Service providers must adhere to
846.5 applicable licensing and provider standards as required by federal guidance.

846.6 (b) Service providers must be enrolled to provide services under Minnesota health care
846.7 programs.

846.8 (c) Services must be provided by eligible providers employed by the correctional facility
846.9 or by eligible community providers under contract with the correctional facility.

846.10 (d) The commissioner must determine whether each facility is ready to participate in
846.11 this demonstration based on a facility-submitted assessment of the facility's readiness to
846.12 implement:

846.13 (1) prerelease medical assistance application and enrollment processes for inmates not
846.14 enrolled in medical assistance coverage;

846.15 (2) the provision or facilitation of all required prerelease services for a period of up to
846.16 90 days prior to release;

846.17 (3) coordination among county and Tribal human services agencies and all other entities
846.18 with a role in furnishing health care and supports to address health related social needs;

846.19 (4) appropriate reentry planning, prerelease care management, and assistance with care
846.20 transitions to the community;

846.21 (5) operational approaches to implementing certain Medicaid and CHIP requirements
846.22 including applications, suspensions, notices, fair hearings, and reasonable promptness for
846.23 coverage of services;

846.24 (6) a data exchange process to support care coordination and transition activities; and

846.25 (7) reporting of all requested data to the commissioner of human services to support
846.26 program monitoring, evaluation, oversight, and all financial data to meet reinvestment
846.27 requirements.

846.28 (e) Participating facilities must detail reinvestment plans for all new federal Medicaid
846.29 money expended for reentry services that were previously the responsibility of each facility
846.30 and provide detailed financial reports to the commissioner.

847.1 Subd. 6. **Payment rates.** (a) Payment rates for services under this section that are
847.2 approved under Minnesota's state plan agreement with the Centers for Medicare and Medicaid
847.3 Services are equal to current and applicable state law and federal requirements.

847.4 (b) Case management payment rates are equal to rates authorized by the commissioner
847.5 for relocation targeted case management under section 256B.0621, subdivision 10.

847.6 (c) Claims for covered drugs purchased through discount purchasing programs, such as
847.7 the Federal Supply Schedule of the United States General Services Administration or the
847.8 MMCAP Infuse program, must be no more than the actual acquisition cost plus the
847.9 professional dispensing fee in section 256B.0625, subdivision 13e. Drugs administered to
847.10 members must be billed on a professional claim in accordance with section 256B.0625,
847.11 subdivision 13e, paragraph (e), and submitted with the actual acquisition cost for the drug
847.12 on the claim line. Pharmacy claims must be submitted with the actual acquisition cost as
847.13 the ingredient cost field and the dispensing fee in section 256B.0625, subdivision 13e, as
847.14 the dispensing fee field on the claim with the basis of cost indicator of 08. Providers may
847.15 establish written protocols for establishing or calculating the facility's actual acquisition
847.16 drug cost based on a monthly, quarterly, or other average of the facility's actual acquisition
847.17 drug cost through the discount purchasing program. A written protocol must not include an
847.18 inflation, markup, spread, or margin to be added to the provider's actual purchase price after
847.19 subtracting all discounts.

847.20 Subd. 7. **Reentry services working group.** (a) The commissioner of human services,
847.21 in collaboration with the commissioner of corrections, must convene a reentry services
847.22 working group to consider ways to improve the demonstration under this section and related
847.23 policies for justice-involved individuals.

847.24 (b) The working group must be composed of balanced representation, including:

847.25 (1) people with lived experience; and

847.26 (2) representatives from:

847.27 (i) community health care providers;

847.28 (ii) the Minnesota Sheriffs' Association;

847.29 (iii) the Minnesota Association for County Social Service Administrators;

847.30 (iv) the Association of Minnesota Counties;

847.31 (v) the Minnesota Juvenile Detention Association;

847.32 (vi) the Office of Addiction and Recovery;

- 848.1 (vii) NAMI Minnesota;
- 848.2 (viii) the Minnesota Association of Resources for Recovery and Chemical Health;
- 848.3 (ix) Tribal Nations; and
- 848.4 (x) the Minnesota Alliance of Recovery Community Organizations.
- 848.5 (c) The working group must:
- 848.6 (1) advise on the waiver application, implementation, monitoring, evaluation, and
- 848.7 reinvestment plans;
- 848.8 (2) recommend strategies to improve processes that ensure notifications of the individual's
- 848.9 release date, current location, postrelease location, and other relevant information are
- 848.10 provided to state, county, and Tribal eligibility systems and managed care organizations;
- 848.11 (3) consider the value of expanding, replicating, or adapting the components of the
- 848.12 demonstration authorized under this section to additional populations;
- 848.13 (4) consider information technology and other implementation needs for participating
- 848.14 correctional facilities; and
- 848.15 (5) recommend ideas to fund expanded reentry services.
- 848.16 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
- 848.17 whichever is later, except subdivision 7 is effective July 1, 2024. The commissioner of
- 848.18 human services must notify the revisor of statutes when federal approval is obtained.
- 848.19 Sec. 13. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:
- 848.20 Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine
- 848.21 when limitation of choice may be implemented in the experimental counties. The criteria
- 848.22 shall ensure that all eligible individuals in the county have continuing access to the full
- 848.23 range of medical assistance services as specified in subdivision 6.
- 848.24 (b) The commissioner shall exempt the following persons from participation in the
- 848.25 project, in addition to those who do not meet the criteria for limitation of choice:
- 848.26 (1) persons eligible for medical assistance according to section 256B.055, subdivision
- 848.27 1;
- 848.28 (2) persons eligible for medical assistance due to blindness or disability as determined
- 848.29 by the Social Security Administration or the state medical review team, unless:
- 848.30 (i) they are 65 years of age or older; or

849.1 (ii) they reside in Itasca County or they reside in a county in which the commissioner
849.2 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social
849.3 Security Act;

849.4 (3) recipients who currently have private coverage through a health maintenance
849.5 organization;

849.6 (4) recipients who are eligible for medical assistance by spending down excess income
849.7 for medical expenses other than the nursing facility per diem expense;

849.8 (5) recipients who receive benefits under the Refugee Assistance Program, established
849.9 under United States Code, title 8, section 1522(e);

849.10 (6) children who are both determined to be severely emotionally disturbed and receiving
849.11 case management services according to section 256B.0625, subdivision 20, except children
849.12 who are eligible for and who decline enrollment in an approved preferred integrated network
849.13 under section 245.4682;

849.14 (7) adults who are both determined to be seriously and persistently mentally ill and
849.15 received case management services according to section 256B.0625, subdivision 20;

849.16 (8) persons eligible for medical assistance according to section 256B.057, subdivision
849.17 10;

849.18 (9) persons with access to cost-effective employer-sponsored private health insurance
849.19 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective
849.20 according to section 256B.0625, subdivision 15; ~~and~~

849.21 (10) persons who are absent from the state for more than 30 consecutive days but still
849.22 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision
849.23 1, paragraph (b); and

849.24 (11) persons who are enrolled in the reentry demonstration waiver under section
849.25 256B.0761.

849.26 Children under age 21 who are in foster placement may enroll in the project on an elective
849.27 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective
849.28 basis. The commissioner may enroll recipients in the prepaid medical assistance program
849.29 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending
849.30 down excess income.

850.1 (c) The commissioner may allow persons with a one-month spenddown who are otherwise
850.2 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly
850.3 spenddown to the state.

850.4 (d) The commissioner may require those individuals to enroll in the prepaid medical
850.5 assistance program who otherwise would have been excluded under paragraph (b), clauses
850.6 (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

850.7 (e) Before limitation of choice is implemented, eligible individuals shall be notified and
850.8 after notification, shall be allowed to choose only among demonstration providers. The
850.9 commissioner may assign an individual with private coverage through a health maintenance
850.10 organization, to the same health maintenance organization for medical assistance coverage,
850.11 if the health maintenance organization is under contract for medical assistance in the
850.12 individual's county of residence. After initially choosing a provider, the recipient is allowed
850.13 to change that choice only at specified times as allowed by the commissioner. If a
850.14 demonstration provider ends participation in the project for any reason, a recipient enrolled
850.15 with that provider must select a new provider but may change providers without cause once
850.16 more within the first 60 days after enrollment with the second provider.

850.17 (f) An infant born to a woman who is eligible for and receiving medical assistance and
850.18 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to
850.19 the month of birth in the same managed care plan as the mother once the child is enrolled
850.20 in medical assistance unless the child is determined to be excluded from enrollment in a
850.21 prepaid plan under this section.

850.22 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
850.23 whichever is later. The commissioner of human services must notify the revisor of statutes
850.24 when federal approval is obtained.

850.25 Sec. 14. Minnesota Statutes 2022, section 604A.04, subdivision 3, is amended to read:

850.26 Subd. 3. **Health care professionals; release from liability.** (a) A licensed health care
850.27 professional who is permitted by law to prescribe an opiate antagonist, if acting in good
850.28 faith, may directly or by standing order prescribe, dispense, distribute, or administer an
850.29 opiate antagonist to a person without being subject to civil liability or criminal prosecution
850.30 for the act. This immunity applies even when the opiate antagonist is eventually administered
850.31 in either or both of the following instances: (1) by someone other than the person to whom
850.32 it is prescribed; or (2) to someone other than the person to whom it is prescribed.

851.1 (b) A local unit of government, if acting in good faith, may distribute and administer an
851.2 opiate antagonist that is obtained pursuant to paragraph (a) without being subject to civil
851.3 liability or criminal prosecution for the act.

851.4 Sec. 15. **DIRECTION TO OMBUDSMAN FOR MENTAL HEALTH AND**
851.5 **DEVELOPMENTAL DISABILITIES.**

851.6 By September 30, 2025, the ombudsman for mental health and developmental disabilities
851.7 must provide a report to the governor and the chairs and ranking minority members of the
851.8 legislative committees with jurisdiction over human services that contains summary
851.9 information on complaints received regarding peer recovery support services provided by
851.10 a recovery community organization as defined in Minnesota Statutes, section 254B.01, and
851.11 any recommendations to the legislature to improve the quality of peer recovery support
851.12 services, recovery peer worker misclassification, and peer recovery support services billing
851.13 codes and procedures.

851.14 Sec. 16. **PEER RECOVERY SUPPORT SERVICES AND RECOVERY**
851.15 **COMMUNITY ORGANIZATION WORKING GROUP.**

851.16 Subdivision 1. **Establishment; duties.** The commissioner of human services must
851.17 convene a working group to develop recommendations on:

851.18 (1) peer recovery support services billing rates and practices, including a billing model
851.19 for providing services to groups of up to four clients and groups larger than four clients at
851.20 one time;

851.21 (2) acceptable activities to bill for peer recovery services, including group activities and
851.22 transportation related to individual recovery plans;

851.23 (3) ways to address authorization for additional service hours and a review of the amount
851.24 of peer recovery support services clients may need;

851.25 (4) improving recovery peer supervision and reimbursement for the costs of providing
851.26 recovery peer supervision for provider organizations;

851.27 (5) certification or other regulation of recovery community organizations and recovery
851.28 peers; and

851.29 (6) policy and statutory changes to improve access to peer recovery support services
851.30 and increase oversight of provider organizations.

852.1 Subd. 2. **Membership; meetings.** (a) Members of the working group must include but
852.2 not be limited to:

852.3 (1) a representative of the Minnesota Alliance of Recovery Community Organizations;

852.4 (2) a representative of the Minnesota Association of Resources for Recovery and
852.5 Chemical Health;

852.6 (3) representatives from at least three recovery community organizations who are eligible
852.7 vendors of peer recovery support services under Minnesota Statutes, section 254B.05,
852.8 subdivision 1;

852.9 (4) at least two currently practicing recovery peers qualified under Minnesota Statutes,
852.10 section 245I.04, subdivision 18;

852.11 (5) at least two individuals currently providing supervision for recovery peers according
852.12 to Minnesota Statutes, section 245I.04, subdivision 19;

852.13 (6) the commissioner of human services or a designee;

852.14 (7) a representative of county social services agencies; and

852.15 (8) a representative of a Tribal social services agency.

852.16 (b) Members of the working group may include a representative of the Alliance for
852.17 Recovery Centered Organizations and a representative of the Council on Accreditation of
852.18 Peer Recovery Support Services.

852.19 (c) The commissioner of human services must make appointments to the working group
852.20 by October 1, 2024, and convene the first meeting of the working group by December 1,
852.21 2024.

852.22 (d) The commissioner of human services must provide administrative support and meeting
852.23 space for the working group. The working group may conduct meetings remotely.

852.24 Subd. 3. **Report.** The commissioner must complete and submit a report on the
852.25 recommendations in this section to the chairs and ranking minority members of the legislative
852.26 committees with jurisdiction over health and human services policy and finance on or before
852.27 August 1, 2025.

852.28 Subd. 4. **Expiration.** The working group expires upon submission of the report to the
852.29 legislature under subdivision 3.

853.1 **Sec. 17. CAPACITY BUILDING AND IMPLEMENTATION GRANTS FOR THE**
853.2 **MEDICAL ASSISTANCE REENTRY DEMONSTRATION.**

853.3 The commissioner of human services must establish capacity-building grants for eligible
853.4 local correctional facilities as they prepare to implement reentry demonstration services
853.5 under Minnesota Statutes, section 256B.0761. Allowable expenditures under this grant
853.6 include:

853.7 (1) developing, in coordination with incarcerated individuals and community members
853.8 with lived experience, processes and protocols listed under Minnesota Statutes, section
853.9 256B.0761, subdivision 5, paragraph (d);

853.10 (2) establishing or modifying information technology systems to support implementation
853.11 of the reentry demonstration waiver;

853.12 (3) personnel costs; and

853.13 (4) other expenses as determined by the commissioner.

853.14 **Sec. 18. 1115 WAIVER FOR MEDICAL ASSISTANCE REENTRY**
853.15 **DEMONSTRATION.**

853.16 The commissioner of human services must submit an application to the United States
853.17 Secretary of Health and Human Services to implement a medical assistance reentry
853.18 demonstration that covers services for incarcerated individuals as described under Minnesota
853.19 Statutes, section 256B.0761. Coverage of prerelease services is contingent on federal approval
853.20 of the demonstration and the required implementation and reinvestment plans.

853.21 **Sec. 19. RESIDENTIAL SUBSTANCE USE DISORDER RATE INCREASE.**

853.22 The commissioner of human services must increase rates for residential substance use
853.23 disorder services as authorized under Minnesota Statutes, section 254B.05, subdivision 5,
853.24 paragraph (a), by three percent for the 1115 demonstration base rates in effect as of January
853.25 1, 2024.

853.26 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
853.27 whichever is later. The commissioner of human services must notify the revisor of statutes
853.28 when federal approval is obtained.

853.29 **Sec. 20. REPEALER.**

853.30 Minnesota Statutes 2022, section 256.043, subdivision 4, is repealed.

854.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

854.2 **ARTICLE 49**

854.3 **PRIORITY ADMISSIONS AND CIVIL COMMITMENT**

854.4 Section 1. Minnesota Statutes 2022, section 245I.23, subdivision 19a, is amended to read:

854.5 Subd. 19a. **Additional requirements for locked program facility.** (a) A license holder
854.6 that prohibits clients from leaving the facility by locking exit doors or other permissible
854.7 methods must meet the additional requirements of this subdivision.

854.8 (b) The license holder must meet all applicable building and fire codes to operate a
854.9 building with locked exit doors. The license holder must have the appropriate license from
854.10 the Department of Health, as determined by the Department of Health, for operating a
854.11 program with locked exit doors.

854.12 ~~(e) The license holder's policies and procedures must clearly describe the types of court~~
854.13 ~~orders that authorize the license holder to prohibit clients from leaving the facility.~~

854.14 ~~(d)~~ (c) For each client present in the facility under a court order, the license holder must
854.15 maintain documentation of the court order for treatment authorizing the license holder to
854.16 prohibit the client from leaving the facility.

854.17 ~~(e)~~ (d) Upon a client's admission to a locked program facility, the license holder must
854.18 document in the client file that the client was informed:

854.19 (1) that the client has the right to leave the facility according to the client's rights under
854.20 section 144.651, subdivision 21, ~~if the client is not subject to a court order authorizing the~~
854.21 ~~license holder to prohibit the client from leaving the facility; or~~ and that leaving the facility
854.22 against medical advice may result in legal consequences; and

854.23 (2) that the client ~~cannot~~ may not be able to leave the facility due to a court order
854.24 authorizing the license holder to prohibit the client from leaving the facility as required
854.25 under chapter 253B.

854.26 ~~(f)~~ (e) If ~~the license holder prohibits a client from leaving the facility~~ is prohibited from
854.27 leaving the facility under chapter 253B, the client's treatment plan must reflect this restriction.

855.1 Sec. 2. Minnesota Statutes 2022, section 246.129, as amended by Laws 2024, chapter 79,
855.2 article 1, section 9, is amended to read:

855.3 **246.129 LEGISLATIVE APPROVAL REQUIRED.**

855.4 If the closure of a state-operated facility is proposed, and the executive board and
855.5 respective bargaining units fail to arrive at a mutually agreed upon solution to transfer
855.6 affected state employees to other state jobs, the closure of the facility requires legislative
855.7 approval. ~~This does not apply to state-operated enterprise services.~~

855.8 Sec. 3. Minnesota Statutes 2023 Supplement, section 246.54, subdivision 1a, is amended
855.9 to read:

855.10 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the
855.11 cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the
855.12 following schedule:

855.13 (1) zero percent for the first 30 days;

855.14 (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate
855.15 for the client; and

855.16 (3) 100 percent for each day during the stay, including the day of admission, when the
855.17 facility determines that it is clinically appropriate for the client to be discharged.

855.18 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent
855.19 of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause
855.20 (2), the county shall be responsible for paying the state only the remaining amount. The
855.21 county shall not be entitled to reimbursement from the client, the client's estate, or from the
855.22 client's relatives, except as provided in section 246.53.

855.23 (c) Between July 1, 2023, and ~~June 30~~ March 31, 2025, the county is not responsible
855.24 for the cost of care under paragraph (a), clause (3), for a person who is committed as a
855.25 person who has a mental illness and is dangerous to the public under section 253B.18 and
855.26 who is awaiting transfer to another state-operated facility or program. This paragraph expires
855.27 ~~June 30~~ March 31, 2025.

855.28 (d) Between April 1, 2025, and June 30, 2025, the county is not responsible for the cost
855.29 of care under paragraph (a), clause (3), for a person who is civilly committed, if the client
855.30 is awaiting transfer:

855.31 (1) to a facility operated by the Department of Corrections; or

856.1 (2) to another state-operated facility or program, and the Direct Care and Treatment
856.2 executive medical director's office or a designee has determined that:

856.3 (i) the client meets criteria for admission to that state-operated facility or program; and

856.4 (ii) the state-operated facility or program is the only facility or program that can
856.5 reasonably serve the client. This paragraph expires June 30, 2025.

856.6 ~~(d)~~ (e) Notwithstanding any law to the contrary, the client is not responsible for payment
856.7 of the cost of care under this subdivision.

856.8 Sec. 4. Minnesota Statutes 2023 Supplement, section 246.54, subdivision 1b, is amended
856.9 to read:

856.10 Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost
856.11 of care provided at state-operated community-based behavioral health hospitals for adults
856.12 and children shall be according to the following schedule:

856.13 (1) 100 percent for each day during the stay, including the day of admission, when the
856.14 facility determines that it is clinically appropriate for the client to be discharged; and

856.15 (2) the county shall not be entitled to reimbursement from the client, the client's estate,
856.16 or from the client's relatives, except as provided in section 246.53.

856.17 (b) Between July 1, 2023, and ~~June 30~~ March 31, 2025, the county is not responsible
856.18 for the cost of care under paragraph (a), clause (1), for a person committed as a person who
856.19 has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting
856.20 transfer to another state-operated facility or program. This paragraph expires ~~June 30~~ March
856.21 31, 2025.

856.22 (c) Between April 1, 2025, and June 30, 2025, the county is not responsible for the cost
856.23 of care under paragraph (a), clause (1), for a person who is civilly committed, if the client
856.24 is awaiting transfer:

856.25 (1) to a facility operated by the Department of Corrections; or

856.26 (2) to another state-operated facility or program, and the Direct Care and Treatment
856.27 executive medical director's office or a designee has determined that:

856.28 (i) the client meets criteria for admission to that state-operated facility or program; and

856.29 (ii) the state-operated facility or program is the only facility or program that can
856.30 reasonably serve the client. This paragraph expires June 30, 2025.

857.1 ~~(e)~~ (d) Notwithstanding any law to the contrary, the client is not responsible for payment
857.2 of the cost of care under this subdivision.

857.3 Sec. 5. Minnesota Statutes 2023 Supplement, section 253B.10, subdivision 1, as amended
857.4 by Laws 2024, chapter 79, article 5, section 8, is amended to read:

857.5 Subdivision 1. **Administrative requirements.** (a) When a person is committed, the
857.6 court shall issue a warrant or an order committing the patient to the custody of the head of
857.7 the treatment facility, state-operated treatment program, or community-based treatment
857.8 program. The warrant or order shall state that the patient meets the statutory criteria for
857.9 civil commitment.

857.10 (b) The executive board shall prioritize civilly committed patients being admitted from
857.11 jail or a correctional institution or who are referred to a state-operated treatment facility for
857.12 competency attainment or a competency examination under sections 611.40 to 611.59 for
857.13 admission to a medically appropriate state-operated direct care and treatment bed based on
857.14 the decisions of physicians in the executive medical director's office, using a priority
857.15 admissions framework. The framework must account for a range of factors for priority
857.16 admission, including but not limited to:

857.17 (1) ~~ordered confined in a state-operated treatment program for an examination under~~
857.18 ~~Minnesota Rules of Criminal Procedure, rules 20.01, subdivision 4, paragraph (a), and~~
857.19 ~~20.02, subdivision 2~~ the length of time the person has been on a waiting list for admission
857.20 to a state-operated direct care and treatment program since the date of the order under
857.21 paragraph (a), or the date of an order issued under sections 611.40 to 611.59;

857.22 (2) ~~under civil commitment for competency treatment and continuing supervision under~~
857.23 ~~Minnesota Rules of Criminal Procedure, rule 20.01, subdivision 7~~ the intensity of the
857.24 treatment the person needs, based on medical acuity;

857.25 (3) ~~found not guilty by reason of mental illness under Minnesota Rules of Criminal~~
857.26 ~~Procedure, rule 20.02, subdivision 8, and under civil commitment or are ordered to be~~
857.27 ~~detained in a state-operated treatment program pending completion of the civil commitment~~
857.28 ~~proceedings; or~~ the person's revoked provisional discharge status;

857.29 (4) ~~committed under this chapter to the executive board after dismissal of the patient's~~
857.30 ~~criminal charges;~~ the person's safety and safety of others in the person's current environment;

857.31 (5) whether the person has access to necessary or court-ordered treatment;

857.32 (6) distinct and articulable negative impacts of an admission delay on the facility referring
857.33 the individual for treatment; and

858.1 (7) any relevant federal prioritization requirements.

858.2 Patients described in this paragraph must be admitted to a state-operated treatment program
858.3 within 48 hours. The commitment must be ordered by the court as provided in section
858.4 253B.09, subdivision 1, paragraph (d). Patients committed to a secure treatment facility or
858.5 less restrictive setting as ordered by the court under section 253B.18, subdivisions 1 and 2,
858.6 must be prioritized for admission to a state-operated treatment program using the priority
858.7 admissions framework in this paragraph.

858.8 (c) Upon the arrival of a patient at the designated treatment facility, state-operated
858.9 treatment program, or community-based treatment program, the head of the facility or
858.10 program shall retain the duplicate of the warrant and endorse receipt upon the original
858.11 warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must
858.12 be filed in the court of commitment. After arrival, the patient shall be under the control and
858.13 custody of the head of the facility or program.

858.14 (d) Copies of the petition for commitment, the court's findings of fact and conclusions
858.15 of law, the court order committing the patient, the report of the court examiners, and the
858.16 prepetition report, and any medical and behavioral information available shall be provided
858.17 at the time of admission of a patient to the designated treatment facility or program to which
858.18 the patient is committed. Upon a patient's referral to the executive board for admission
858.19 pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or
858.20 correctional facility that has provided care or supervision to the patient in the previous two
858.21 years shall, when requested by the treatment facility or commissioner, provide copies of
858.22 the patient's medical and behavioral records to the executive board for purposes of
858.23 preadmission planning. This information shall be provided by the head of the treatment
858.24 facility to treatment facility staff in a consistent and timely manner and pursuant to all
858.25 applicable laws.

858.26 (e) Patients described in paragraph (b) must be admitted to a state-operated treatment
858.27 program within 48 hours of the Office of Executive Medical Director, under section 246C.09,
858.28 or a designee determining that a medically appropriate bed is available. This paragraph
858.29 expires on June 30, 2025.

858.30 (f) Within four business days of determining which state-operated direct care and
858.31 treatment program or programs are appropriate for an individual, the executive medical
858.32 director's office or a designee must notify the source of the referral and the responsible
858.33 county human services agency, the individual being ordered to direct care and treatment,
858.34 and the district court that issued the order of the determination. The notice shall include

859.1 which program or programs are appropriate for the person's priority status. Any interested
859.2 person may provide additional information or request updated priority status about the
859.3 individual to the executive medical director's office or a designee while the individual is
859.4 awaiting admission. Updated priority status of an individual will only be disclosed to
859.5 interested persons who are legally authorized to receive private information about the
859.6 individual. When an available bed has been identified, the executive medical director's
859.7 office or a designee must notify the designated agency and the facility where the individual
859.8 is awaiting admission that the individual has been accepted for admission to a particular
859.9 state-operated direct care and treatment program and the earliest possible date the admission
859.10 can occur. The designated agency or facility where the individual is awaiting admission
859.11 must transport the individual to the admitting state-operated direct care and treatment
859.12 program no more than 48 hours after the offered admission date.

859.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

859.14 Sec. 6. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 8, is amended
859.15 to read:

859.16 Subd. 8. **Medical assistance payment for assertive community treatment and**
859.17 **intensive residential treatment services.** (a) Payment for intensive residential treatment
859.18 services and assertive community treatment in this section shall be based on one daily rate
859.19 per provider inclusive of the following services received by an eligible client in a given
859.20 calendar day: all rehabilitative services under this section, staff travel time to provide
859.21 rehabilitative services under this section, and nonresidential crisis stabilization services
859.22 under section 256B.0624.

859.23 (b) Except as indicated in paragraph ~~(e)~~ (d), payment will not be made to more than one
859.24 entity for each client for services provided under this section on a given day. If services
859.25 under this section are provided by a team that includes staff from more than one entity, the
859.26 team must determine how to distribute the payment among the members.

859.27 (c) Payment must not be made based solely on a court order to participate in intensive
859.28 residential treatment services. If a client has a court order to participate in the program or
859.29 to obtain assessment for treatment and follow treatment recommendations, payment under
859.30 this section must only be provided if the client is eligible for the service and the service is
859.31 determined to be medically necessary.

859.32 ~~(e)~~ (d) The commissioner shall determine one rate for each provider that will bill medical
859.33 assistance for residential services under this section and one rate for each assertive community
859.34 treatment provider. If a single entity provides both services, one rate is established for the

860.1 entity's residential services and another rate for the entity's nonresidential services under
860.2 this section. A provider is not eligible for payment under this section without authorization
860.3 from the commissioner. The commissioner shall develop rates using the following criteria:

860.4 (1) the provider's cost for services shall include direct services costs, other program
860.5 costs, and other costs determined as follows:

860.6 (i) the direct services costs must be determined using actual costs of salaries, benefits,
860.7 payroll taxes, and training of direct service staff and service-related transportation;

860.8 (ii) other program costs not included in item (i) must be determined as a specified
860.9 percentage of the direct services costs as determined by item (i). The percentage used shall
860.10 be determined by the commissioner based upon the average of percentages that represent
860.11 the relationship of other program costs to direct services costs among the entities that provide
860.12 similar services;

860.13 (iii) physical plant costs calculated based on the percentage of space within the program
860.14 that is entirely devoted to treatment and programming. This does not include administrative
860.15 or residential space;

860.16 (iv) assertive community treatment physical plant costs must be reimbursed as part of
860.17 the costs described in item (ii); and

860.18 (v) subject to federal approval, up to an additional five percent of the total rate may be
860.19 added to the program rate as a quality incentive based upon the entity meeting performance
860.20 criteria specified by the commissioner;

860.21 (2) actual cost is defined as costs which are allowable, allocable, and reasonable, and
860.22 consistent with federal reimbursement requirements under Code of Federal Regulations,
860.23 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
860.24 Budget Circular Number A-122, relating to nonprofit entities;

860.25 (3) the number of service units;

860.26 (4) the degree to which clients will receive services other than services under this section;
860.27 and

860.28 (5) the costs of other services that will be separately reimbursed.

860.29 ~~(d)~~ (e) The rate for intensive residential treatment services and assertive community
860.30 treatment must exclude the medical assistance room and board rate, as defined in section
860.31 256B.056, subdivision 5d, and services not covered under this section, such as partial
860.32 hospitalization, home care, and inpatient services.

861.1 ~~(e)~~ (f) Physician services that are not separately billed may be included in the rate to the
861.2 extent that a psychiatrist, or other health care professional providing physician services
861.3 within their scope of practice, is a member of the intensive residential treatment services
861.4 treatment team. Physician services, whether billed separately or included in the rate, may
861.5 be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning
861.6 given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth
861.7 is used to provide intensive residential treatment services.

861.8 ~~(f)~~ (g) When services under this section are provided by an assertive community treatment
861.9 provider, case management functions must be an integral part of the team.

861.10 ~~(g)~~ (h) The rate for a provider must not exceed the rate charged by that provider for the
861.11 same service to other payors.

861.12 ~~(h)~~ (i) The rates for existing programs must be established prospectively based upon the
861.13 expenditures and utilization over a prior 12-month period using the criteria established in
861.14 paragraph ~~(e)~~ (d). The rates for new programs must be established based upon estimated
861.15 expenditures and estimated utilization using the criteria established in paragraph ~~(e)~~ (d).

861.16 ~~(i)~~ (j) Effective for the rate years beginning on and after January 1, 2024, rates for
861.17 assertive community treatment, adult residential crisis stabilization services, and intensive
861.18 residential treatment services must be annually adjusted for inflation using the Centers for
861.19 Medicare and Medicaid Services Medicare Economic Index, as forecasted in the fourth
861.20 quarter of the calendar year before the rate year. The inflation adjustment must be based on
861.21 the 12-month period from the midpoint of the previous rate year to the midpoint of the rate
861.22 year for which the rate is being determined.

861.23 ~~(j)~~ (k) Entities who discontinue providing services must be subject to a settle-up process
861.24 whereby actual costs and reimbursement for the previous 12 months are compared. In the
861.25 event that the entity was paid more than the entity's actual costs plus any applicable
861.26 performance-related funding due the provider, the excess payment must be reimbursed to
861.27 the department. If a provider's revenue is less than actual allowed costs due to lower
861.28 utilization than projected, the commissioner may reimburse the provider to recover its actual
861.29 allowable costs. The resulting adjustments by the commissioner must be proportional to the
861.30 percent of total units of service reimbursed by the commissioner and must reflect a difference
861.31 of greater than five percent.

861.32 ~~(k)~~ (l) A provider may request of the commissioner a review of any rate-setting decision
861.33 made under this subdivision.

862.1 **Sec. 7. PRIORITY ADMISSIONS REVIEW PANEL.**

862.2 (a) A panel appointed by the commissioner of human services, consisting of all members
862.3 who served on the Task Force on Priority Admissions to State-Operated Treatment Programs
862.4 under Laws 2023, chapter 61, article 8, section 13, subdivision 2, and one member who has
862.5 an active role as a union representative representing staff at Direct Care and Treatment
862.6 appointed by joint representatives of the American Federation of State, County and Municipal
862.7 Employees (AFSCME); Minnesota Association of Professional Employees (MAPE);
862.8 Minnesota Nurses Association (MNA); Middle Management Association (MMA); and State
862.9 Residential Schools Education Association (SRSEA) must:

862.10 (1) evaluate the 48-hour timeline for priority admissions required under Minnesota
862.11 Statutes, section 253B.10, subdivision 1, paragraph (b), and develop policy and legislative
862.12 proposals related to the priority admissions timeline in order to minimize litigation costs,
862.13 maximize capacity in and access to state-operated treatment programs, and address issues
862.14 related to individuals awaiting admission to state-operated treatment programs in jails and
862.15 correctional institutions; and

862.16 (2) by February 1, 2025, submit a written report to the chairs and ranking minority
862.17 members of the legislative committees with jurisdiction over public safety and human
862.18 services that includes legislative proposals to amend Minnesota Statutes, section 253B.10,
862.19 subdivision 1, paragraph (b), to modify the 48-hour priority admissions timeline.

862.20 (b) The panel appointed under paragraph (a) must also advise the commissioner on the
862.21 effectiveness of the framework and priority admissions generally and review de-identified
862.22 data quarterly for one year following the implementation of the priority admissions
862.23 framework to ensure that the framework is implemented and applied equitably. If the panel
862.24 requests to review data that are classified as private or confidential and the commissioner
862.25 determines that the data requested are necessary for the scope of the panel's review, the
862.26 commissioner is authorized to disclose private or confidential data to the panel under this
862.27 paragraph and pursuant to Minnesota Statutes, section 13.05, subdivision 4, paragraph (b),
862.28 for private or confidential data collected prior to the effective date of this section.

862.29 (c) After the panel completes one year of review, a quality committee established by the
862.30 Direct Care and Treatment executive board must continue to review data; seek input from
862.31 counties, hospitals, community providers, and advocates; and provide a routine report to
862.32 the executive board on the effectiveness of the framework and priority admissions.

862.33 **EFFECTIVE DATE.** This section is effective July 1, 2024.

863.1 **Sec. 8. DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
863.2 **REIMBURSEMENT TO BELTRAMI COUNTY AND TODD COUNTY FOR**
863.3 **CERTAIN COST OF CARE PAYMENTS.**

863.4 (a) Notwithstanding Minnesota Statutes 2021 Supplement, section 246.54, subdivisions
863.5 1a and 1b; Minnesota Statutes 2022, section 246.54, subdivisions 1a and 1b; or any other
863.6 law to the contrary, the commissioner of human services must not sanction or otherwise
863.7 seek payment from Beltrami County for outstanding debts for the cost of care provided
863.8 between July 1, 2022, and June 30, 2023, under:

863.9 (1) Minnesota Statutes, section 246.54, subdivision 1a, paragraph (a), clause (3), to a
863.10 person committed as a person who has a mental illness and is dangerous to the public under
863.11 Minnesota Statutes, section 253B.18, and who was awaiting transfer from Anoka-Metro
863.12 Regional Treatment Center to another state-operated facility or program; or

863.13 (2) Minnesota Statutes, section 246.54, subdivision 1b, paragraph (a), clause (1), to a
863.14 person committed as a person who has a mental illness and is dangerous to the public under
863.15 Minnesota Statutes, section 253B.18, and who was awaiting transfer from a state-operated
863.16 community-based behavioral health hospital to another state-operated facility or program.

863.17 (b) Notwithstanding Minnesota Statutes 2021 Supplement, section 246.54, subdivision
863.18 1a; Minnesota Statutes 2022, section 246.54, subdivision 1a; or any other law to the contrary,
863.19 the commissioner of human services must not sanction or otherwise seek payment from
863.20 Todd County for outstanding debts for the cost of care provided in Anoka-Metro Regional
863.21 Treatment Center from August 22, 2023, to February 3, 2024, not to exceed \$387,000.

863.22 (c) The commissioner must reimburse Beltrami County and Todd County with state-only
863.23 money any amount previously paid to the state or otherwise recovered by the commissioner
863.24 from Beltrami County or Todd County for the cost of care identified in paragraphs (a) and
863.25 (b).

863.26 (d) Nothing in this section prohibits the commissioner from seeking reimbursement from
863.27 Beltrami County for the cost of care provided in Anoka-Metro Regional Treatment Center
863.28 or a state-operated community-based behavioral health hospital for care not described in
863.29 paragraph (a).

863.30 (e) Nothing in this section prohibits the commissioner of human services from seeking
863.31 reimbursement from Todd County for the cost of care provided in Anoka-Metro Regional
863.32 Treatment Center or by any state-operated facility or program in excess of the amount
863.33 specified in paragraph (b).

864.1 (f) Notwithstanding any law to the contrary, the client is not responsible for payment of
864.2 the cost of care under this section.

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

864.4 Sec. 9. **MENTALLY ILL AND DANGEROUS CIVIL COMMITMENT REFORM**
864.5 **TASK FORCE.**

864.6 Subdivision 1. **Establishment; purpose.** The Mentally Ill and Dangerous Civil
864.7 Commitment Reform Task Force is established to evaluate current statutes related to mentally
864.8 ill and dangerous civil commitments and develop recommendations to optimize the use of
864.9 state-operated mental health resources and increase equitable access and outcomes for
864.10 patients.

864.11 Subd. 2. **Membership.** (a) The Mentally Ill and Dangerous Civil Commitment Reform
864.12 Task Force consists of the members appointed as follows:

864.13 (1) the commissioner of human services or a designee;

864.14 (2) two members representing the Department of Direct Care and Treatment who have
864.15 experience with mentally ill and dangerous civil commitments, appointed by the
864.16 commissioner of human services;

864.17 (3) the ombudsman for mental health and developmental disabilities;

864.18 (4) a judge with experience presiding over mentally ill and dangerous civil commitments,
864.19 appointed by the state court administrator;

864.20 (5) a court examiner with experience participating in mentally ill and dangerous civil
864.21 commitments, appointed by the state court administrator;

864.22 (6) a member of the Special Review Board, appointed by the state court administrator;

864.23 (7) a county representative, appointed by the Association of Minnesota Counties;

864.24 (8) a representative appointed by the Minnesota Association of County Social Service
864.25 Administrators;

864.26 (9) a county attorney with experience participating in mentally ill and dangerous civil
864.27 commitments, appointed by the Minnesota County Attorneys Association;

864.28 (10) an attorney with experience representing respondents in mentally ill and dangerous
864.29 civil commitments, appointed by the governor;

864.30 (11) a member appointed by the Minnesota Association of Community Mental Health
864.31 Programs;

865.1 (12) a member appointed by the National Alliance on Mental Illness Minnesota;

865.2 (13) a licensed independent practitioner with experience treating individuals subject to
865.3 a mentally ill and dangerous civil commitment;

865.4 (14) an individual with lived experience under civil commitment as mentally ill and
865.5 dangerous and who is on a provisional discharge or has been discharged from commitment;

865.6 (15) a family member of an individual with lived experience under civil commitment
865.7 as mentally ill and dangerous and who is on a provisional discharge or has been discharged
865.8 from commitment;

865.9 (16) at least one Tribal government representative; and

865.10 (17) a member appointed by the Minnesota Disability Law Center.

865.11 (b) A member of the legislature may not serve as a member of the task force.

865.12 (c) Appointments to the task force must be made no later than July 30, 2024.

865.13 Subd. 3. **Compensation; removal; vacancy.** (a) Notwithstanding Minnesota Statutes,
865.14 section 15.059, subdivision 6, members of the task force may be compensated as provided
865.15 under Minnesota Statutes, section 15.059, subdivision 3.

865.16 (b) A member may be removed by the appointing authority at any time at the pleasure
865.17 of the appointing authority. In the case of a vacancy on the task force, the appointing authority
865.18 shall appoint an individual to fill the vacancy for the remainder of the unexpired term.

865.19 Subd. 4. **Officers; meetings.** (a) The commissioner of human services shall convene
865.20 the first meeting of the task force no later than September 1, 2024.

865.21 (b) The task force must elect a chair and vice-chair from among its members and may
865.22 elect other officers as necessary.

865.23 (c) The task force is subject to Minnesota Statutes, chapter 13D.

865.24 Subd. 5. **Staff.** The commissioner of human services must provide staff assistance to
865.25 support the work of the task force.

865.26 Subd. 6. **Data usage and privacy.** Any data provided by executive agencies as part of
865.27 the work and report of the task force are subject to the requirements of Minnesota Statutes,
865.28 chapter 13, and all other applicable data privacy laws.

865.29 Subd. 7. **Duties.** The task force must:

866.1 (1) analyze current trends in mentally ill and dangerous civil commitments, including
866.2 but not limited to the length of stay for individuals committed in Minnesota as compared
866.3 to other jurisdictions;

866.4 (2) review national practices and criteria for civil commitment of individuals who have
866.5 a mental illness and represent a danger to the public;

866.6 (3) develop recommended statutory changes necessary to provide services to the high
866.7 number of mentally ill and dangerous civilly committed individuals;

866.8 (4) develop funding and statutory recommendations for alternatives to the current mentally
866.9 ill and dangerous civil commitment process;

866.10 (5) identify what types of placements and services are necessary to serve individuals
866.11 civilly committed as mentally ill and dangerous in the community;

866.12 (6) make recommendations to reduce barriers to discharge from the forensic mental
866.13 health program for individuals civilly committed as mentally ill and dangerous;

866.14 (7) develop recommended plain language statutory changes to clarify operational
866.15 definitions for terms used within Minnesota Statutes, section 253B.18;

866.16 (8) develop recommended statutory changes to provide clear direction to the
866.17 commissioner of human services and facilities to which individuals are civilly committed
866.18 to address situations in which an individual is committed as mentally ill and dangerous and
866.19 is later determined to not have an organic disorder of the brain or a substantial psychiatric
866.20 disorder of thought, mood, perception, orientation, or memory; and

866.21 (9) evaluate and make statutory and funding recommendations for the voluntary return
866.22 of individuals civilly committed as mentally ill and dangerous to community facilities.

866.23 Subd. 8. **Report required.** By August 1, 2025, the task force shall submit to the chairs
866.24 and ranking minority members of the legislative committees with jurisdiction over mentally
866.25 ill and dangerous civil commitments a written report that includes the outcome of the duties
866.26 in subdivision 7, including but not limited to recommended statutory changes.

866.27 Subd. 9. **Expiration.** The task force expires January 1, 2026.

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

866.29 Sec. 10. **ENGAGEMENT SERVICES PILOT GRANTS.**

866.30 Subdivision 1. **Creation.** The engagement services pilot grant program is established
866.31 in the Department of Human Services to provide grants to counties or certified community

867.1 behavioral health clinics under section 245.735 that have a letter of support from a county
867.2 to provide engagement services under section 253B.041. The commissioner of human
867.3 services must award one grant under this section to Otter Tail County. Engagement services
867.4 must provide culturally responsive early interventions to prevent an individual from meeting
867.5 the criteria for civil commitment and promote positive outcomes.

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

867.7 (1) develop a system to respond to requests for engagement services;

867.8 (2) provide the following engagement services, taking into account an individual's
867.9 preferences for treatment services and supports:

867.10 (i) assertive attempts to engage an individual in voluntary treatment for mental illness
867.11 for at least 90 days;

867.12 (ii) efforts to engage an individual's existing support systems and interested persons,
867.13 including but not limited to providing education on restricting means of harm and suicide
867.14 prevention, when the provider determines that such engagement would be helpful; and

867.15 (iii) collaboration with the individual to meet the individual's immediate needs, including
867.16 but not limited to housing access, food and income assistance, disability verification,
867.17 medication management, and medical treatment;

867.18 (3) conduct outreach to families and providers; and

867.19 (4) evaluate the impact of engagement services on decreasing civil commitments,
867.20 increasing engagement in treatment, decreasing police involvement with individuals
867.21 exhibiting symptoms of serious mental illness, and other measures.

867.22 (b) Grantees must seek reimbursement for all activities and provided services eligible
867.23 for medical assistance.

867.24 (c) Engagement services staff must have completed training on person-centered care.
867.25 Staff may include but are not limited to mobile crisis providers under Minnesota Statutes,
867.26 section 256B.0624; certified peer specialists under Minnesota Statutes, section 256B.0615;
867.27 community-based treatment programs staff; and homeless outreach workers.

867.28 **Sec. 11. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; LIMITED**
867.29 **EXCEPTION FOR ADMISSION FROM HOSPITAL SETTINGS.**

867.30 The commissioner of human services must immediately approve an exception to add
867.31 up to ten patients who have been civilly committed and are in hospital settings to the waiting
867.32 list for admission to medically appropriate direct care and treatment beds under Minnesota

868.1 Statutes, section 253B.10, subdivision 1, paragraph (b). This section expires upon the
868.2 commissioner's approval of the exception for ten patients who have been civilly committed
868.3 and are awaiting admission.

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

868.5 Sec. 12. **COUNTY CORRECTIONAL FACILITY LONG-ACTING INJECTABLE**
868.6 **ANTIPSYCHOTIC MEDICATION PILOT PROGRAM.**

868.7 Subdivision 1. **Authorization.** The commissioner of human services must establish a
868.8 pilot program that provides payments to counties to support county correctional facilities
868.9 in administering long-acting injectable antipsychotic medications to prisoners for mental
868.10 health treatment.

868.11 Subd. 2. **Application.** Counties may submit requests for reimbursement for costs incurred
868.12 pursuant to subdivision 3 on an application form specified by the commissioner. Requests
868.13 for reimbursement for the cost of a long-acting injectable antipsychotic medication must
868.14 be accompanied by the correctional facility's invoice for the long-acting injectable
868.15 antipsychotic medication. The commissioner must issue an application to each county board
868.16 at least once per calendar quarter until money for the pilot program is expended.

868.17 Subd. 3. **Pilot program payments; allowable uses.** Counties must use payments received
868.18 under this section for reimbursement of costs incurred during the most recent calendar
868.19 quarter for:

868.20 (1) long-acting injectable antipsychotic medications for prisoners in county correctional
868.21 facilities; and

868.22 (2) health care costs related to the administration of long-acting injectable antipsychotic
868.23 medications for prisoners in correctional facilities.

868.24 Subd. 4. **Pilot program payment allocation.** (a) The commissioner may allocate up to
868.25 one quarter of the total appropriation for the pilot program each quarter. If the amount of
868.26 money for eligible requests received exceeds the amount of money available in the quarter,
868.27 the commissioner shall determine an equitable allocation of payments among the applicants.

868.28 (b) The commissioner may review costs and set a reasonable cap on the reimbursement
868.29 amount for medications and treatment.

868.30 (c) The commissioner's determination of payment amounts and allocation methods is
868.31 final and not subject to appeal.

869.1 Subd. 5. Report. By December 15, 2025, the commissioner must provide a summary
869.2 report on the pilot program to the chairs and ranking minority members of the legislative
869.3 committees with jurisdiction over mental health and county correctional facilities.

869.4 Sec. 13. REPORT ON INPATIENT SUBSTANCE USE DISORDER BEDS.

869.5 By January 15, 2025, the Direct Care and Treatment executive board must submit a
869.6 report to the chairs and ranking minority members of the legislative committees with
869.7 jurisdiction over human services finance and policy with options for increasing inpatient
869.8 substance use disorder beds operated by the executive board. One option must include the
869.9 development of an inpatient substance use disorder program operated by the executive board
869.10 within 35 miles of the existing CARE-St. Peter facility.

869.11 ARTICLE 50

869.12 DIRECT CARE AND TREATMENT

869.13 Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended
869.14 to read:

869.15 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
869.16 given:

869.17 (1) "agency" means the Department of Administration; Department of Agriculture;
869.18 Department of Children, Youth, and Families; Department of Commerce; Department of
869.19 Corrections; Department of Education; Department of Employment and Economic
869.20 Development; Department of Health; Office of Higher Education; Housing Finance Agency;
869.21 Department of Human Rights; Department of Human Services; Department of Information
869.22 Technology Services; Department of Iron Range Resources and Rehabilitation; Department
869.23 of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services;
869.24 Department of Military Affairs; Metropolitan Council; Department of Natural Resources;
869.25 Pollution Control Agency; Department of Public Safety; Department of Revenue; Department
869.26 of Transportation; Department of Veterans Affairs; Direct Care and Treatment; Gambling
869.27 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; and
869.28 the Board of Water and Soil Resources;

869.29 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
869.30 governments in the development of policy on matters that have Tribal implications.
869.31 Consultation is the proactive, affirmative process of identifying and seeking input from
869.32 appropriate Tribal governments and considering their interest as a necessary and integral
869.33 part of the decision-making process. This definition adds to statutorily mandated notification

870.1 procedures. During a consultation, the burden is on the agency to show that it has made a
870.2 good faith effort to elicit feedback. Consultation is a formal engagement between agency
870.3 officials and the governing body or bodies of an individual Minnesota Tribal government
870.4 that the agency or an individual Tribal government may initiate. Formal meetings or
870.5 communication between top agency officials and the governing body of a Minnesota Tribal
870.6 government is a necessary element of consultation;

870.7 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
870.8 statements, or other actions that have substantial direct effects on one or more Minnesota
870.9 Tribal governments, or on the distribution of power and responsibilities between the state
870.10 and Minnesota Tribal governments;

870.11 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
870.12 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
870.13 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
870.14 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
870.15 and Upper Sioux Community; and

870.16 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
870.17 allows the result of consultation to be included in the agency's decision-making process for
870.18 a matter that has Tribal implications.

870.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

870.20 Sec. 2. Minnesota Statutes 2022, section 13.46, subdivision 1, as amended by Laws 2024,
870.21 chapter 79, article 9, section 1, and Laws 2024, chapter 80, article 8, section 1, is amended
870.22 to read:

870.23 Subdivision 1. **Definitions.** As used in this section:

870.24 (a) "Individual" means an individual according to section 13.02, subdivision 8, but does
870.25 not include a vendor of services.

870.26 (b) "Program" includes all programs for which authority is vested in a component of the
870.27 welfare system according to statute or federal law, including but not limited to Native
870.28 American Tribe programs that provide a service component of the welfare system, the
870.29 Minnesota family investment program, medical assistance, general assistance, general
870.30 assistance medical care formerly codified in chapter 256D, the child care assistance program,
870.31 and child support collections.

870.32 (c) "Welfare system" includes the Department of Human Services; ~~the Department of~~
870.33 Direct Care and Treatment; the Department of Children, Youth, and Families; local social

871.1 services agencies; county welfare agencies; county public health agencies; county veteran
871.2 services agencies; county housing agencies; private licensing agencies; the public authority
871.3 responsible for child support enforcement; human services boards; community mental health
871.4 center boards, state hospitals, state nursing homes, the ombudsman for mental health and
871.5 developmental disabilities; Native American Tribes to the extent a Tribe provides a service
871.6 component of the welfare system; and persons, agencies, institutions, organizations, and
871.7 other entities under contract to any of the above agencies to the extent specified in the
871.8 contract.

871.9 (d) "Mental health data" means data on individual clients and patients of community
871.10 mental health centers, established under section 245.62, mental health divisions of counties
871.11 and other providers under contract to deliver mental health services, ~~Department of Direct~~
871.12 Care and Treatment mental health services, or the ombudsman for mental health and
871.13 developmental disabilities.

871.14 (e) "Fugitive felon" means a person who has been convicted of a felony and who has
871.15 escaped from confinement or violated the terms of probation or parole for that offense.

871.16 (f) "Private licensing agency" means an agency licensed by the commissioner of children,
871.17 youth, and families under chapter 142B to perform the duties under section 142B.30.

871.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

871.19 Sec. 3. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, as amended
871.20 by Laws 2024, chapter 80, article 8, section 2, is amended to read:

871.21 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
871.22 by the welfare system are private data on individuals, and shall not be disclosed except:

871.23 (1) according to section 13.05;

871.24 (2) according to court order;

871.25 (3) according to a statute specifically authorizing access to the private data;

871.26 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
871.27 the state, or the federal government, including a law enforcement person or attorney in the
871.28 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
871.29 administration of a program;

871.30 (5) to personnel of the welfare system who require the data to verify an individual's
871.31 identity; determine eligibility, amount of assistance, and the need to provide services to an
871.32 individual or family across programs; coordinate services for an individual or family;

872.1 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
872.2 suspected fraud;

872.3 (6) to administer federal funds or programs;

872.4 (7) between personnel of the welfare system working in the same program;

872.5 (8) to the Department of Revenue to assess parental contribution amounts for purposes
872.6 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
872.7 and to identify individuals who may benefit from these programs, and prepare the databases
872.8 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section
872.9 6. The following information may be disclosed under this paragraph: an individual's and
872.10 their dependent's names, dates of birth, Social Security or individual taxpayer identification
872.11 numbers, income, addresses, and other data as required, upon request by the Department
872.12 of Revenue. Disclosures by the commissioner of revenue to the commissioner of human
872.13 services for the purposes described in this clause are governed by section 270B.14,
872.14 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
872.15 care credit under section 290.067, the Minnesota working family credit under section
872.16 290.0671, the property tax refund under section 290A.04, and the Minnesota education
872.17 credit under section 290.0674;

872.18 (9) between the Department of Human Services; the Department of Employment and
872.19 Economic Development; the Department of Children, Youth, and Families; Direct Care and
872.20 Treatment; and, when applicable, the Department of Education, for the following purposes:

872.21 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
872.22 employment or training program administered, supervised, or certified by that agency;

872.23 (ii) to administer any rehabilitation program or child care assistance program, whether
872.24 alone or in conjunction with the welfare system;

872.25 (iii) to monitor and evaluate the Minnesota family investment program or the child care
872.26 assistance program by exchanging data on recipients and former recipients of Supplemental
872.27 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,
872.28 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
872.29 256B or 256L; and

872.30 (iv) to analyze public assistance employment services and program utilization, cost,
872.31 effectiveness, and outcomes as implemented under the authority established in Title II,
872.32 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
872.33 Health records governed by sections 144.291 to 144.298 and "protected health information"

873.1 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
873.2 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
873.3 information, must not be exchanged under this clause;

873.4 (10) to appropriate parties in connection with an emergency if knowledge of the
873.5 information is necessary to protect the health or safety of the individual or other individuals
873.6 or persons;

873.7 (11) data maintained by residential programs as defined in section 245A.02 may be
873.8 disclosed to the protection and advocacy system established in this state according to Part
873.9 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
873.10 disabilities or other related conditions who live in residential facilities for these persons if
873.11 the protection and advocacy system receives a complaint by or on behalf of that person and
873.12 the person does not have a legal guardian or the state or a designee of the state is the legal
873.13 guardian of the person;

873.14 (12) to the county medical examiner or the county coroner for identifying or locating
873.15 relatives or friends of a deceased person;

873.16 (13) data on a child support obligor who makes payments to the public agency may be
873.17 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
873.18 eligibility under section 136A.121, subdivision 2, clause (5);

873.19 (14) participant Social Security or individual taxpayer identification numbers and names
873.20 collected by the telephone assistance program may be disclosed to the Department of
873.21 Revenue to conduct an electronic data match with the property tax refund database to
873.22 determine eligibility under section 237.70, subdivision 4a;

873.23 (15) the current address of a Minnesota family investment program participant may be
873.24 disclosed to law enforcement officers who provide the name of the participant and notify
873.25 the agency that:

873.26 (i) the participant:

873.27 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
873.28 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
873.29 jurisdiction from which the individual is fleeing; or

873.30 (B) is violating a condition of probation or parole imposed under state or federal law;

873.31 (ii) the location or apprehension of the felon is within the law enforcement officer's
873.32 official duties; and

874.1 (iii) the request is made in writing and in the proper exercise of those duties;

874.2 (16) the current address of a recipient of general assistance may be disclosed to probation
874.3 officers and corrections agents who are supervising the recipient and to law enforcement
874.4 officers who are investigating the recipient in connection with a felony level offense;

874.5 (17) information obtained from a SNAP applicant or recipient households may be
874.6 disclosed to local, state, or federal law enforcement officials, upon their written request, for
874.7 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
874.8 to Code of Federal Regulations, title 7, section 272.1(c);

874.9 (18) the address, Social Security or individual taxpayer identification number, and, if
874.10 available, photograph of any member of a household receiving SNAP benefits shall be made
874.11 available, on request, to a local, state, or federal law enforcement officer if the officer
874.12 furnishes the agency with the name of the member and notifies the agency that:

874.13 (i) the member:

874.14 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
874.15 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

874.16 (B) is violating a condition of probation or parole imposed under state or federal law;
874.17 or

874.18 (C) has information that is necessary for the officer to conduct an official duty related
874.19 to conduct described in subitem (A) or (B);

874.20 (ii) locating or apprehending the member is within the officer's official duties; and

874.21 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

874.22 (19) the current address of a recipient of Minnesota family investment program, general
874.23 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
874.24 provide the name of the recipient and notify the agency that the recipient is a person required
874.25 to register under section 243.166, but is not residing at the address at which the recipient is
874.26 registered under section 243.166;

874.27 (20) certain information regarding child support obligors who are in arrears may be
874.28 made public according to section 518A.74;

874.29 (21) data on child support payments made by a child support obligor and data on the
874.30 distribution of those payments excluding identifying information on obligees may be
874.31 disclosed to all obligees to whom the obligor owes support, and data on the enforcement

875.1 actions undertaken by the public authority, the status of those actions, and data on the income
875.2 of the obligor or obligee may be disclosed to the other party;

875.3 (22) data in the work reporting system may be disclosed under section 256.998,
875.4 subdivision 7;

875.5 (23) to the Department of Education for the purpose of matching Department of Education
875.6 student data with public assistance data to determine students eligible for free and
875.7 reduced-price meals, meal supplements, and free milk according to United States Code,
875.8 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
875.9 funds that are distributed based on income of the student's family; and to verify receipt of
875.10 energy assistance for the telephone assistance plan;

875.11 (24) the current address and telephone number of program recipients and emergency
875.12 contacts may be released to the commissioner of health or a community health board as
875.13 defined in section 145A.02, subdivision 5, when the commissioner or community health
875.14 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
875.15 or at risk of illness, and the data are necessary to locate the person;

875.16 (25) to other state agencies, statewide systems, and political subdivisions of this state,
875.17 including the attorney general, and agencies of other states, interstate information networks,
875.18 federal agencies, and other entities as required by federal regulation or law for the
875.19 administration of the child support enforcement program;

875.20 (26) to personnel of public assistance programs as defined in section 256.741, for access
875.21 to the child support system database for the purpose of administration, including monitoring
875.22 and evaluation of those public assistance programs;

875.23 (27) to monitor and evaluate the Minnesota family investment program by exchanging
875.24 data between the Departments of Human Services; Children, Youth, and Families; and
875.25 Education, on recipients and former recipients of SNAP benefits, cash assistance under
875.26 chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, medical
875.27 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
875.28 256D;

875.29 (28) to evaluate child support program performance and to identify and prevent fraud
875.30 in the child support program by exchanging data between the Department of Human Services;
875.31 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,
875.32 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph
875.33 (c); Department of Health; Department of Employment and Economic Development; and
875.34 other state agencies as is reasonably necessary to perform these functions;

876.1 (29) counties and the Department of Children, Youth, and Families operating child care
876.2 assistance programs under chapter 119B may disseminate data on program participants,
876.3 applicants, and providers to the commissioner of education;

876.4 (30) child support data on the child, the parents, and relatives of the child may be
876.5 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
876.6 Security Act, as authorized by federal law;

876.7 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
876.8 necessary to coordinate services;

876.9 (32) to the chief administrative officer of a school to coordinate services for a student
876.10 and family; data that may be disclosed under this clause are limited to name, date of birth,
876.11 gender, and address;

876.12 (33) to county correctional agencies to the extent necessary to coordinate services and
876.13 diversion programs; data that may be disclosed under this clause are limited to name, client
876.14 demographics, program, case status, and county worker information; or

876.15 (34) between the Department of Human Services and the Metropolitan Council for the
876.16 following purposes:

876.17 (i) to coordinate special transportation service provided under section 473.386 with
876.18 services for people with disabilities and elderly individuals funded by or through the
876.19 Department of Human Services; and

876.20 (ii) to provide for reimbursement of special transportation service provided under section
876.21 473.386.

876.22 The data that may be shared under this clause are limited to the individual's first, last, and
876.23 middle names; date of birth; residential address; and program eligibility status with expiration
876.24 date for the purposes of informing the other party of program eligibility.

876.25 (b) Information on persons who have been treated for substance use disorder may only
876.26 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
876.27 2.1 to 2.67.

876.28 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
876.29 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
876.30 nonpublic while the investigation is active. The data are private after the investigation
876.31 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

877.1 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
877.2 not subject to the access provisions of subdivision 10, paragraph (b).

877.3 For the purposes of this subdivision, a request will be deemed to be made in writing if
877.4 made through a computer interface system.

877.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

877.6 Sec. 4. Minnesota Statutes 2022, section 13.46, subdivision 10, as amended by Laws 2024,
877.7 chapter 79, article 9, section 2, is amended to read:

877.8 Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter
877.9 to the contrary, the responsible authority for each component of the welfare system listed
877.10 in subdivision 1, clause (c), shall be as follows:

877.11 (1) the responsible authority for the Department of Human Services is the commissioner
877.12 of human services;

877.13 (2) the responsible authority of a county welfare agency is the director of the county
877.14 welfare agency;

877.15 (3) the responsible authority for a local social services agency, human services board,
877.16 or community mental health center board is the chair of the board;

877.17 (4) the responsible authority of any person, agency, institution, organization, or other
877.18 entity under contract to any of the components of the welfare system listed in subdivision
877.19 1, clause (c), is the person specified in the contract;

877.20 (5) the responsible authority of the public authority for child support enforcement is the
877.21 head of the public authority for child support enforcement;

877.22 (6) the responsible authority for county veteran services is the county veterans service
877.23 officer pursuant to section 197.603, subdivision 2; and

877.24 (7) the responsible authority for ~~the Department of~~ Direct Care and Treatment is the
877.25 chief executive officer of Direct Care and Treatment ~~executive board~~.

877.26 (b) A responsible authority shall allow another responsible authority in the welfare
877.27 system access to data classified as not public data when access is necessary for the
877.28 administration and management of programs, or as authorized or required by statute or
877.29 federal law.

877.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

878.1 Sec. 5. Minnesota Statutes 2023 Supplement, section 15.01, is amended to read:

878.2 **15.01 DEPARTMENTS OF THE STATE.**

878.3 The following agencies are designated as the departments of the state government: the
878.4 Department of Administration; the Department of Agriculture; the Department of Children,
878.5 Youth, and Families; the Department of Commerce; the Department of Corrections; ~~the~~
878.6 ~~Department of Direct Care and Treatment~~; the Department of Education; the Department
878.7 of Employment and Economic Development; the Department of Health; the Department of
878.8 Human Rights; the Department of Human Services; the Department of Information
878.9 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
878.10 Department of Labor and Industry; the Department of Management and Budget; the
878.11 Department of Military Affairs; the Department of Natural Resources; the Department of
878.12 Public Safety; the Department of Revenue; the Department of Transportation; the Department
878.13 of Veterans Affairs; and their successor departments.

878.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

878.15 Sec. 6. Minnesota Statutes 2023 Supplement, section 15.06, subdivision 1, as amended
878.16 by Laws 2024, chapter 85, section 6, is amended to read:

878.17 Subdivision 1. **Applicability.** This section applies to the following departments or
878.18 agencies: the Departments of Administration; Agriculture; Children, Youth, and Families;
878.19 Commerce; Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic
878.20 Development; Health; Human Rights; Human Services; Iron Range Resources and
878.21 Rehabilitation; Labor and Industry; Management and Budget; Natural Resources; Public
878.22 Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution
878.23 Control Agencies; the Department of Information Technology Services; the Bureau of
878.24 Mediation Services; and their successor departments and agencies. The heads of the foregoing
878.25 departments or agencies are "commissioners."

878.26 **EFFECTIVE DATE.** This section is effective July 1, 2024t.

878.27 Sec. 7. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is amended
878.28 to read:

878.29 Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall
878.30 be determined by the Compensation Council under section 15A.082. The commissioner of
878.31 management and budget must publish the salaries on the department's website. This
878.32 subdivision applies to the following positions:

- 879.1 Commissioner of administration;
- 879.2 Commissioner of agriculture;
- 879.3 Commissioner of education;
- 879.4 Commissioner of children, youth, and families;
- 879.5 Commissioner of commerce;
- 879.6 Commissioner of corrections;
- 879.7 Commissioner of health;
- 879.8 Commissioner, Minnesota Office of Higher Education;
- 879.9 Commissioner, Minnesota IT Services;
- 879.10 Commissioner, Housing Finance Agency;
- 879.11 Commissioner of human rights;
- 879.12 Commissioner of human services;
- 879.13 Commissioner of labor and industry;
- 879.14 Commissioner of management and budget;
- 879.15 Commissioner of natural resources;
- 879.16 Commissioner, Pollution Control Agency;
- 879.17 Commissioner of public safety;
- 879.18 Commissioner of revenue;
- 879.19 Commissioner of employment and economic development;
- 879.20 Commissioner of transportation;
- 879.21 Commissioner of veterans affairs;
- 879.22 Executive director of the Gambling Control Board;
- 879.23 Executive director of the Minnesota State Lottery;
- 879.24 Commissioner of Iron Range resources and rehabilitation;
- 879.25 Commissioner, Bureau of Mediation Services;
- 879.26 Ombudsman for mental health and developmental disabilities;
- 879.27 Ombudsperson for corrections;

880.1 Chair, Metropolitan Council;
880.2 Chair, Metropolitan Airports Commission;
880.3 School trust lands director;
880.4 Executive director of pari-mutuel racing; ~~and~~
880.5 Commissioner, Public Utilities Commission; and
880.6 Chief Executive Officer, Direct Care and Treatment.

880.7 Sec. 8. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 1, is amended
880.8 to read:

880.9 Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year
880.10 to establish the compensation of constitutional officers and the heads of state and metropolitan
880.11 agencies identified in section 15A.0815, ~~and~~ to assist the legislature in establishing the
880.12 compensation of justices of the supreme court and judges of the court of appeals and district
880.13 court, and to determine the daily compensation for voting members of the Direct Care and
880.14 Treatment executive board.

880.15 Sec. 9. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 3, is amended
880.16 to read:

880.17 Subd. 3. **Submission of recommendations and determination.** (a) By April 1 in each
880.18 odd-numbered year, the Compensation Council shall submit to the speaker of the house and
880.19 the president of the senate salary recommendations for justices of the supreme court, and
880.20 judges of the court of appeals and district court. The recommended salaries take effect on
880.21 July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval
880.22 the council recommends thereafter, unless the legislature by law provides otherwise. The
880.23 salary recommendations take effect if an appropriation of money to pay the recommended
880.24 salaries is enacted after the recommendations are submitted and before their effective date.
880.25 Recommendations may be expressly modified or rejected.

880.26 (b) By April 1 in each odd-numbered year, the Compensation Council must prescribe
880.27 salaries for constitutional officers, and for the agency and metropolitan agency heads
880.28 identified in section 15A.0815. The prescribed salary for each office must take effect July
880.29 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval
880.30 the council determines thereafter, unless the legislature by law provides otherwise. An
880.31 appropriation by the legislature to fund the relevant office, branch, or agency of an amount

881.1 sufficient to pay the salaries prescribed by the council constitutes a prescription by law as
881.2 provided in the Minnesota Constitution, article V, sections 4 and 5.

881.3 (c) By April 1 in each odd-numbered year, the Compensation Council must prescribe
881.4 daily compensation for voting members of the Direct Care and Treatment executive board.
881.5 The recommended daily compensation takes effect on July 1 of that year and July 1 of the
881.6 subsequent even-numbered year and at whatever interval the council recommends thereafter,
881.7 unless the legislature by law provides otherwise.

881.8 Sec. 10. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 7, is amended
881.9 to read:

881.10 Subd. 7. **No ex parte communications.** Members may not have any communication
881.11 with a constitutional officer, a head of a state agency, ~~or~~ a member of the judiciary, or a
881.12 member of the Direct Care and Treatment executive board during the period after the first
881.13 meeting is convened under this section and the date the prescribed and recommended salaries
881.14 and daily compensation are submitted under subdivision 3.

881.15 Sec. 11. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1, is amended
881.16 to read:

881.17 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees
881.18 who are:

881.19 (1) chosen by election or appointed to fill an elective office;

881.20 (2) heads of agencies required by law to be appointed by the governor or other elective
881.21 officers, and the executive or administrative heads of departments, bureaus, divisions, and
881.22 institutions specifically established by law in the unclassified service;

881.23 (3) deputy and assistant agency heads and one confidential secretary in the agencies
881.24 listed in subdivision 1a;

881.25 (4) the confidential secretary to each of the elective officers of this state and, for the
881.26 secretary of state and state auditor, an additional deputy, clerk, or employee;

881.27 (5) intermittent help employed by the commissioner of public safety to assist in the
881.28 issuance of vehicle licenses;

881.29 (6) employees in the offices of the governor and of the lieutenant governor and one
881.30 confidential employee for the governor in the Office of the Adjutant General;

881.31 (7) employees of the Washington, D.C., office of the state of Minnesota;

882.1 (8) employees of the legislature and of legislative committees or commissions; provided
882.2 that employees of the Legislative Audit Commission, except for the legislative auditor, the
882.3 deputy legislative auditors, and their confidential secretaries, shall be employees in the
882.4 classified service;

882.5 (9) presidents, vice-presidents, deans, other managers and professionals in academic
882.6 and academic support programs, administrative or service faculty, teachers, research
882.7 assistants, and student employees eligible under terms of the federal Economic Opportunity
882.8 Act work study program in the Perpich Center for Arts Education and the Minnesota State
882.9 Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any
882.10 professional or managerial employee performing duties in connection with the business
882.11 administration of these institutions;

882.12 (10) officers and enlisted persons in the National Guard;

882.13 (11) attorneys, legal assistants, and three confidential employees appointed by the attorney
882.14 general or employed with the attorney general's authorization;

882.15 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and
882.16 notaries public, except referees and adjusters employed by the Department of Labor and
882.17 Industry;

882.18 (13) members of the State Patrol; provided that selection and appointment of State Patrol
882.19 troopers must be made in accordance with applicable laws governing the classified service;

882.20 (14) examination monitors and intermittent training instructors employed by the
882.21 Departments of Management and Budget and Commerce and by professional examining
882.22 boards and intermittent staff employed by the technical colleges for the administration of
882.23 practical skills tests and for the staging of instructional demonstrations;

882.24 (15) student workers;

882.25 (16) executive directors or executive secretaries appointed by and reporting to any
882.26 policy-making board or commission established by statute;

882.27 (17) employees unclassified pursuant to other statutory authority;

882.28 (18) intermittent help employed by the commissioner of agriculture to perform duties
882.29 relating to pesticides, fertilizer, and seed regulation;

882.30 (19) the administrators and the deputy administrators at the State Academies for the
882.31 Deaf and the Blind; and

883.1 (20) ~~the chief executive officers in the Department of Human Services~~ officer of Direct
883.2 Care and Treatment.

883.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

883.4 Sec. 12. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended
883.5 to read:

883.6 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
883.7 agencies may designate additional unclassified positions according to this subdivision: the
883.8 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
883.9 Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic
883.10 Development; Explore Minnesota Tourism; Management and Budget; Health; Human
883.11 Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue;
883.12 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
883.13 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
883.14 Department of Information Technology Services; the Offices of the Attorney General,
883.15 Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the
883.16 Minnesota Office of Higher Education; the Perpich Center for Arts Education; Direct Care
883.17 and Treatment; and the Minnesota Zoological Board.

883.18 A position designated by an appointing authority according to this subdivision must
883.19 meet the following standards and criteria:

883.20 (1) the designation of the position would not be contrary to other law relating specifically
883.21 to that agency;

883.22 (2) the person occupying the position would report directly to the agency head or deputy
883.23 agency head and would be designated as part of the agency head's management team;

883.24 (3) the duties of the position would involve significant discretion and substantial
883.25 involvement in the development, interpretation, and implementation of agency policy;

883.26 (4) the duties of the position would not require primarily personnel, accounting, or other
883.27 technical expertise where continuity in the position would be important;

883.28 (5) there would be a need for the person occupying the position to be accountable to,
883.29 loyal to, and compatible with, the governor and the agency head, the employing statutory
883.30 board or commission, or the employing constitutional officer;

883.31 (6) the position would be at the level of division or bureau director or assistant to the
883.32 agency head; and

884.1 (7) the commissioner has approved the designation as being consistent with the standards
884.2 and criteria in this subdivision.

884.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

884.4 Sec. 13. Minnesota Statutes 2022, section 145.61, subdivision 5, is amended to read:

884.5 Subd. 5. **Review organization.** "Review organization" means a nonprofit organization
884.6 acting according to clause (1), a committee as defined under section 144E.32, subdivision
884.7 2, or a committee whose membership is limited to professionals, administrative staff, and
884.8 consumer directors, except where otherwise provided for by state or federal law, and which
884.9 is established by one or more of the following: a hospital, a clinic, a nursing home, an
884.10 ambulance service or first responder service regulated under chapter 144E, one or more
884.11 state or local associations of professionals, an organization of professionals from a particular
884.12 area or medical institution, a health maintenance organization as defined in chapter 62D, a
884.13 community integrated service network as defined in chapter 62N, a nonprofit health service
884.14 plan corporation as defined in chapter 62C, a preferred provider organization, a professional
884.15 standards review organization established pursuant to United States Code, title 42, section
884.16 1320c-1 et seq., a medical review agent established to meet the requirements of section
884.17 256B.04, subdivision 15, the Department of Human Services, Direct Care and Treatment,
884.18 or a nonprofit corporation that owns, operates, or is established by one or more of the above
884.19 referenced entities, to gather and review information relating to the care and treatment of
884.20 patients for the purposes of:

884.21 (a) evaluating and improving the quality of health care;

884.22 (b) reducing morbidity or mortality;

884.23 (c) obtaining and disseminating statistics and information relative to the treatment and
884.24 prevention of diseases, illness and injuries;

884.25 (d) developing and publishing guidelines showing the norms of health care in the area
884.26 or medical institution or in the entity or organization that established the review organization;

884.27 (e) developing and publishing guidelines designed to keep within reasonable bounds the
884.28 cost of health care;

884.29 (f) developing and publishing guidelines designed to improve the safety of care provided
884.30 to individuals;

885.1 (g) reviewing the safety, quality, or cost of health care services provided to enrollees of
885.2 health maintenance organizations, community integrated service networks, health service
885.3 plans, preferred provider organizations, and insurance companies;

885.4 (h) acting as a professional standards review organization pursuant to United States
885.5 Code, title 42, section 1320c-1 et seq.;

885.6 (i) determining whether a professional shall be granted staff privileges in a medical
885.7 institution, membership in a state or local association of professionals, or participating status
885.8 in a nonprofit health service plan corporation, health maintenance organization, community
885.9 integrated service network, preferred provider organization, or insurance company, or
885.10 whether a professional's staff privileges, membership, or participation status should be
885.11 limited, suspended or revoked;

885.12 (j) reviewing, ruling on, or advising on controversies, disputes or questions between:

885.13 (1) health insurance carriers, nonprofit health service plan corporations, health
885.14 maintenance organizations, community integrated service networks, self-insurers and their
885.15 insureds, subscribers, enrollees, or other covered persons;

885.16 (2) professional licensing boards and health providers licensed by them;

885.17 (3) professionals and their patients concerning diagnosis, treatment or care, or the charges
885.18 or fees therefor;

885.19 (4) professionals and health insurance carriers, nonprofit health service plan corporations,
885.20 health maintenance organizations, community integrated service networks, or self-insurers
885.21 concerning a charge or fee for health care services provided to an insured, subscriber,
885.22 enrollee, or other covered person;

885.23 (5) professionals or their patients and the federal, state, or local government, or agencies
885.24 thereof;

885.25 (k) providing underwriting assistance in connection with professional liability insurance
885.26 coverage applied for or obtained by dentists, or providing assistance to underwriters in
885.27 evaluating claims against dentists;

885.28 (l) acting as a medical review agent under section 256B.04, subdivision 15;

885.29 (m) providing recommendations on the medical necessity of a health service, or the
885.30 relevant prevailing community standard for a health service;

885.31 (n) providing quality assurance as required by United States Code, title 42, sections
885.32 1396r(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;

886.1 (o) providing information to group purchasers of health care services when that
886.2 information was originally generated within the review organization for a purpose specified
886.3 by this subdivision;

886.4 (p) providing information to other, affiliated or nonaffiliated review organizations, when
886.5 that information was originally generated within the review organization for a purpose
886.6 specified by this subdivision, and as long as that information will further the purposes of a
886.7 review organization as specified by this subdivision; or

886.8 (q) participating in a standardized incident reporting system, including Internet-based
886.9 applications, to share information for the purpose of identifying and analyzing trends in
886.10 medical error and iatrogenic injury.

886.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

886.12 Sec. 14. Minnesota Statutes 2022, section 246.018, subdivision 3, as amended by Laws
886.13 2024, chapter 79, article 1, section 6, is amended to read:

886.14 Subd. 3. **Duties.** The executive medical director shall:

886.15 (1) oversee the clinical provision of inpatient mental health services provided in the
886.16 state's regional treatment centers;

886.17 (2) recruit and retain psychiatrists to serve on the direct care and treatment medical staff
886.18 established in subdivision 4;

886.19 (3) consult with the executive board, the chief executive officer, and community mental
886.20 health center directors, ~~and the state-operated services governing body~~ to develop standards
886.21 for treatment and care of patients in state-operated service programs;

886.22 (4) develop and oversee a continuing education program for members of the medical
886.23 staff; and

886.24 (5) participate and cooperate in the development and maintenance of a quality assurance
886.25 program for state-operated services that assures that residents receive continuous quality
886.26 inpatient, outpatient, and postdischarge care.

886.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

886.28 Sec. 15. Minnesota Statutes 2022, section 246.13, subdivision 2, as amended by Laws
886.29 2024, chapter 79, article 2, section 4, is amended to read:

886.30 Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

887.1 (1) "appropriate and necessary medical and other records" includes patient medical
887.2 records and other protected health information as defined by Code of Federal Regulations,
887.3 title 45, section 164.501, relating to a patient in a state-operated services facility including
887.4 but not limited to the patient's treatment plan and abuse prevention plan pertinent to the
887.5 patient's ongoing care, treatment, or placement in a community-based treatment facility or
887.6 a health care facility that is not operated by state-operated services, including information
887.7 describing the level of risk posed by a patient when the patient enters the facility;

887.8 (2) "community-based treatment" means the community support services listed in section
887.9 253B.02, subdivision 4b;

887.10 (3) "criminal history data" means data maintained or used by the Departments of
887.11 Corrections and Public Safety and by the supervisory authorities listed in section 13.84,
887.12 subdivision 1, that relate to an individual's criminal history or propensity for violence,
887.13 including data in the:

887.14 (i) Corrections Offender Management System (COMS);

887.15 (ii) Statewide Supervision System (S3);

887.16 (iii) Bureau of Criminal Apprehension criminal history data as defined in section 13.87;

887.17 (iv) Integrated Search Service as defined in section 13.873; and

887.18 (v) Predatory Offender Registration (POR) system;

887.19 (4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

887.20 (5) "law enforcement agency" means the law enforcement agency having primary
887.21 jurisdiction over the location where the offender expects to reside upon release;

887.22 (6) "predatory offender" and "offender" mean a person who is required to register as a
887.23 predatory offender under section 243.166; and

887.24 (7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

887.25 (b) To promote public safety and for the purposes and subject to the requirements of
887.26 this paragraph, the executive board or the executive board's designee shall have access to,
887.27 and may review and disclose, medical and criminal history data as provided by this section,
887.28 as necessary to comply with Minnesota Rules, part 1205.0400, to:

887.29 (1) determine whether a patient is required under state law to register as a predatory
887.30 offender according to section 243.166;

888.1 (2) facilitate and expedite the responsibilities of the special review board and
888.2 end-of-confinement review committees by corrections institutions and state treatment
888.3 facilities;

888.4 (3) prepare, amend, or revise the abuse prevention plans required under section 626.557,
888.5 subdivision 14, and individual patient treatment plans required under section 253B.03,
888.6 subdivision 7;

888.7 (4) facilitate the custody, supervision, and transport of individuals transferred between
888.8 the Department of Corrections and ~~the Department of Direct Care and Treatment~~; and

888.9 (5) effectively monitor and supervise individuals who are under the authority of the
888.10 Department of Corrections, ~~the Department of Direct Care and Treatment~~, and the supervisory
888.11 authorities listed in section 13.84, subdivision 1.

888.12 (c) The state-operated services treatment facility or a designee must make a good faith
888.13 effort to obtain written authorization from the patient before releasing information from the
888.14 patient's medical record.

888.15 (d) If the patient refuses or is unable to give informed consent to authorize the release
888.16 of information required under this subdivision, the chief executive officer ~~for state-operated~~
888.17 ~~services~~ or a designee shall provide the appropriate and necessary medical and other records.
888.18 The chief executive officer or a designee shall comply with the minimum necessary privacy
888.19 requirements.

888.20 (e) The executive board may have access to the National Crime Information Center
888.21 (NCIC) database through the Department of Public Safety in support of the public safety
888.22 functions described in paragraph (b).

888.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

888.24 Sec. 16. Minnesota Statutes 2022, section 246.234, as amended by Laws 2024, chapter
888.25 79, article 1, section 11, is amended to read:

888.26 **246.234 RECIPROCAL EXCHANGE OF CERTAIN PERSONS.**

888.27 The executive board is ~~hereby~~ authorized with the approval of the governor to enter into
888.28 reciprocal agreements with duly authorized authorities of ~~any other~~ another state or states
888.29 regarding the mutual exchange, return, and transportation of persons with a mental illness
888.30 or developmental disability who are within the confines of one state but have legal residence
888.31 or legal settlement for the purposes of relief in another state. ~~Such agreements~~ Any agreement

889.1 entered into under this subdivision must not contain provisions conflicting any provision
889.2 that conflicts with any law of this state law.

889.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

889.4 Sec. 17. Minnesota Statutes 2022, section 246.36, as amended by Laws 2024, chapter 79,
889.5 article 1, section 14, is amended to read:

889.6 **246.36 ACCEPTANCE OF VOLUNTARY, UNCOMPENSATED SERVICES.**

889.7 For the purpose of carrying out a duty, the executive board ~~shall have authority to~~ may
889.8 accept uncompensated and voluntary services and to may enter into contracts or agreements
889.9 with private or public agencies, organizations, or persons for uncompensated and voluntary
889.10 services as the executive board deems practicable. Uncompensated and voluntary services
889.11 do not include services mandated by licensure and certification requirements for health care
889.12 facilities. The volunteer agencies, organizations, or persons who provide services to residents
889.13 of state facilities operated under the authority of the executive board are not subject to the
889.14 procurement requirements of chapters 16A and 16C. ~~The agencies, organizations, or persons~~
889.15 ~~may purchase supplies, services, and equipment to be used in providing services to residents~~
889.16 ~~of state facilities through the Department of Administration.~~

889.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

889.18 Sec. 18. Minnesota Statutes 2023 Supplement, section 246C.01, is amended to read:

889.19 **246C.01 TITLE.**

889.20 This chapter may be cited as the "~~Department of~~ Direct Care and Treatment Act."

889.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

889.22 Sec. 19. Minnesota Statutes 2023 Supplement, section 246C.02, as amended by Laws
889.23 2024, chapter 79, article 1, section 19, is amended to read:

889.24 **~~246C.02 DEPARTMENT OF DIRECT CARE AND TREATMENT;~~**
889.25 **ESTABLISHMENT.**

889.26 Subdivision 1. **Establishment.** ~~The Department of~~ Direct Care and Treatment is created
889.27 as an agency headed by an executive board. ~~An executive board shall head the Department~~
889.28 ~~of Direct Care and Treatment.~~

890.1 ~~Subd. 2. **Mission.** (a) The executive board shall develop and maintain direct care and~~
890.2 ~~treatment in a manner consistent with applicable law, including chapters 13, 245, 246, 246B,~~
890.3 ~~252, 253, 253B, 253C, 253D, 254A, 254B, and 256.~~

890.4 ~~(b) The executive board shall provide direct care and treatment services in coordination~~
890.5 ~~with the commissioner of human services, counties, and other vendors.~~

890.6 **Subd. 3. Direct care and treatment services.** Direct Care and Treatment services shall
890.7 provide direct care and treatment services that include specialized inpatient programs at
890.8 secure treatment facilities, community preparation services, regional treatment centers,
890.9 enterprise services, consultative services, aftercare services, community-based services and
890.10 programs, transition services, nursing home services, and other services consistent with the
890.11 mission of the Department of Direct Care and Treatment state law, including this chapter
890.12 and chapters 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256. Direct
890.13 Care and Treatment shall provide direct care and treatment services in coordination with
890.14 the commissioner of human services, counties, and other vendors.

890.15 **Subd. 4. Statewide services.** (a) The administrative structure of state-operated services
890.16 must be statewide in character.

890.17 (b) The state-operated services staff may deliver services at any location throughout the
890.18 state.

890.19 **Subd. 5. Department of Human Services as state agency.** The commissioner of human
890.20 services continues to constitute the "state agency" as defined by the Social Security Act of
890.21 the United States and the laws of this state for all purposes relating to mental health and
890.22 mental hygiene.

890.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

890.24 **Sec. 20.** Minnesota Statutes 2023 Supplement, section 246C.04, as amended by Laws
890.25 2024, chapter 79, article 1, section 21, is amended to read:

890.26 **246C.04 TRANSFER OF DUTIES.**

890.27 **Subdivision 1. Transfer of duties.** (a) Section 15.039 applies to the transfer of ~~duties~~
890.28 responsibilities from the Department of Human Services to Direct Care and Treatment
890.29 required by this chapter.

890.30 (b) The commissioner of administration, with the governor's approval, shall issue
890.31 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
890.32 required by ~~section 246C.03~~ this chapter. The provision of section 16B.37, subdivision 1,

891.1 stating that transfers under section 16B.37 may only be to an agency that has existed for at
891.2 least one year does not apply to transfers to an agency created by this chapter.

891.3 ~~(c) The initial salary for the health systems chief executive officer of the Department of~~
891.4 ~~Direct Care and Treatment is the same as the salary for the health systems chief executive~~
891.5 ~~officer of direct care and treatment at the Department of Human Services immediately before~~
891.6 ~~July 1, 2024.~~

891.7 Subd. 2. **Transfer of custody of civilly committed persons.** The commissioner of
891.8 human services shall continue to exercise all authority and responsibility for and retain
891.9 custody of persons subject to civil commitment under chapter 253B or 253D until July 1,
891.10 2025. Effective July 1, 2025, custody of persons subject to civil commitment under chapter
891.11 253B or 253D and in the custody of the commissioner of human services as of that date is
891.12 hereby transferred to the executive board without any further act or proceeding. Authority
891.13 and responsibility for the commitment of such persons is transferred to the executive board
891.14 July 1, 2025.

891.15 Subd. 3. **Control of direct care and treatment.** The commissioner of human services
891.16 shall continue to exercise all authorities and responsibilities under this chapter and chapters
891.17 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, with reference to
891.18 any state-operated service, program, or facility subject to transfer under this act until July
891.19 1, 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the
891.20 commissioner of human services with reference to any state-operated service, program, or
891.21 facility are hereby transferred to, vested in, and imposed upon the executive board according
891.22 to this chapter and applicable state law. Effective July 1, 2025, the executive board ~~is hereby~~
891.23 ~~charged with and~~ has the exclusive power of administration and management of all state
891.24 hospitals for persons with a developmental disability, mental illness, or substance use
891.25 disorder. Effective July 1, 2025, the executive board has the power and authority to determine
891.26 all matters relating to the development of all of the foregoing institutions and of such other
891.27 institutions vested in the executive board. Effective July 1, 2025, the powers, functions, and
891.28 authority vested in the commissioner of human services relative to such state institutions
891.29 are ~~hereby~~ transferred to the executive board according to this chapter and applicable state
891.30 law.

891.31 Subd. 4. **Appropriations.** There is hereby appropriated to such persons or institutions
891.32 as are entitled to such sums as are provided for in this section, from the fund or account in
891.33 the state treasury to which the money was credited, an amount sufficient to make such
891.34 payment.

892.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

892.2 Sec. 21. Minnesota Statutes 2023 Supplement, section 246C.05, as amended by Laws
892.3 2024, chapter 79, article 1, section 22, is amended to read:

892.4 **246C.05 EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW**
892.5 **~~DEPARTMENT OF DIRECT CARE AND TREATMENT.~~**

892.6 (a) Personnel whose duties relate to the functions assigned to the executive board in
892.7 ~~section 246C.03~~ this chapter are transferred to the Department of Direct Care and Treatment
892.8 effective 30 days after approval by the commissioner of management and budget.

892.9 (b) Before the executive board is appointed, personnel whose duties relate to the functions
892.10 in this ~~section~~ chapter may be transferred beginning July 1, 2024, with 30 days' notice from
892.11 the commissioner of management and budget.

892.12 (c) The following protections shall apply to employees who are transferred from the
892.13 Department of Human Services to ~~the Department of~~ Direct Care and Treatment:

892.14 (1) No transferred employee shall have their employment status and job classification
892.15 altered as a result of the transfer.

892.16 (2) Transferred employees who were represented by an exclusive representative prior
892.17 to the transfer shall continue to be represented by the same exclusive representative after
892.18 the transfer.

892.19 (3) The applicable collective bargaining agreements with exclusive representatives shall
892.20 continue in full force and effect for such transferred employees after the transfer.

892.21 (4) The state shall have the obligation to meet and negotiate with the exclusive
892.22 representatives of the transferred employees about any proposed changes affecting or relating
892.23 to the transferred employees' terms and conditions of employment to the extent such changes
892.24 are not addressed in the applicable collective bargaining agreement.

892.25 (5) When an employee in a temporary unclassified position is transferred to ~~the~~
892.26 ~~Department of~~ Direct Care and Treatment, the total length of time that the employee has
892.27 served in the appointment shall include all time served in the appointment at the transferring
892.28 agency and the time served in the appointment at ~~the Department of~~ Direct Care and
892.29 Treatment. An employee in a temporary unclassified position who was hired by a transferring
892.30 agency through an open competitive selection process in accordance with a policy enacted
892.31 by Minnesota Management and Budget shall be considered to have been hired through such
892.32 process after the transfer.

893.1 (6) In the event that the state transfers ownership or control of any of the facilities,
893.2 services, or operations of ~~the Department of~~ Direct Care and Treatment to another entity,
893.3 whether private or public, by subcontracting, sale, assignment, lease, or other transfer, the
893.4 state shall require as a written condition of such transfer of ownership or control the following
893.5 provisions:

893.6 (i) Employees who perform work in transferred facilities, services, or operations must
893.7 be offered employment with the entity acquiring ownership or control before the entity
893.8 offers employment to any individual who was not employed by the transferring agency at
893.9 the time of the transfer.

893.10 (ii) The wage and benefit standards of such transferred employees must not be reduced
893.11 by the entity acquiring ownership or control through the expiration of the collective
893.12 bargaining agreement in effect at the time of the transfer or for a period of two years after
893.13 the transfer, whichever is longer.

893.14 (d) There is no liability on the part of, and no cause of action arises against, the state of
893.15 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership
893.16 or control of any facilities, services, or operations of ~~the Department of~~ Direct Care and
893.17 Treatment.

893.18 (e) This section expires upon the completion of the transfer of duties to the executive
893.19 board under ~~section 246C.03~~ this chapter. The commissioner of human services shall notify
893.20 the revisor of statutes when the transfer of duties is complete.

893.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

893.22 **Sec. 22. [246C.07] POWERS AND DUTIES OF EXECUTIVE BOARD.**

893.23 Subdivision 1. Generally. (a) The executive board must operate the agency according
893.24 to this chapter and applicable state and federal law. The overall management and control
893.25 of the agency is vested in the executive board in accordance with this chapter.

893.26 (b) The executive board must appoint a chief executive officer according to section
893.27 246C.08. The chief executive officer is responsible for the administrative and operational
893.28 duties of Direct Care and Treatment in accordance with this chapter.

893.29 (c) The executive board may delegate duties imposed by this chapter and under applicable
893.30 state and federal law as deemed appropriate by the board and in accordance with this chapter.
893.31 Any delegation of a specified statutory duty or power to an employee of Direct Care and
893.32 Treatment other than the chief executive officer must be made by written order and filed

894.1 with the secretary of state. Only the chief executive officer shall have the powers and duties
894.2 of the executive board as specified in section 246C.08.

894.3 Subd. 2. **Principles.** The executive board, in undertaking its duties and responsibilities
894.4 and within Direct Care and Treatment resources, shall act according to the following
894.5 principles:

894.6 (1) prevent the waste or unnecessary spending of public money;

894.7 (2) use innovative fiscal and human resource practices to manage the state's resources
894.8 and operate the agency as efficiently as possible;

894.9 (3) coordinate Direct Care and Treatment activities wherever appropriate with the
894.10 activities of other governmental agencies;

894.11 (4) use technology where appropriate to increase agency productivity, improve customer
894.12 service, increase public access to information about government, and increase public
894.13 participation in the business of government; and

894.14 (5) utilize constructive and cooperative labor management practices to the extent
894.15 otherwise required by chapter 43A or 179A.

894.16 Subd. 3. **Powers and duties.** (a) The executive board has the power and duty to:

894.17 (1) set the overall strategic direction for Direct Care and Treatment, ensuring that Direct
894.18 Care and Treatment delivers exceptional care and supports the well-being of all individuals
894.19 served by Direct Care and Treatment;

894.20 (2) establish policies and procedures to govern the operation of the facilities, programs,
894.21 and services under the direct authority of Direct Care and Treatment;

894.22 (3) employ personnel and delegate duties and responsibilities to personnel as deemed
894.23 appropriate by the executive board, subject to chapters 43A and 179A and in accordance
894.24 with this chapter;

894.25 (4) review and approve the operating budget proposal for Direct Care and Treatment;

894.26 (5) accept and use gifts, grants, or contributions from any nonstate source or refuse to
894.27 accept any gift, grant, or contribution if acceptance would not be in the best interest of the
894.28 state;

894.29 (6) deposit all money received as gifts, grants, or contributions pursuant to section
894.30 246C.091, subdivision 1;

895.1 (7) expend or use any gift, grant, or contribution as nearly in accordance with the
895.2 conditions of the gift, grant, or contribution identified by the donor for a certain institution
895.3 or purpose, compatible with the best interests of the individuals under the jurisdiction of
895.4 the executive board and of the state;

895.5 (8) comply with all conditions and requirements necessary to receive federal aid or block
895.6 grants with respect to the establishment, construction, maintenance, equipment, or operation
895.7 of adequate facilities and services consistent with the mission of Direct Care and Treatment;

895.8 (9) enter into information-sharing agreements with federal and state agencies and other
895.9 entities, provided the agreements include adequate protections with respect to the
895.10 confidentiality and integrity of the information to be shared and comply with all applicable
895.11 state and federal laws, regulations, and rules;

895.12 (10) enter into interagency or service level agreements with a state department listed in
895.13 section 15.01; a multimember state agency described in section 15.012, paragraph (a); or
895.14 the Department of Information Technology Services;

895.15 (11) enter into contractual agreements with federally recognized Indian Tribes with a
895.16 reservation in Minnesota;

895.17 (12) enter into contracts with public and private agencies, private and nonprofit
895.18 organizations, and individuals using appropriated money;

895.19 (13) establish and maintain any administrative units reasonably necessary for the
895.20 performance of administrative functions common to all programs or divisions of Direct
895.21 Care and Treatment;

895.22 (14) authorize the method of payment to or from Direct Care and Treatment as part of
895.23 programs administered by Direct Care and Treatment, including authorization of the receipt
895.24 or disbursement of money held by Direct Care and Treatment in a fiduciary capacity as part
895.25 of the programs administered by Direct Care and Treatment;

895.26 (15) inform Tribal Nations and county agencies, on a timely basis, of changes in statute,
895.27 rule, federal law, regulation, and policy necessary to Tribal or county agency administration
895.28 of Direct Care and Treatment programs and services;

895.29 (16) report to the legislature on the performance of Direct Care and Treatment operations
895.30 and the accomplishment of Direct Care and Treatment goals in its biennial budget in
895.31 accordance with section 16A.10, subdivision 1;

895.32 (17) recommend to the legislature appropriate changes in law necessary to carry out the
895.33 principles and improve the performance of Direct Care and Treatment; and

896.1 (18) exercise all powers reasonably necessary to implement and administer the
896.2 requirements of this chapter and applicable state and federal law.

896.3 (b) The specific enumeration of powers and duties as set forth in this section shall not
896.4 be construed as a limitation upon the general transfer of Direct Care and Treatment facilities,
896.5 programs, and services from the Department of Human Services to Direct Care and Treatment
896.6 under this chapter.

896.7 Subd. 4. **Creation of bylaws.** The board may establish bylaws governing its operations
896.8 and the operations of Direct Care and Treatment in accordance with this chapter.

896.9 Subd. 5. **Performance of chief executive officer.** The governor may request that the
896.10 executive board review the performance of the chief executive officer at any time. Within
896.11 14 days of receipt of the request, the board must meet and conduct a performance review
896.12 as specifically requested by the governor. During the performance review, a representative
896.13 of the governor must be included as a voting member of the board for the purpose of the
896.14 board's discussions and decisions regarding the governor's request. The board must establish
896.15 a performance improvement plan as necessary or take disciplinary or other corrective action,
896.16 including dismissal. The executive board must report to the governor on action taken by
896.17 the board, including an explanation if no action is deemed necessary.

896.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

896.19 Sec. 23. **[246C.08] CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.**

896.20 Subdivision 1. **Service.** (a) The Direct Care and Treatment chief executive officer is
896.21 appointed by the executive board, in consultation with the governor, and serves at the
896.22 pleasure of the executive board, with the advice and consent of the senate.

896.23 (b) The chief executive officer shall serve in the unclassified service in accordance with
896.24 section 43A.08. The Compensation Council under section 15A.082 shall establish the salary
896.25 of the chief executive officer.

896.26 Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist
896.27 the executive board. The chief executive officer is responsible for the administrative and
896.28 operational management of the agency.

896.29 (b) The chief executive officer shall have all the powers of the executive board unless
896.30 the executive board directs otherwise. The chief executive officer shall have the authority
896.31 to speak for the executive board and Direct Care and Treatment within and outside the
896.32 agency.

897.1 (c) In the event that a vacancy occurs for any reason within the chief executive officer
897.2 position, the executive medical director appointed under section 246.018 shall immediately
897.3 become the temporary chief executive officer until the executive board appoints a new chief
897.4 executive officer. During this period, the executive medical director shall have all the powers
897.5 and authority delegated to the chief executive officer by the board and specified in this
897.6 chapter.

897.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

897.8 Sec. 24. **[246C.091] DIRECT CARE AND TREATMENT ACCOUNTS.**

897.9 Subdivision 1. **Gifts, grants, and contributions account.** (a) A gifts, grants, and
897.10 contributions account is created in the special revenue fund in the state treasury. All money
897.11 received by the executive board as a gift, grant, or contribution must be deposited in the
897.12 gifts, grants, and contributions account. Beginning July 1, 2025, except as provided in
897.13 paragraph (b), money in the account is annually appropriated to the Direct Care and
897.14 Treatment executive board to accomplish the purposes of this chapter. Gifts, grants, or
897.15 contributions received by the executive board exceeding current agency needs must be
897.16 invested by the State Board of Investment in accordance with section 11A.24. Disbursements
897.17 from the gifts, grants, and contributions account must be made in the manner provided for
897.18 the issuance of other state payments.

897.19 (b) If the gift or contribution is designated for a certain person, institution, or purpose,
897.20 the Direct Care and Treatment executive board must use the gift or contribution as specified
897.21 in accordance with the conditions of the gift or contribution if compatible with the best
897.22 interests of the person and the state. If a gift or contribution is accepted for the use and
897.23 benefit of a person with a developmental disability, including those within a state hospital,
897.24 research relating to persons with a developmental disability must be considered an appropriate
897.25 use of the gift or contribution. Such money must not be used for any structures or installations
897.26 which by their nature would require state expenditures for their operation or maintenance
897.27 without specific legislative enactment.

897.28 Subd. 2. **Facilities management account.** A facilities management account is created
897.29 in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the
897.30 account is appropriated to the Direct Care and Treatment executive board and may be used
897.31 to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the
897.32 design and construction of buildings for Direct Care and Treatment use. Money received
897.33 for maintaining state property under control of the executive board may be deposited into
897.34 this account.

898.1 Subd. 3. Direct Care and Treatment systems account. (a) The Direct Care and
898.2 Treatment systems account is created in the special revenue fund of the state treasury.
898.3 Beginning July 1, 2025, money in the account is appropriated to the Direct Care and
898.4 Treatment executive board and may be used for security systems and information technology
898.5 projects, services, and support under the control of the executive board.

898.6 (b) The commissioner of human services shall transfer all money allocated to the Direct
898.7 Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment
898.8 systems account by June 30, 2026.

898.9 Subd. 4. Cemetery maintenance account. The cemetery maintenance account is created
898.10 in the special revenue fund of the state treasury. Money in the account is appropriated to
898.11 the executive board for the maintenance of cemeteries under control of the executive board.
898.12 Money allocated to Direct Care and Treatment cemeteries may be transferred to this account.

898.13 EFFECTIVE DATE. This section is effective July 1, 2024.

898.14 Sec. 25. Minnesota Statutes 2022, section 256.88, is amended to read:

898.15 **256.88 SOCIAL WELFARE FUND ESTABLISHED.**

898.16 Except as otherwise expressly provided, all moneys and funds held by the commissioner
898.17 of human services, the Direct Care and Treatment executive board, and the local social
898.18 services agencies of the several counties in trust or for the benefit of children with a disability
898.19 and children who are dependent, neglected, or delinquent, children born to mothers who
898.20 were not married to the children's fathers at the times of the conception nor at the births of
898.21 the children, persons determined to have developmental disability, mental illness, or substance
898.22 use disorder, or other wards or beneficiaries, under any law, shall be kept in a single fund
898.23 to be known as the "social welfare fund" which shall be deposited at interest, held, or
898.24 disbursed as provided in sections 256.89 to 256.92.

898.25 EFFECTIVE DATE. This section is effective July 1, 2024.

898.26 Sec. 26. Minnesota Statutes 2022, section 256.89, is amended to read:

898.27 **256.89 FUND DEPOSITED IN STATE TREASURY.**

898.28 The social welfare fund and all accretions thereto shall be deposited in the state treasury,
898.29 as a separate and distinct fund, to the credit of the commissioner of human services and the
898.30 Direct Care and Treatment executive board as ~~trustee~~ trustees for ~~the~~ their respective
898.31 beneficiaries thereof in proportion to ~~their~~ the beneficiaries' several interests. The
898.32 commissioner of management and budget shall be responsible only to the commissioner of

899.1 human services and the Direct Care and Treatment executive board for the sum total of the
899.2 fund, and shall have no duties nor direct obligations toward the beneficiaries thereof
899.3 individually. Subject to the applicable rules of the commissioner of human services or the
899.4 Direct Care and Treatment executive board, money so received by a local social services
899.5 agency may be deposited by the executive secretary of the local social services agency in
899.6 a local bank carrying federal deposit insurance, designated by the local social services
899.7 agency for this purpose. The amount of such deposit in each such bank at any one time shall
899.8 not exceed the amount protected by federal deposit insurance.

899.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

899.10 Sec. 27. Minnesota Statutes 2022, section 256.90, is amended to read:

899.11 **256.90 SOCIAL WELFARE FUND; USE; DISPOSITION; DEPOSITORIES.**

899.12 The commissioner of human services, in consultation with the Direct Care and Treatment
899.13 executive board, at least 30 days before the first day of January and the first day of July in
899.14 each year shall file with the commissioner of management and budget an estimate of the
899.15 amount of the social welfare fund to be held in the treasury during the succeeding six-month
899.16 period, subject to current disbursement. Such portion of the remainder thereof as may be at
899.17 any time designated by the request of the commissioner of human services may be invested
899.18 by the commissioner of management and budget in bonds in which the permanent trust
899.19 funds of the state of Minnesota may be invested, upon approval by the State Board of
899.20 Investment. The portion of such remainder not so invested shall be placed by the
899.21 commissioner of management and budget at interest for the period of six months, or when
899.22 directed by the commissioner of human services, for the period of 12 months thereafter at
899.23 the highest rate of interest obtainable in a bank, or banks, designated by the board of deposit
899.24 as a suitable depository therefor. All the provisions of law relative to the designation and
899.25 qualification of depositories of other state funds shall be applicable to sections 256.88 to
899.26 256.92, except as herein otherwise provided. Any bond given, or collateral assigned or both,
899.27 to secure a deposit hereunder may be continuous in character to provide for the repayment
899.28 of any moneys belonging to the fund theretofore or thereafter at any time deposited in such
899.29 bank until its designation as such depository is revoked and the security thereof shall be not
899.30 impaired by any subsequent agreement or understanding as to the rate of interest to be paid
899.31 upon such deposit, or as to time for its repayment. The amount of money belonging to the
899.32 fund deposited in any bank, including other state deposits, shall not at any time exceed the
899.33 amount of the capital stock thereof. In the event of the closing of the bank any sum deposited
899.34 therein shall immediately become due and payable.

900.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

900.2 Sec. 28. Minnesota Statutes 2022, section 256.91, is amended to read:

900.3 **256.91 PURPOSES.**

900.4 From that part of the social welfare fund held in the state treasury subject to disbursement
900.5 as provided in section 256.90 the commissioner of human services or the Direct Care and
900.6 Treatment executive board at any time may pay out such amounts as the commissioner or
900.7 executive board deems proper for the support, maintenance, or other legal benefit of any of
900.8 the children with a disability and children who are dependent, neglected, or delinquent,
900.9 children born to mothers who were not married to the children's fathers at the times of the
900.10 conception nor at the births of the children, persons with developmental disability, substance
900.11 use disorder, or mental illness, or other wards or persons entitled thereto, not exceeding in
900.12 the aggregate to or for any person the principal amount previously received for the benefit
900.13 of the person, together with the increase in it from an equitable apportionment of interest
900.14 realized from the social welfare fund.

900.15 When any such person dies or is finally discharged from the guardianship, care, custody,
900.16 and control of the commissioner of human services or the Direct Care and Treatment
900.17 executive board, the amount then remaining subject to use for the benefit of the person shall
900.18 be paid as soon as may be from the social welfare fund to the persons thereto entitled by
900.19 law.

900.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

900.21 Sec. 29. Minnesota Statutes 2022, section 256.92, is amended to read:

900.22 **256.92 COMMISSIONER OF HUMAN SERVICES AND DIRECT CARE AND**
900.23 **TREATMENT, ACCOUNTS.**

900.24 It shall be the duty of the commissioner of human services, the Direct Care and Treatment
900.25 executive board, and of the local social services agencies of the several counties of this state
900.26 to cause to be deposited with the commissioner of management and budget all moneys and
900.27 funds in their possession or under their control and designated by section 256.91 as and for
900.28 the social welfare fund; and all such moneys and funds shall be so deposited in the state
900.29 treasury as soon as received. The commissioner of human services, in consultation with the
900.30 Direct Care and Treatment executive board, shall keep books of account or other records
900.31 showing separately the principal amount received and deposited in the social welfare fund
900.32 for the benefit of any person, together with the name of such person, and the name and
900.33 address, if known to the commissioner of human services or the Direct Care and Treatment

901.1 executive board, of the person from whom such money was received; and, at least once
901.2 every two years, the amount of interest, if any, which the money has earned in the social
901.3 welfare fund shall be apportioned thereto and posted in the books of account or records to
901.4 the credit of such beneficiary.

901.5 The provisions of sections 256.88 to 256.92 shall not apply to any fund or money now
901.6 or hereafter deposited or otherwise disposed of pursuant to the lawful orders, decrees,
901.7 judgments, or other directions of any district court having jurisdiction thereof.

901.8 **EFFECTIVE DATE.** This section is effective July 1, 2024.

901.9 Sec. 30. Laws 2023, chapter 61, article 8, section 1, the effective date, is amended to read:

901.10 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

901.11 Sec. 31. Laws 2023, chapter 61, article 8, section 2, the effective date, is amended to read:

901.12 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

901.13 Sec. 32. Laws 2023, chapter 61, article 8, section 3, the effective date, is amended to read:

901.14 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

901.15 Sec. 33. Laws 2023, chapter 61, article 8, section 8, the effective date, is amended to read:

901.16 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

901.17 Sec. 34. Laws 2024, chapter 79, article 1, section 18, is amended to read:

901.18 Sec. 18. **246C.015 DEFINITIONS.**

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

901.21 Subd. 2. **Chief executive officer.** "Chief executive officer" means the ~~Department of~~
901.22 Direct Care and Treatment chief executive officer appointed according to section 246C.08.

901.23 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of human services.

901.24 Subd. 4. **Community preparation services.** "Community preparation services" means
901.25 specialized inpatient or outpatient services operated outside of a secure environment but
901.26 administered by a secure treatment facility.

902.1 Subd. 5. **County of financial responsibility.** "County of financial responsibility" has
902.2 the meaning given in section 256G.02, subdivision 4.

902.3 Subd. 5a. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency
902.4 of Direct Care and Treatment established under this chapter.

902.5 Subd. 6. **Executive board.** "Executive board" means the ~~Department of~~ Direct Care and
902.6 Treatment executive board established under section 246C.06.

902.7 Subd. 7. **Executive medical director.** "Executive medical director" means the licensed
902.8 physician serving as executive medical director in the ~~Department of~~ Direct Care and
902.9 Treatment under section 246C.09.

902.10 Subd. 8. **Head of the facility or head of the program.** "Head of the facility" or "head
902.11 of the program" means the person who is charged with overall responsibility for the
902.12 professional program of care and treatment of the facility or program.

902.13 Subd. 9. **Indian.** "Indian" has the meaning given in section 260.755, subdivision 7.

902.14 Subd. 10. **Secure treatment facility.** "Secure treatment facility" means a facility as
902.15 defined in section 253B.02, subdivision 18a, or 253D.02, subdivision 13.

902.16 Subd. 11. **Tobacco; tobacco-related device.** "Tobacco" and "tobacco-related device"
902.17 have the meanings given in section 609.685, subdivision 1.

902.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

902.19 Sec. 35. Laws 2024, chapter 79, article 1, section 23, is amended to read:

902.20 Sec. 23. **246C.06 EXECUTIVE BOARD; POWERS AND DUTIES MEMBERSHIP;**
902.21 **GOVERNANCE.**

902.22 Subdivision 1. **Establishment.** The Direct Care and Treatment executive board ~~of the~~
902.23 ~~Department of Direct Care and Treatment~~ is established.

902.24 Subd. 2. **Membership of the executive board.** ~~The executive board shall consist of no~~
902.25 ~~more than five members, all appointed by the governor.~~ (a) The Direct Care and Treatment
902.26 executive board consists of nine members with seven voting members and two nonvoting
902.27 members. The seven voting members must include six members appointed by the governor
902.28 with the advice and consent of the senate in accordance with paragraph (b) and the
902.29 commissioner of human services or a designee. The two nonvoting members must be
902.30 appointed in accordance with paragraph (c). Section 15.0597 applies to all executive board
902.31 appointments except for the commissioner of human services.

903.1 (b) The executive board voting members appointed by the governor must meet the
903.2 following qualifications:

903.3 (1) one member must be a licensed physician who is a psychiatrist or has experience in
903.4 servicing behavioral health patients;

903.5 (2) two members must have experience serving on a hospital or nonprofit board; and

903.6 (3) three members must have experience working: (i) in the delivery of behavioral health
903.7 services or care coordination or in traditional healing practices; (ii) as a licensed health care
903.8 professional; (iii) within health care administration; or (iv) with residential services.

903.9 (c) The executive board nonvoting members must be appointed as follows:

903.10 (1) one member appointed by the Association of Counties; and

903.11 (2) one member who has an active role as a union representative representing staff at
903.12 Direct Care and Treatment appointed by joint representatives of the following unions:
903.13 American Federation of State, County and Municipal Employees (AFSCME); Minnesota
903.14 Association of Professional Employees (MAPE); Minnesota Nurses Association (MNA);
903.15 Middle Management Association (MMA); and State Residential Schools Education
903.16 Association (SRSEA).

903.17 (d) Membership on the board must include representation from outside the seven-county
903.18 metropolitan area, as defined in section 473.121, subdivision 2.

903.19 (e) A voting member of the executive board must not be or must not have been within
903.20 one year prior to appointment: (1) an employee of Direct Care and Treatment; (2) an
903.21 employee of a county, including a county commissioner; (3) an active employee or
903.22 representative of a labor union that represents employees of Direct Care and Treatment; or
903.23 (4) a member of the state legislature. This paragraph does not apply to the nonvoting members
903.24 or the commissioner of human services or designee.

903.25 ~~Subd. 3. **Qualifications of members Procedures.** An executive board member's~~
903.26 ~~qualifications must be appropriate for overseeing a complex behavioral health system, such~~
903.27 ~~as experience serving on a hospital or nonprofit board, serving as a public sector labor union~~
903.28 ~~representative, delivering behavioral health services or care coordination, or working as a~~
903.29 ~~licensed health care provider in an allied health profession or in health care administration.~~
903.30 Except as otherwise provided in this section, the membership terms and removal and filling
903.31 of vacancies for the executive board are governed by section 15.0575.

903.32 ~~Subd. 4. **Accepting contributions or gifts Compensation.** (a) The executive board has~~
903.33 ~~the power and authority to accept, on behalf of the state, contributions and gifts of money~~

904.1 ~~and personal property for the use and benefit of the residents of the public institutions under~~
904.2 ~~the executive board's control. All money and securities received must be deposited in the~~
904.3 ~~state treasury subject to the order of the executive board. Notwithstanding section 15.0575,~~
904.4 ~~subdivision 3, paragraph (a), the nonvoting members of the executive board must not receive~~
904.5 ~~daily compensation for executive board activities. Nonvoting members of the executive~~
904.6 ~~board may receive expenses in the same manner and amount as authorized by the~~
904.7 ~~commissioner's plan adopted under section 43A.18, subdivision 2. Nonvoting members~~
904.8 ~~who, as a result of time spent attending board meetings, incur child care expenses that would~~
904.9 ~~not otherwise have been incurred may be reimbursed for those expenses upon board~~
904.10 ~~authorization.~~

904.11 ~~(b) If the gift or contribution is designated by the donor for a certain institution or purpose,~~
904.12 ~~the executive board shall expend or use the money as nearly in accordance with the conditions~~
904.13 ~~of the gift or contribution, compatible with the best interests of the individuals under the~~
904.14 ~~jurisdiction of the executive board and the state. Notwithstanding section 15.0575, subdivision~~
904.15 ~~3, paragraph (a), the Compensation Council under section 15A.082 must determine the~~
904.16 ~~compensation for voting members of the executive board per day spent on executive board~~
904.17 ~~activities authorized by the executive board. Voting members of the executive board may~~
904.18 ~~also receive the expenses in the same manner and amount as authorized by the commissioner's~~
904.19 ~~plan adopted under section 43A.18, subdivision 2. Voting members who, as a result of time~~
904.20 ~~spent attending board meetings, incur child care expenses that would not otherwise have~~
904.21 ~~been incurred may be reimbursed for those expenses upon board authorization.~~

904.22 ~~(c) The commissioner of management and budget must publish the daily compensation~~
904.23 ~~rate for voting members of the executive board determined under paragraph (b) on the~~
904.24 ~~Department of Management and Budget's website.~~

904.25 ~~(d) Voting members of the executive board must adopt internal standards prescribing~~
904.26 ~~what constitutes a day spent on board activities for the purposes of making payments~~
904.27 ~~authorized under paragraph (b).~~

904.28 ~~(e) All other requirements under section 15.0575, subdivision 3, apply to the~~
904.29 ~~compensation of executive board members.~~

904.30 ~~Subd. 5. **Federal aid or block grants Acting chair; officers.** The executive board may~~
904.31 ~~comply with all conditions and requirements necessary to receive federal aid or block grants~~
904.32 ~~with respect to the establishment, constructions, maintenance, equipment, or operation of~~
904.33 ~~adequate facilities and services consistent with the mission of the Department of Direct~~

905.1 ~~Care and Treatment.~~ (a) The governor shall designate one member from the voting
905.2 membership appointed by the governor as acting chair of the executive board.

905.3 (b) At the first meeting of the executive board, the executive board must elect a chair
905.4 from among the voting membership appointed by the governor.

905.5 (c) The executive board must annually elect a chair from among the voting membership
905.6 appointed by the governor.

905.7 (d) The executive board must elect officers from among the voting membership appointed
905.8 by the governor. The elected officers shall serve for one year.

905.9 Subd. 6. ~~Operation of a communication systems account~~ Terms. (a) ~~The executive~~
905.10 ~~board may operate a communications systems account established in Laws 1993, First~~
905.11 ~~Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared~~
905.12 ~~communication costs necessary for the operation of the regional treatment centers the~~
905.13 ~~executive board supervises. Except for the commissioner of human services, executive~~
905.14 board members must not serve more than two consecutive terms unless service beyond two
905.15 consecutive terms is approved by the majority of voting members. The commissioner of
905.16 human services or a designee shall serve until replaced by the governor.

905.17 ~~(b) Each account must be used to manage shared communication costs necessary for the~~
905.18 ~~operations of the regional treatment centers the executive board supervises. The executive~~
905.19 ~~board may distribute the costs of operating and maintaining communication systems to~~
905.20 ~~participants in a manner that reflects actual usage. Costs may include acquisition, licensing,~~
905.21 ~~insurance, maintenance, repair, staff time, and other costs as determined by the executive~~
905.22 ~~board. An executive board member may resign at any time by giving written notice to the~~
905.23 executive board.

905.24 ~~(c) Nonprofit organizations and state, county, and local government agencies involved~~
905.25 ~~in the operation of regional treatment centers the executive board supervises may participate~~
905.26 ~~in the use of the executive board's communication technology and share in the cost of~~
905.27 ~~operation. The initial term of the member appointed under subdivision 2, paragraph (b),~~
905.28 clause (1), is two years. The initial term of the members appointed under subdivision 2,
905.29 paragraph (b), clause (2), is three years. The initial term of the members appointed under
905.30 subdivision 2, paragraph (b), clause (3), and the members appointed under subdivision 2,
905.31 paragraph (c), is four years.

905.32 ~~(d) The executive board may accept on behalf of the state any gift, bequest, devise,~~
905.33 ~~personal property of any kind, or money tendered to the state for any lawful purpose~~
905.34 ~~pertaining to the communication activities under this section. Any money received for this~~

906.1 ~~purpose must be deposited into the executive board's communication systems account.~~
906.2 ~~Money collected by the executive board for the use of communication systems must be~~
906.3 ~~deposited into the state communication systems account and is appropriated to the executive~~
906.4 ~~board for purposes of this section.~~ After the initial term, the term length of all appointed
906.5 executive board members is four years.

906.6 Subd. 7. **Conflicts of interest.** Executive board members must recuse themselves from
906.7 discussion of and voting on an official matter if the executive board member has a conflict
906.8 of interest. A conflict of interest means an association, including a financial or personal
906.9 association, that has the potential to bias or have the appearance of biasing an executive
906.10 board member's decision in matters related to Direct Care and Treatment or the conduct of
906.11 activities under this chapter.

906.12 Subd. 8. **Meetings.** The executive board must meet at least four times per fiscal year at
906.13 a place and time determined by the executive board.

906.14 Subd. 9. **Quorum.** A majority of the voting members of the executive board constitutes
906.15 a quorum. The affirmative vote of a majority of the voting members of the executive board
906.16 is necessary and sufficient for action taken by the executive board.

906.17 Subd. 10. **Immunity; indemnification.** (a) Members of the executive board are immune
906.18 from civil liability for any act or omission occurring within the scope of the performance
906.19 of their duties under this chapter.

906.20 (b) When performing executive board duties or actions, members of the executive board
906.21 are employees of the state for purposes of indemnification under section 3.736, subdivision
906.22 9.

906.23 Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and
906.24 repeal rules in accordance with chapter 14 to the extent necessary to implement this chapter
906.25 or any responsibilities of Direct Care and Treatment specified in state law.

906.26 (b) Until July 1, 2027, the executive board may adopt rules using the expedited
906.27 rulemaking process in section 14.389.

906.28 (c) In accordance with section 15.039, all orders, rules, delegations, permits, and other
906.29 privileges issued or granted by the Department of Human Services with respect to any
906.30 function of Direct Care and Treatment and in effect at the time of the establishment of Direct
906.31 Care and Treatment shall continue in effect as if such establishment had not occurred. The
906.32 executive board may amend or repeal rules applicable to Direct Care and Treatment that
906.33 were established by the Department of Human Services in accordance with chapter 14.

907.1 (d) The executive board must not adopt rules that go into effect or enforce rules prior
907.2 to July 1, 2025.

907.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

907.4 Sec. 36. Laws 2024, chapter 79, article 1, section 24, is amended to read:

907.5 Sec. 24. **246C.10 FORENSIC SERVICES.**

907.6 Subdivision 1. **Maintenance of forensic services.** (a) The executive board shall create
907.7 and maintain forensic services programs.

907.8 (b) The executive board must provide forensic services in coordination with counties
907.9 and other vendors.

907.10 (c) Forensic services must include specialized inpatient programs at secure treatment
907.11 facilities, consultive services, aftercare services, community-based services and programs,
907.12 transition services, nursing home services, or other services consistent with the mission of
907.13 ~~the Department of~~ Direct Care and Treatment.

907.14 (d) The executive board ~~shall~~ may adopt rules to carry out the provision of this section
907.15 and to govern the operation of the services and programs under the direct administrative
907.16 authority of the executive board.

907.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

907.18 Sec. 37. Laws 2024, chapter 79, article 1, section 25, subdivision 3, is amended to read:

907.19 Subd. 3. **Comprehensive system of services.** The establishment of state-operated,
907.20 community-based programs must be within the context of a comprehensive definition of
907.21 the role of state-operated services in the state. The role of state-operated services must be
907.22 defined within the context of a comprehensive system of services for persons with
907.23 developmental disability.

907.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

907.25 Sec. 38. Laws 2024, chapter 79, article 10, section 1, is amended to read:

907.26 Section 1. **REVISOR INSTRUCTION.**

907.27 The revisor of statutes shall renumber each provision of Minnesota Statutes listed in
907.28 column A as amended in this act to the number listed in column B.

908.1	Column A	Column B
908.2	245.036	246C.16, subdivision 1
908.3	245.037	246C.16, subdivision 2
908.4	245.041	246C.15
908.5	245.474, subdivision 1	246C.12, subdivision 1
908.6	245.474, subdivision 2	246C.12, subdivision 2
908.7	245.474, subdivision 3	246C.12, subdivision 3
908.8	245.474, subdivision 4	246C.12, subdivision 4
908.9	246.0135, paragraph (a)	246C.18, subdivision 2, paragraph (a)
908.10	246.0135, paragraph (b)	246C.18, subdivision 2, paragraph (b)
908.11	246.0135, paragraph (c)	246C.18, subdivision 2, paragraph (c)
908.12	246.0135, paragraph (d)	246C.18, subdivision 3
908.13	246.018, subdivision 1	246C.09, subdivision 1
908.14	246.018, subdivision 2	246C.09, subdivision 2
908.15	246.018, subdivision 3	246C.09, subdivision 3
908.16	246.018, subdivision 4	246C.09, subdivision 4
908.17		246C.06, subdivision 7
908.18	246.12	<u>246C.07, subdivision 7</u>
908.19	246.128	246C.18, subdivision 1
908.20	246.129	246C.18, subdivision 4
908.21	246.14	246C.16, subdivision 3
908.22	246.23, subdivision 2	246.555, subdivision 1
908.23	246.23, subdivision 3	246.555, subdivision 2
908.24	246.23, subdivision 4	246.555, subdivision 3
908.25	246.23, subdivision 5	246.555, subdivision 4
908.26	246.23, subdivision 6	246.555, subdivision 5
908.27		246C.06, subdivision 8
908.28	246.234	<u>246C.07, subdivision 5</u>
908.29	246.24	246C.16, subdivision 4
908.30	246.27	246C.19
908.31		246C.06, subdivision 9
908.32	246.36	<u>246C.07, subdivision 6</u>
908.33	246.41, subdivision 1	246C.06, subdivision 10, paragraph
908.34		(a)
908.35	246.41, subdivision 2	246C.06, subdivision 10, paragraph
908.36		(b)
908.37	246.41, subdivision 3	246C.06, subdivision 10, paragraph
908.38		(c)
908.39	246.70	246C.18, subdivision 5
908.40	246B.02	246C.13

909.1	251.012, subdivision 1	246.575, subdivision 1
909.2	251.012, subdivision 2	246.575, subdivision 2
909.3	251.012, subdivision 3	246.575, subdivision 3
909.4	251.012, subdivision 4	246.575, subdivision 4
909.5	251.041	176.87
909.6	251.042	176.871
909.7	251.043, subdivision 1	176.872, subdivision 1
909.8	251.043, subdivision 1a	176.872, subdivision 2
909.9	251.043, subdivision 1b	176.872, subdivision 3
909.10	251.043, subdivision 2	176.872, subdivision 4
909.11	251.043, subdivision 3	176.872, subdivision 5
909.12	251.044	176.873
909.13	251.051	176.874
909.14	251.052	176.875
909.15	251.053	176.876
909.16	251.15, subdivision 1	176.872, subdivision 6, paragraph (a)
909.17	251.15, subdivision 2	176.872, subdivision 6, paragraph (b)
909.18	251.17	246C.14
909.19	252.50, subdivision 2	246C.16, subdivision 5
909.20	252.50, subdivision 4	246C.10, subdivision 2
909.21	252.50, subdivision 6	246.65
909.22	252.50, subdivision 7	246.585
909.23	252.50, subdivision 8	246.588
909.24	252.50, subdivision 10	246.611
909.25	253.015, subdivision 1	253B.10, subdivision 6
909.26	253.016	246.554
909.27	253.017, subdivision 1	246.591
909.28	253.017, subdivision 2	246C.10, subdivision 3
909.29	253.017, subdivision 3	246C.10, subdivision 4
909.30	253.13	253.245
909.31	253C.01, subdivision 1	245A.27, subdivision 1
909.32	253C.01, subdivision 2	245A.27, subdivision 2
909.33	253C.01, subdivision 3	245A.27, subdivision 3
909.34	256.0121, subdivision 1	246.595, subdivision 1
909.35	256.0121, subdivision 2	246.595, subdivision 2
909.36	256.0121, subdivision 3	246.595, subdivision 3

910.1 Sec. 39. Laws 2024, chapter 79, article 10, section 6, is amended to read:

910.2 Sec. 6. **EFFECTIVE DATE.**

910.3 ~~(a) Article 1, section 23, is effective July 1, 2024.~~ This act is effective July 1, 2024.

910.4 ~~(b) Article 1, sections 1 to 22 and 24 to 31, and articles 2 to 10 are effective January 1,~~
910.5 ~~2025.~~

910.6 Sec. 40. **DIRECT CARE AND TREATMENT ADVISORY COMMITTEE.**

910.7 (a) The Direct Care and Treatment executive board under Minnesota Statutes, section
910.8 246C.07, shall establish an advisory committee to provide state legislators, counties, union
910.9 representatives, the National Alliance on Mental Illness Minnesota, people being served by
910.10 direct care and treatment programs, and other stakeholders the opportunity to advise the
910.11 executive board regarding the operation of Direct Care and Treatment.

910.12 (b) The members of the advisory committee must be appointed as follows:

910.13 (1) one member appointed by the speaker of the house;

910.14 (2) one member appointed by the minority leader of the house of representatives;

910.15 (3) two members appointed by the senate Committee on Committees, one member
910.16 representing the majority caucus and one member representing the minority caucus;

910.17 (4) one member appointed by the Association of Minnesota Counties;

910.18 (5) one member appointed by joint representatives of the American Federation of State
910.19 and Municipal Employees, the Minnesota Association of Professional Employees, the
910.20 Minnesota Nurses Association, the Middle Management Association, and the State
910.21 Residential Schools Education Association;

910.22 (6) one member appointed by the National Alliance on Mental Illness Minnesota; and

910.23 (7) two members representing people with lived experience being served by state-operated
910.24 treatment programs or their families, appointed by the governor.

910.25 (c) Appointing authorities under paragraph (b) shall make appointments by January 1,
910.26 2026.

910.27 (d) The first meeting of the advisory committee must be held no later than January 15,
910.28 2026. The members of the advisory committee shall elect a chair from among their
910.29 membership at the first meeting. The advisory committee shall meet as frequently as it
910.30 determines necessary.

911.1 (e) The executive board shall regularly consult with the advisory committee.

911.2 (f) The advisory committee under this section expires December 31, 2027.

911.3 **Sec. 41. INITIAL APPOINTMENTS AND COMPENSATION OF THE DIRECT**
911.4 **CARE AND TREATMENT EXECUTIVE BOARD AND CHIEF EXECUTIVE**
911.5 **OFFICER.**

911.6 Subdivision 1. **Executive board.** (a) The initial appointments of the members of the
911.7 Direct Care and Treatment executive board under Minnesota Statutes, section 246C.06,
911.8 must be made by January 1, 2025.

911.9 (b) Prior to the first Compensation Council determination of the daily compensation rate
911.10 for voting members of the executive board under Minnesota Statutes, section 246C.06,
911.11 subdivision 4, paragraph (b), voting members of the executive board must be paid the per
911.12 diem rate provided for in Minnesota Statutes, section 15.0575, subdivision 3, paragraph (a).

911.13 (c) The executive board is exempt from Minnesota Statutes, section 13D.01, until the
911.14 authority and responsibilities for Direct Care and Treatment are transferred to the executive
911.15 board in accordance with Minnesota Statutes, section 246C.04.

911.16 Subd. 2. **Chief executive officer.** (a) The Direct Care and Treatment executive board
911.17 must appoint as the initial chief executive officer for Direct Care and Treatment under
911.18 Minnesota Statutes, section 246C.07, the chief executive officer of the direct care and
911.19 treatment division of the Department of Human Services holding that position at the time
911.20 the initial appointment is made by the board. The initial appointment of the chief executive
911.21 officer must be made by the executive board by July 1, 2025. The initial appointment of
911.22 the chief executive officer is subject to confirmation by the senate.

911.23 (b) In its report issued April 1, 2025, the Compensation Council under Minnesota Statutes,
911.24 section 15A.082, must establish the salary of the chief executive officer at an amount equal
911.25 to or greater than the amount paid to the chief executive officer of the direct care and
911.26 treatment division of the Department of Human Services as of the date of initial appointment.
911.27 The salary of the chief executive officer shall become effective July 1, 2025, pursuant to
911.28 Minnesota Statutes, section 15A.082, subdivision 3. Notwithstanding Minnesota Statutes,
911.29 sections 15A.082 and 246C.08, subdivision 1, if the initial appointment of the chief executive
911.30 officer occurs prior to the effective date of the salary specified by the Compensation Council
911.31 in its April 1, 2025, report, the salary of the chief executive officer must equal the amount
911.32 paid to the chief executive officer of the direct care and treatment division of the Department
911.33 of Human Services as of the date of initial appointment.

912.1 Subd. 3. **Commissioner of human services to consult.** In preparing the budget estimates
912.2 required under Minnesota Statutes, section 16A.10, for the direct care and treatment division
912.3 for the 2026-2027 biennial budget and any legislative proposals for the 2025 legislative
912.4 session that involve direct care and treatment operations, the commissioner of human services
912.5 must consult with the Direct Care and Treatment executive board before submitting the
912.6 budget estimates or legislative proposals. If the executive board is not appointed by the date
912.7 the budget estimates must be submitted to the commissioner of management and budget,
912.8 the commissioner of human services must provide the executive board with a summary of
912.9 the budget estimates that were submitted.

912.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

912.11 Sec. 42. **REVISOR INSTRUCTION.**

912.12 The revisor of statutes shall change the term "Department of Human Services" to "Direct
912.13 Care and Treatment" wherever the term appears in respect to the governmental entity with
912.14 programmatic direction and fiscal control over state-operated services, programs, or facilities
912.15 under Minnesota Statutes, chapter 246C. The revisor may make technical and other necessary
912.16 changes to sentence structure to preserve the meaning of the text.

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

912.18 Sec. 43. **REVISOR INSTRUCTION.**

912.19 The revisor of statutes shall change the term "Department of Direct Care and Treatment"
912.20 to "Direct Care and Treatment" wherever the term appears in respect to the governmental
912.21 entity with programmatic direction and fiscal control over state-operated services, programs,
912.22 or facilities under Minnesota Statutes, chapter 246C. The revisor may make technical and
912.23 other necessary changes to sentence structure to preserve the meaning of the text.

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

912.25 Sec. 44. **REVISOR INSTRUCTION.**

912.26 The revisor of statutes, in consultation with the House Research Department; the Office
912.27 of Senate Counsel, Research, and Fiscal Analysis; the Department of Human Services; and
912.28 Direct Care and Treatment, shall make necessary cross-reference changes to conform with
912.29 this act. The revisor may make technical and other necessary changes to sentence structure
912.30 to preserve the meaning of the text. The revisor may alter the coding in this act to incorporate
912.31 statutory changes made by other law in the 2024 regular legislative session.

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

913.2 Sec. 45. **REPEALER.**

913.3 (a) Minnesota Statutes 2022, sections 246.41; and 253C.01, are repealed.

913.4 (b) Minnesota Statutes 2023 Supplement, section 246C.03, is repealed.

913.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

913.6 **ARTICLE 51**

913.7 **MISCELLANEOUS**

913.8 Section 1. **FREE COMMUNICATION SERVICES.**

913.9 Subdivision 1. **Free communication services.** (a) A facility must provide patients and
913.10 clients with voice communication services. A facility may supplement voice communication
913.11 services with other communication services, including but not limited to video
913.12 communication and email or electronic messaging services. A facility must continue to
913.13 offer the services the facility offered as of January 1, 2024.

913.14 (b) To the extent that voice or other communication services are provided, which must
913.15 not be limited beyond program participation and routine facility policies and procedures,
913.16 neither the individual initiating the communication nor the individual receiving the
913.17 communication must be charged for the service.

913.18 Subd. 2. **Communication services restrictions.** Nothing in this section allows a patient
913.19 or client to violate an active protection order, harassment restraining order, or other no-contact
913.20 order or directive. Nothing in this section entitles a civilly committed person to
913.21 communication services restricted or limited under Minnesota Statutes, section 253B.03,
913.22 subdivision 3, or 253D.19.

913.23 Subd. 3. **Revenue prohibited.** Direct Care and Treatment must not receive revenue
913.24 from the provision of voice communication services or any other communication services
913.25 under this section.

913.26 Subd. 4. **Visitation programs.** (a) Facilities shall maintain in-person visits for patients
913.27 or clients. Communication services, including video calls, must not be used to replace a
913.28 facility's in-person visitation program or be counted toward a patient's or client's in-person
913.29 visitation limit.

913.30 (b) Notwithstanding paragraph (a), the Direct Care and Treatment executive board may
913.31 waive the in-person visitation program requirement under this subdivision if there is:

914.1 (1) a declared emergency under Minnesota Statutes, section 12.31; or

914.2 (2) a local-, state-, or federal-declared natural disaster.

914.3 Subd. 5. **Reporting.** (a) By January 15, 2026, the Direct Care and Treatment executive
914.4 board must report the information described in paragraph (b) to the chairs and ranking
914.5 minority members of the legislative committees having jurisdiction over human services
914.6 policy and finance.

914.7 (b) The Direct Care and Treatment executive board must include the following
914.8 information covering fiscal year 2024:

914.9 (1) the status of all the agency's communication contracts; efforts to renegotiate the
914.10 agency's communication contracts, including the rates the agency is paying or charging
914.11 confined people or community members for any and all services in the contracts; and plans
914.12 to consolidate the agency's communication contracts to maximize purchasing power;

914.13 (2) a complete and detailed accounting of how appropriated funds for communication
914.14 services are spent, including spending on expenses previously covered by commissions;
914.15 and

914.16 (3) summary data on usage of all communication services, including monthly call and
914.17 message volume.

914.18 Subd. 6. **Definitions.** For the purposes of this section, the following terms have the
914.19 meanings given:

914.20 (1) "voice communications" means real-time, audio-only communication services,
914.21 namely phone calls made over wireline telephony, voice over Internet protocol, or any other
914.22 technology infrastructure;

914.23 (2) "other communication services" means communication services other than voice
914.24 communications, including but not limited to video calls and electronic messages; and

914.25 (3) "facility" means any facility, setting, or program owned, operated, or under the
914.26 programmatic or fiscal control of Direct Care and Treatment.

914.27 Subd. 7. **Expiration.** Subdivisions 1 to 4 expire June 30, 2026. Subdivisions 5 and 6
914.28 expire upon submission by the Direct Care and Treatment executive board of the report to
914.29 the legislature required under subdivision 5.

915.1 **Sec. 2. COMMUNITY CARE HUB PLANNING GRANT.**

915.2 **Subdivision 1. Establishment.** The commissioner of health shall establish a single grant
915.3 to develop and design programs to expand and strengthen the community care hub model,
915.4 which organizes and supports a network of health and social care service providers to address
915.5 health-related social needs.

915.6 **Subd. 2. Definitions.** (a) For purposes of this section, the following terms have the
915.7 meanings given.

915.8 (b) "Community-based organization" means a public or private nonprofit organization
915.9 of demonstrated effectiveness that is representative of a community or significant segments
915.10 of a community and provides educational or related services to individuals in the community.

915.11 (c) "Community care hub" means a nonprofit organization that provides a centralized
915.12 administrative and operational interface between health care institutions and a network of
915.13 community-based organizations that provide health promotion and social care services.

915.14 (d) "Health-related social needs" means the individual-level, adverse social conditions
915.15 that can negatively impact a person's health or health care, such as poor health literacy, food
915.16 insecurity, housing instability, and lack of access to transportation.

915.17 (e) "Social care services" means culturally informed services to address health-related
915.18 social needs and community-informed health promotion programs.

915.19 **Subd. 3. Eligible applicants.** To be eligible for the single grant available under this
915.20 section, a grant applicant must:

915.21 (1) be recognized as a selected community care hub by the federal Administration for
915.22 Community Living and the Centers for Disease Control and Prevention;

915.23 (2) hold contracts with health plans within Minnesota that allow the applicant to provide
915.24 social care services to a plan's covered member population; and

915.25 (3) demonstrate active engagement in providing, coordinating, and aiding health care
915.26 and social care services at the community level.

915.27 **Subd. 4. Eligible uses.** The grantee must use awarded funding to develop and design
915.28 programs that support the development of a social care network that provides services to
915.29 address health-related social needs. Activities eligible for funding under this section include
915.30 but are not limited to education activities, feasibility studies, program design, and pilots.

915.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

916.1 **Sec. 3. DIRECTION TO COMMISSIONER; FEDERAL WAIVERS FOR**
916.2 **HEALTH-RELATED SOCIAL NEEDS.**

916.3 (a) The commissioner of human services shall develop a strategy to implement
916.4 interventions to address unmet health-related social needs, including but not limited to
916.5 nutrition support, housing support, case management, and violence prevention. In developing
916.6 such a strategy, the commissioner shall consider whether services could be reimbursed
916.7 under section 1115 of the Social Security Act, other federal waivers, or existing state
916.8 authority.

916.9 (b) The commissioner shall collaborate with the commissioner of health, communities
916.10 most impacted by health disparities, and other external partners providing services in
916.11 nutrition, housing, case management, and violence prevention to medical assistance recipients
916.12 on specific interventions to include in the proposed strategy.

916.13 (c) By March 1, 2025, the commissioner shall provide the strategy developed under this
916.14 section to the chairs and ranking minority members of the legislative committees with
916.15 jurisdiction over health care finance and must include:

916.16 (1) a proposed timeline for implementation;

916.17 (2) an estimate of the administrative and programmatic costs associated with
916.18 implementing and evaluating any proposed federal waivers; and

916.19 (3) any statutory changes necessary to seek ongoing state funding and federal authority
916.20 for the proposed strategies.

916.21 (d) The commissioner may perform the steps necessary to develop a federal waiver or
916.22 other strategies identified in paragraph (c) in preparation for enactment of the strategies.

916.23 (e) The commissioner is exempt from the requirements of Minnesota Statutes, chapter
916.24 16C, when entering into a new contract or amending an existing contract to complete the
916.25 work under this section.

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

916.27 **Sec. 4. WORKING GROUP ON SIMPLIFYING SUPPORTIVE HOUSING**
916.28 **RESOURCES.**

916.29 Subdivision 1. **Establishment.** A working group on simplifying supportive housing
916.30 resources is established to streamline access, eligibility, and administration of state-funded
916.31 supportive housing resources for people experiencing homelessness.

917.1 Subd. 2. **Membership.** (a) The working group must prioritize membership from
917.2 individuals and organizations that use or administer state-funded supportive housing resources
917.3 and must include the following:

917.4 (1) the commissioner of the Minnesota Housing Finance Agency or designee;

917.5 (2) the commissioner of human services or designee;

917.6 (3) two representatives with lived experience from the Minnesota Coalition for the
917.7 Homeless;

917.8 (4) one representative from Hearth Connection;

917.9 (5) one representative from the Metropolitan Urban Indian Directors network;

917.10 (6) one representative from the Minnesota Housing Stability Coalition;

917.11 (7) five representatives from organizations providing or administering state-funded
917.12 supportive housing resources to people experiencing homelessness, including organizations
917.13 that provide services to youth experiencing homelessness, veterans experiencing
917.14 homelessness, populations that disproportionately experience homelessness, and a provider
917.15 that participates in a coordinated entry system and demonstrates statewide geographic
917.16 representation;

917.17 (8) one representative from the Minnesota Tribal Collaborative;

917.18 (9) one representative from Hennepin County;

917.19 (10) one representative from St. Louis County;

917.20 (11) two members from the house of representatives, one appointed by the speaker of
917.21 the house and one appointed by the minority leader; and

917.22 (12) two members from the senate appointed by the senate committee on committees,
917.23 one representing the majority caucus and one representing the minority caucus.

917.24 (b) The members listed in paragraph (a), clauses (3) to (10), must be appointed by the
917.25 commissioner of human services in collaboration with the commissioner of the Minnesota
917.26 Housing Finance Agency.

917.27 (c) All appointing authorities must make their appointments to the working group by
917.28 August 1, 2024.

917.29 Subd. 3. **Duties.** (a) The working group must study supportive housing resources to
917.30 streamline access, eligibility, and administration of state-funded supportive housing resources
917.31 for people experiencing homelessness, including the following programs:

918.1 (1) the housing support program;
918.2 (2) long-term homeless supportive services;
918.3 (3) housing with supports for adults with serious mental illness;
918.4 (4) the housing trust fund; and
918.5 (5) other capital and operating funds administered by the Minnesota Housing Finance
918.6 Agency.

918.7 (b) In studying supportive housing resources, the working group must identify the
918.8 processes, procedures, and technological or personnel resources that would be necessary to
918.9 enable the state, county or Tribal agencies, and providers responsible for administering
918.10 public supportive housing funds to meet the following goals:

918.11 (1) reduce administrative complexities;
918.12 (2) enhance equity and accessibility, including coordinated entry;
918.13 (3) streamline and simplify eligibility criteria, paperwork, and funding distribution; and
918.14 (4) accelerate the transition of individuals from homelessness to sustainable long-term
918.15 solutions.

918.16 Subd. 4. **Compensation.** Notwithstanding Minnesota Statutes, section 15.059, subdivision
918.17 3, members of the working group shall not be compensated, except for the members with
918.18 lived experience of homelessness.

918.19 Subd. 5. **Meetings; facilitation.** (a) The commissioner of human services may contract
918.20 with a third-party vendor to facilitate the working group and convene the first meeting by
918.21 January 15, 2025.

918.22 (b) The working group must meet at regular intervals as often as necessary to fulfill the
918.23 duties under subdivision 3.

918.24 (c) Meetings of the working group are subject to the Minnesota Open Meeting Law
918.25 under Minnesota Statutes, chapter 13D.

918.26 Subd. 6. **Consultation.** The working group must consult with other individuals and
918.27 organizations that have expertise and experience in providing supportive services that may
918.28 assist the working group in fulfilling its responsibilities, including entities engaging in
918.29 additional input from those with lived experience of homelessness and administrators of
918.30 state-funded supportive housing not included on the working group.

919.1 Subd. 7. **Report required.** The working group shall submit a final report by January
919.2 15, 2026, to the chairs and ranking minority members of the legislative committees with
919.3 jurisdiction over housing and homelessness finance and policy detailing the recommendations
919.4 to streamline access, eligibility, and administration of state-funded supportive housing
919.5 resources for people experiencing homelessness. The report shall include draft legislation
919.6 required to implement the proposed legislation.

919.7 Subd. 8. **Expiration.** The working group expires January 15, 2026.

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

919.9 **Sec. 5. HOMELESSNESS PRIORITY; HOMELESSNESS REPORT.**

919.10 The governor and lieutenant governor and the legislature find that addressing
919.11 homelessness is a pressing public need. The Department of Human Services administers
919.12 programs to provide shelter, support services, and housing stability to low-income
919.13 Minnesotans and people experiencing homelessness. No later than January 15, 2025, the
919.14 commissioner, in cooperation with the commissioner of the Minnesota Housing Finance
919.15 Agency and other relevant departments, must report to the chairs and ranking minority
919.16 members of the legislative committees with jurisdiction over human services policy and
919.17 finance on the departments' activities to reduce homelessness.

919.18 **Sec. 6. DIRECTION TO COMMISSIONER; TARGETED CASE MANAGEMENT**
919.19 **REDESIGN.**

919.20 The commissioner of human services must consult with members of the Minnesota
919.21 Association of County Social Service Administrators to improve case management
919.22 information systems and identify the necessary changes needed to comply with regulations
919.23 related to federal certified public expenditures. The changes must facilitate transition to use
919.24 of a 15-minute unit rate or improved financial reporting for fee-for-service targeted case
919.25 management services provided by counties. The Social Service Information System and
919.26 adjacent systems must be modified to support any increase in the intensity of time reporting
919.27 requirements prior to any implementation of proposed changes to targeted case management
919.28 rate setting, reimbursement, and reconciliation processes.

919.29 **Sec. 7. REVISOR INSTRUCTION.**

919.30 The revisor of statutes shall renumber each section of Minnesota Statutes listed in column
919.31 A with the number listed in column B. The revisor shall also make necessary cross-reference
919.32 changes consistent with the renumbering:

920.1	<u>Column A</u>	<u>Column B</u>
920.2	<u>256E.33</u>	<u>256K.48</u>
920.3	<u>256E.36</u>	<u>256K.49</u>

ARTICLE 52

HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT

920.6 Section 1. [256.044] HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT.

920.7 Subdivision 1. **Human services response contingency account.** A human services
 920.8 response contingency account is created in the special revenue fund in the state treasury.
 920.9 Money in the human services response contingency account does not cancel and is
 920.10 appropriated to the commissioner of human services for the purposes specified in this section.

920.11 Subd. 2. **Definition.** For purposes of this section, "human services response" means
 920.12 activities deemed necessary by the commissioner of human services to respond to emerging
 920.13 or immediate needs related to supporting the health, welfare, or safety of people.

920.14 Subd. 3. **Use of money.** (a) The commissioner may make expenditures from the human
 920.15 services response contingency account to respond to needs as defined in subdivision 2 and
 920.16 for which no other funding or insufficient funding is available.

920.17 (b) When the commissioner determines that a human services response is needed, the
 920.18 commissioner may make expenditures from the human services response contingency
 920.19 account for the following uses to implement the human services response:

- 920.20 (1) services, supplies, and equipment to support the health, welfare, or safety of people;
- 920.21 (2) training and coordination with service providers, Tribal Nations, and local government
 920.22 entities;
- 920.23 (3) communication with and outreach to impacted people;
- 920.24 (4) informational technology; and
- 920.25 (5) staffing.

920.26 (c) The commissioner may transfer money within the Department of Human Services
 920.27 and to the Department of Children, Youth, and Families for eligible uses under paragraph
 920.28 (b) as necessary to implement a human services response.

920.29 (d) Notwithstanding any other law or rule to the contrary, when implementing a human
 920.30 services response, the commissioner may allocate funds from the human services response
 920.31 contingency account to programs, providers, and organizations for eligible uses under

921.1 paragraph (b) through one or more fiscal agents chosen by the commissioner. In contracting
921.2 with a fiscal agent, the commissioner may use a sole-source contract and is not subject to
921.3 the solicitation requirements of chapter 16B or 16C.

921.4 (e) Programs, providers, and organizations receiving funds from the human services
921.5 response contingency account under paragraph (d) must describe how the money will be
921.6 used. If a program, provider, or organization receiving money from the human services
921.7 response contingency account receives money from a nonstate source other than a local unit
921.8 of government or Tribe for the same human services response, the entity must notify the
921.9 commissioner of the amount received from the nonstate source. If the commissioner
921.10 determines that the total amount received under this section and from the nonstate source
921.11 exceeds the entity's total costs for the human services response, the entity must pay the
921.12 commissioner the amount that exceeds the costs up to the amount of funding provided to
921.13 the entity under this section. All money paid to the commissioner under this paragraph must
921.14 be deposited in the human services response contingency account.

921.15 Subd. 4. **Assistance from other sources.** (a) As a condition of making expenditures
921.16 from the human services response contingency account, the commissioner must seek any
921.17 appropriate assistance from other available sources, including the federal government, to
921.18 assist with costs attributable to the human services response.

921.19 (b) If the commissioner recovers eligible costs for the human services response from a
921.20 nonstate source after making expenditures from the human services response contingency
921.21 account, the commissioner shall reimburse the human services response contingency account
921.22 for those costs up to the amount recovered for eligible costs from the nonstate source.

921.23 Subd. 5. **Reporting.** The commissioner must develop required reporting for entities
921.24 receiving human services response contingency account money. Entities receiving money
921.25 from the commissioner of human services from the human services response contingency
921.26 account must submit reports to the commissioner of human services with detailed information
921.27 in a manner determined by the commissioner, including but not limited to:

921.28 (1) amounts expended by category of expenditure;

921.29 (2) outcomes achieved, including estimated individuals served;

921.30 (3) documentation necessary to verify that funds were spent in compliance with this
921.31 section;

921.32 (4) expenditure reports for the purpose of requesting reimbursement from other available
921.33 sources; and

922.1 (5) data necessary to comply with an audit of human services response contingency
922.2 account expenditures.

922.3 Subd. 6. Report. By March 1 of each year, the commissioner shall submit a report to
922.4 the chairs and ranking minority members of the house of representatives and senate
922.5 committees with jurisdiction over human services finance and health and human services
922.6 finance detailing expenditures made in the previous calendar year from the human services
922.7 response contingency account. This report is exempt from section 256.01, subdivision 42.

922.8 **ARTICLE 53**

922.9 **APPROPRIATIONS**

922.10 Section 1. **HUMAN SERVICES APPROPRIATION.**

922.11 The sums shown in the columns marked "Appropriations" are added to or, if shown in
922.12 parentheses, subtracted from the appropriations in Laws 2023, chapter 61, article 9; Laws
922.13 2023, chapter 70, article 20; and Laws 2023, chapter 74, section 6, to the agencies and for
922.14 the purposes specified in this article. The appropriations are from the general fund or other
922.15 named fund and are available for the fiscal years indicated for each purpose. The figures
922.16 "2024" and "2025" used in this article mean that the addition to or subtraction from the
922.17 appropriation listed under them is available for the fiscal year ending June 30, 2024, or June
922.18 30, 2025, respectively. Base adjustments mean the increase or decrease of the base level
922.19 adjustment set in Laws 2023, chapter 61, article 9; Laws 2023, chapter 70, article 20; and
922.20 Laws 2023, chapter 74, section 6. Supplemental appropriations and reductions to
922.21 appropriations for the fiscal year ending June 30, 2024, are effective the day following final
922.22 enactment unless a different effective date is explicit.

922.23 **APPROPRIATIONS**

922.24 **Available for the Year**

922.25 **Ending June 30**

922.26 **2024**

2025

922.27 **Sec. 2. COMMISSIONER OF HUMAN**
922.28 **SERVICES**

922.29 **Subdivision 1. Total Appropriation** \$ **(17,213,000)** \$ **63,804,000**

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

922.33 **Subd. 2. Central Office; Operations** **(4,299,000)** **2,172,000**

- 923.1 **(a) Carryforward Authority.**
- 923.2 Notwithstanding Minnesota Statutes, section
- 923.3 16A.28, subdivision 3, \$912,000 in fiscal year
- 923.4 2025 is available until June 30, 2027.

- 923.5 **(b) Base Level Adjustment.** The general fund
- 923.6 base is increased by \$327,000 in fiscal year
- 923.7 2026 and \$327,000 in fiscal year 2027.

- 923.8 **Subd. 3. Central Office; Health Care** -0- 2,035,000

- 923.9 **(a) Health-Related Social Needs 1115**
- 923.10 **Waiver.** \$500,000 is for a contract to develop
- 923.11 a 1115 waiver related to nutrition supports as
- 923.12 a covered service under medical assistance.
- 923.13 This is a onetime appropriation.
- 923.14 Notwithstanding Minnesota Statutes, section
- 923.15 16A.28, subdivision 3, this appropriation is
- 923.16 available until June 30, 2027.

- 923.17 **(b) Carryforward Authority.**
- 923.18 Notwithstanding Minnesota Statutes, section
- 923.19 16A.28, subdivision 3, \$327,000 in fiscal year
- 923.20 2025 is available until June 30, 2026, and
- 923.21 \$543,000 in fiscal year 2025 is available until
- 923.22 June 30, 2027.

- 923.23 **(c) Base Level Adjustment.** The general fund
- 923.24 base is increased by \$786,000 in fiscal year
- 923.25 2026 and increased by \$790,000 in fiscal year
- 923.26 2027.

- 923.27 **Subd. 4. Central Office; Aging and Disability**
- 923.28 **Services** (2,664,000) 4,164,000

- 923.29 **(a) Tribal Vulnerable Adult and**
- 923.30 **Developmental Disabilities Targeted Case**
- 923.31 **Management Medical Assistance Benefit.**
- 923.32 \$200,000 in fiscal year 2025 is for a contract
- 923.33 to develop a Tribal vulnerable adult and
- 923.34 developmental disabilities targeted case

924.1 management medical assistance benefit under
924.2 Minnesota Statutes, section 256B.0924. This
924.3 is a onetime appropriation. Notwithstanding
924.4 Minnesota Statutes, section 16A.28,
924.5 subdivision 3, this appropriation is available
924.6 until June 30, 2027.

924.7 **(b) Disability Services Person-Centered**
924.8 **Engagement and Navigation Study.**
924.9 \$600,000 in fiscal year 2025 is for the
924.10 disability services person-centered engagement
924.11 and navigation study. This is a onetime
924.12 appropriation. Notwithstanding Minnesota
924.13 Statutes, section 16A.28, subdivision 3, this
924.14 appropriation is available until June 30, 2026.

924.15 **(c) Pediatric Hospital-to-Home Transition**
924.16 **Pilot Program Administration.** \$300,000 in
924.17 fiscal year 2025 is for a contract related to the
924.18 pediatric hospital-to-home transition pilot
924.19 program. This is a onetime appropriation.
924.20 Notwithstanding Minnesota Statutes, section
924.21 16A.28, subdivision 3, this appropriation is
924.22 available until June 30, 2027.

924.23 **(d) Reimbursement for Community-First**
924.24 **Services and Supports Workers Report.**
924.25 \$250,000 in fiscal year 2025 is for a contract
924.26 related to the reimbursement for
924.27 community-first services and supports workers
924.28 report. This is a onetime appropriation.
924.29 Notwithstanding Minnesota Statutes, section
924.30 16A.28, subdivision 3, this appropriation is
924.31 available until June 30, 2026.

924.32 **(e) Carryforward Authority.**
924.33 Notwithstanding Minnesota Statutes, section
924.34 16A.28, subdivision 3, \$758,000 in fiscal year
924.35 2025 is available until June 30, 2026, and

925.1 \$2,687,000 in fiscal year 2025 is available
 925.2 until June 30, 2027.

925.3 (f) **Base Level Adjustment.** The general fund
 925.4 base is increased by \$340,000 in fiscal year
 925.5 2026 and increased by \$340,000 in fiscal year
 925.6 2027.

925.7 Subd. 5. **Central Office; Behavioral Health,**
 925.8 **Housing, and Deaf and Hard-of-Hearing**
 925.9 **Services**

-0-

3,304,000

925.10 (a) **Medical Assistance Reentry**
 925.11 **Demonstration.** \$600,000 in fiscal year 2025
 925.12 is for engagement with people with lived
 925.13 experience, families, and community partners
 925.14 on the development and implementation of
 925.15 the medical assistance reentry demonstration
 925.16 benefit under Minnesota Statutes, section
 925.17 256B.0761. This is a onetime appropriation.
 925.18 Notwithstanding Minnesota Statutes, section
 925.19 16A.28, subdivision 3, this appropriation is
 925.20 available until June 30, 2027.

925.21 (b) **Working Group on Simplifying Housing**
 925.22 **Support Resources.** \$400,000 in fiscal year
 925.23 2025 is for administration of a working group
 925.24 to streamline access, eligibility, and
 925.25 administration of state-funded supportive
 925.26 housing resources for people experiencing
 925.27 homelessness. This is a onetime appropriation.
 925.28 Notwithstanding Minnesota Statutes, section
 925.29 16A.28, subdivision 3, this appropriation is
 925.30 available until June 30, 2026.

925.31 (c) **Carryforward Authority.**
 925.32 Notwithstanding Minnesota Statutes, section
 925.33 16A.28, subdivision 3, \$34,000 in fiscal year
 925.34 2025 is available until June 30, 2026.

926.1 (d) Base Level Adjustment. The general fund
 926.2 base is increased by \$2,271,000 in fiscal year
 926.3 2026 and increased by \$2,271,000 in fiscal
 926.4 year 2027.

926.5	<u>Subd. 6. Forecasted Programs; Medical</u>		
926.6	<u>Assistance</u>	-0-	<u>5,533,000</u>

926.7	<u>Subd. 7. Forecasted Programs; Alternative Care</u>		
		-0-	<u>49,000</u>

926.8	<u>Subd. 8. Forecasted Programs; Behavioral</u>		
926.9	<u>Health Fund</u>	-0-	<u>274,000</u>

926.10	<u>Subd. 9. Grant Programs; Child and Economic</u>		
926.11	<u>Support Grants</u>	-0-	<u>5,050,000</u>

926.12 (a) Homeless Shelter Services. \$50,000 in
 926.13 fiscal year 2025 is for a payment to Churches
 926.14 United for the Homeless in Moorhead to hire
 926.15 staff or contract for assistance to secure public
 926.16 funding for Churches United's existing
 926.17 services, including the provision of safe shelter
 926.18 for individuals experiencing homelessness,
 926.19 supportive housing, nutrition support, nursing
 926.20 services, family services, and case
 926.21 management. This is a onetime appropriation.

926.22 (b) American Indian Food Sovereignty.
 926.23 \$1,000,000 in fiscal year 2025 is for the
 926.24 American Indian food sovereignty funding
 926.25 program under Minnesota Statutes, section
 926.26 256E.342. This is a onetime appropriation.
 926.27 Notwithstanding Minnesota Statutes, section
 926.28 16A.28, subdivision 3, this appropriation is
 926.29 available until June 30, 2026.

926.30 (c) Minnesota Food Shelf. \$1,390,000 in
 926.31 fiscal year 2025 is for the Minnesota food
 926.32 shelf program under Minnesota Statutes,
 926.33 section 256E.34. This is a onetime
 926.34 appropriation.

927.1 (d) **Emergency Food Assistance Program.**
 927.2 \$2,610,000 in fiscal year 2025 is for contracts
 927.3 with Minnesota's regional food banks that the
 927.4 commissioner contracts with for the purposes
 927.5 of the Emergency Food Assistance Program
 927.6 (TEFAP). The commissioner shall distribute
 927.7 the food bank funding under this paragraph in
 927.8 accordance with the federal TEFAP formula
 927.9 and guidelines of the United States
 927.10 Department of Agriculture. Funding must be
 927.11 used by all regional food banks to purchase
 927.12 food that will be distributed free of charge to
 927.13 TEFAP partner agencies. Funding must also
 927.14 cover the handling and delivery fees typically
 927.15 paid by food shelves to food banks to ensure
 927.16 that costs associated with funding under this
 927.17 paragraph are not incurred at the local level.
 927.18 This is a onetime appropriation.

927.19 **Subd. 10. Grant Programs; Refugee Services** -0- 4,000,000

927.20 **Human Services Response Contingency**
 927.21 **Account.** (a) \$4,000,000 in fiscal year 2025
 927.22 is for the human services response contingency
 927.23 account under Minnesota Statutes, section
 927.24 256.044. This is a onetime appropriation.

927.25 (b) The commissioner of management and
 927.26 budget shall transfer \$4,000,000 in fiscal year
 927.27 2025 from the general fund to the human
 927.28 services response contingency account
 927.29 established under Minnesota Statutes, section
 927.30 256.044. This is a onetime transfer.

927.31 **Subd. 11. Grant Programs; Health Care Grants** -0- 1,000,000

927.32 **County Correctional Facility Mental Health**
 927.33 **Medication Pilot Program.** \$1,000,000 in
 927.34 fiscal year 2025 is for the county correctional

928.1 facility mental health medication pilot
 928.2 program. This is a onetime appropriation.
 928.3 Notwithstanding Minnesota Statutes, section
 928.4 16A.28, subdivision 3, this appropriation is
 928.5 available until June 30, 2026.

928.6	<u>Subd. 12. Grant Programs; Other Long Term</u>		
928.7	<u>Care Grants</u>	(2,500,000)	1,962,000

928.8 (a) **Health Awareness Hub Pilot Project.**
 928.9 \$281,000 in fiscal year 2025 is for a payment
 928.10 to the Organization for Liberians in Minnesota
 928.11 for a health awareness hub pilot project. The
 928.12 pilot project must seek to address health care
 928.13 education and the physical and mental
 928.14 wellness needs of elderly individuals within
 928.15 the African immigrant community by offering
 928.16 culturally relevant support, resources, and
 928.17 preventive care education from medical
 928.18 practitioners who have a similar background,
 928.19 and by making appropriate referrals to
 928.20 culturally competent programs, supports, and
 928.21 medical care. Within six months of the
 928.22 conclusion of the pilot project, the
 928.23 Organization for Liberians in Minnesota must
 928.24 provide the commissioner with an evaluation
 928.25 of the project as determined by the
 928.26 commissioner. This is a onetime appropriation.

928.27 (b) **Chapter 245D Compliance Support.**
 928.28 \$219,000 in fiscal year 2025 is for a payment
 928.29 to Black Business Enterprises Fund to support
 928.30 minority providers licensed under Minnesota
 928.31 Statutes, chapter 245D, as intensive support
 928.32 services providers to build skills and the
 928.33 infrastructure needed to increase the quality
 928.34 of services provided to the people the
 928.35 providers serve while complying with the

929.1 requirements of Minnesota Statutes, chapter
929.2 245D, and to enable the providers to accept
929.3 clients with high behavioral needs. This is a
929.4 onetime appropriation.

929.5 **(c) Customized Living Technical Assistance.**

929.6 \$350,000 is for a payment to Propel
929.7 Nonprofits for a culturally specific outreach
929.8 and education campaign toward existing
929.9 customized living providers that might more
929.10 appropriately serve their clients under a
929.11 different home and community-based services
929.12 program or license. This is a onetime
929.13 appropriation.

929.14 **(d) Linguistically and Culturally Specific**

929.15 **Training Pilot Project. \$650,000 in fiscal**
929.16 **year 2025 is for a payment to Isuroon to**
929.17 **collaborate with the commissioner of human**
929.18 **services to develop and implement a pilot**
929.19 **program to provide: (1) linguistically and**
929.20 **culturally specific in-person training to**
929.21 **bilingual individuals, particularly bilingual**
929.22 **women, from diverse ethnic backgrounds; and**
929.23 **(2) technical assistance to providers to ensure**
929.24 **successful implementation of the pilot**
929.25 **program, including training, resources, and**
929.26 **ongoing support. Within six months of the**
929.27 **conclusion of the pilot project, Isuroon must**
929.28 **provide the commissioner with an evaluation**
929.29 **of the project as determined by the**
929.30 **commissioner. This is a onetime appropriation.**

929.31 **(e) Long-Term Services and Supports Loan**

929.32 **Program. (1) \$462,000 in fiscal year 2025 is**
929.33 **from the general fund for the long-term**
929.34 **services and supports loan program established**
929.35 **under Minnesota Statutes, section 256R.55.**

930.1 The base for this appropriation is \$822,000 in
 930.2 fiscal year 2026 and \$0 in fiscal year 2027.

930.3 (2) The commissioner of management and
 930.4 budget shall transfer \$462,000 in fiscal year
 930.5 2025 from the general fund to the long-term
 930.6 services and supports loan account established
 930.7 under Minnesota Statutes, section 256R.55.

930.8 The base for this transfer is \$822,000 in fiscal
 930.9 year 2026 and \$0 in fiscal year 2027.

930.10 (f) **Base Level Adjustment.** The general fund
 930.11 base is decreased by \$1,202,000 in fiscal year
 930.12 2026 and decreased by \$2,024,000 in fiscal
 930.13 year 2027.

930.14 Subd. 13. **Grant Programs; Aging and Adult**
 930.15 **Services Grants**

-0-

4,500,000

930.16 (a) **Caregiver Respite Services Grants.**
 930.17 \$2,000,000 in fiscal year 2025 is for caregiver
 930.18 respite services grants under Minnesota
 930.19 Statutes, section 256.9756. This is a onetime
 930.20 appropriation. Notwithstanding Minnesota
 930.21 Statutes, section 16A.28, subdivision 3, this
 930.22 appropriation is available until June 30, 2027.

930.23 (b) **Caregiver Support Programs.**
 930.24 \$2,500,000 in fiscal year 2025 is for the
 930.25 Minnesota Board on Aging for the purposes
 930.26 of the caregiver support programs under
 930.27 Minnesota Statutes, section 256.9755.
 930.28 Programs receiving funding under this
 930.29 paragraph must include an ALS-specific
 930.30 respite service in their caregiver support
 930.31 program. This is a onetime appropriation.
 930.32 Notwithstanding Minnesota Statutes, section
 930.33 16A.28, subdivision 3, this appropriation is
 930.34 available until June 30, 2027.

931.1	<u>Subd. 14. Grant Programs; Disabilities Grants</u>	<u>1,650,000</u>	<u>9,574,000</u>
931.2	<u>(a) Capital Improvement for Accessibility.</u>		
931.3	<u>\$400,000 in fiscal year 2025 is for a payment</u>		
931.4	<u>to Anoka County to make capital</u>		
931.5	<u>improvements to existing space in the Anoka</u>		
931.6	<u>County Human Services building in the city</u>		
931.7	<u>of Blaine, including making bathrooms fully</u>		
931.8	<u>compliant with the Americans with Disabilities</u>		
931.9	<u>Act with adult changing tables and ensuring</u>		
931.10	<u>barrier-free access for the purposes of</u>		
931.11	<u>improving and expanding the services an</u>		
931.12	<u>existing building tenant can provide to adults</u>		
931.13	<u>with developmental disabilities. This is a</u>		
931.14	<u>onetime appropriation.</u>		
931.15	<u>(b) Dakota County Disability Services</u>		
931.16	<u>Workforce Shortage Pilot Project. \$500,000</u>		
931.17	<u>in fiscal year 2025 is for a grant to Dakota</u>		
931.18	<u>County for innovative solutions to the</u>		
931.19	<u>disability services workforce shortage. Up to</u>		
931.20	<u>\$250,000 of this amount must be used to</u>		
931.21	<u>develop and test an online application for</u>		
931.22	<u>matching requests for services from people</u>		
931.23	<u>with disabilities to available staff, and up to</u>		
931.24	<u>\$250,000 of this amount must be used to</u>		
931.25	<u>develop a communities-for-all program that</u>		
931.26	<u>engages businesses, community organizations,</u>		
931.27	<u>neighbors, and informal support systems to</u>		
931.28	<u>promote community inclusion of people with</u>		
931.29	<u>disabilities. By October 1, 2026, the</u>		
931.30	<u>commissioner shall report the outcomes and</u>		
931.31	<u>recommendations of these pilot projects to the</u>		
931.32	<u>chairs and ranking minority members of the</u>		
931.33	<u>legislative committees with jurisdiction over</u>		
931.34	<u>human services finance and policy. This is a</u>		
931.35	<u>onetime appropriation. Notwithstanding</u>		

- 932.1 Minnesota Statutes, section 16A.28,
932.2 subdivision 3, this appropriation is available
932.3 until June 30, 2027.
- 932.4 **(c) Pediatric Hospital-to-Home Transition**
932.5 **Pilot Program. \$1,040,000 in fiscal year 2025**
932.6 is for the pediatric hospital-to-home pilot
932.7 program. This is a onetime appropriation.
- 932.8 Notwithstanding Minnesota Statutes, section
932.9 16A.28, subdivision 3, this appropriation is
932.10 available until June 30, 2027.
- 932.11 **(d) Artists With Disabilities Support.**
932.12 \$690,000 in fiscal year 2025 is for a payment
932.13 to a nonprofit organization licensed under
932.14 Minnesota Statutes, chapter 245D, located on
932.15 Minnehaha Avenue West in Saint Paul, and
932.16 that supports artists with disabilities in creating
932.17 visual and performing art that challenges
932.18 society's views of persons with disabilities.
- 932.19 This is a onetime appropriation.
- 932.20 Notwithstanding Minnesota Statutes, section
932.21 16A.28, subdivision 3, this appropriation is
932.22 available until June 30, 2027.
- 932.23 **(e) Emergency Relief Grants for Rural**
932.24 **EIDBI Providers. \$600,000 in fiscal year**
932.25 **2025 is for emergency relief grants for EIDBI**
932.26 **providers. This is a onetime appropriation.**
- 932.27 Notwithstanding Minnesota Statutes, section
932.28 16A.28, subdivision 3, this appropriation is
932.29 available until June 30, 2027.
- 932.30 **(f) Self-Advocacy Grants for Persons with**
932.31 **Intellectual and Developmental Disabilities.**
932.32 \$250,000 in fiscal year 2025 is for
932.33 self-advocacy grants under Minnesota Statutes,
932.34 section 256.477, subdivision 1, paragraph (a),

933.1 clauses (5) to (7), and for administrative costs.

933.2 This is onetime appropriation.

933.3 **(g) Electronic Visit Verification**

933.4 **Implementation Grants. \$864,000 in fiscal**

933.5 year 2025 is for electronic visit verification

933.6 implementation grants. This is a onetime

933.7 appropriation. Notwithstanding Minnesota

933.8 Statutes, section 16A.28, subdivision 3, this

933.9 appropriation is available until June 30, 2027.

933.10 **(h) Aging and Disability Services for**

933.11 **Immigrant and Refugee Communities.**

933.12 \$250,000 in fiscal year 2025 is for a payment

933.13 to SEWA-AIFW to address aging, disability,

933.14 and mental health needs for immigrant and

933.15 refugee communities. This is a onetime

933.16 appropriation.

933.17 **(i) License Transition Support for Small**

933.18 **Disability Waiver Providers. \$3,150,000 in**

933.19 fiscal year 2025 is for license transition

933.20 payments to small disability waiver providers.

933.21 This is a onetime appropriation.

933.22 Notwithstanding Minnesota Statutes, section

933.23 16A.28, subdivision 3, this appropriation is

933.24 available until June 30, 2027.

933.25 **(j) Own home services provider**

933.26 **capacity-building grants. \$1,519,000 in fiscal**

933.27 year 2025 is for the own home services

933.28 provider capacity-building grant program.

933.29 Notwithstanding Minnesota Statutes, section

933.30 16A.28, subdivision 3, this appropriation is

933.31 available until June 30, 2027. This is a onetime

933.32 appropriation.

933.33 **(k) Continuation of Centers for**

933.34 **Independent Living HCBS Access Grants.**

934.1 \$311,000 in fiscal year 2024 is for continued
 934.2 funding of grants awarded under Laws 2021,
 934.3 First Special Session chapter 7, article 17,
 934.4 section 19, as amended by Laws 2022, chapter
 934.5 98, article 15, section 15. This is a onetime
 934.6 appropriation and is available until June 30,
 934.7 2025.

934.8 (l) **Base Level Adjustment.** The general fund
 934.9 base is increased by \$811,000 in fiscal year
 934.10 2026 and increased by \$811,000 in fiscal year
 934.11 2027.

934.12 Subd. 15. **Grant Programs; Adult Mental Health**
 934.13 **Grants**

(8,900,000)

2,364,000

934.14 (a) **Locked Intensive Residential Treatment**
 934.15 **Services.** \$1,000,000 in fiscal year 2025 is for
 934.16 start-up funds to intensive residential treatment
 934.17 services providers to provide treatment in
 934.18 locked facilities for patients meeting medical
 934.19 necessity criteria and who may also be referred
 934.20 for competency attainment or a competency
 934.21 examination under Minnesota Statutes,
 934.22 sections 611.40 to 611.59. This is a onetime
 934.23 appropriation. Notwithstanding Minnesota
 934.24 Statutes, section 16A.28, subdivision 3, this
 934.25 appropriation is available until June 30, 2027.

934.26 (b) **Engagement Services Pilot Grants.**
 934.27 \$1,500,000 in fiscal year 2025 is for
 934.28 engagement services pilot grants. Of this
 934.29 amount, \$250,000 in fiscal year 2025 is for an
 934.30 engagement services pilot grant to Otter Tail
 934.31 County. This is a onetime appropriation.
 934.32 Notwithstanding Minnesota Statutes, section
 934.33 16A.28, subdivision 3, this appropriation is
 934.34 available until June 30, 2026.

935.1 **(c) Mental Health Innovation Grant**
 935.2 **Program.** \$1,321,000 in fiscal year 2025 is
 935.3 for the mental health innovation grant program
 935.4 under Minnesota Statutes, section 245.4662.
 935.5 This is a onetime appropriation.
 935.6 Notwithstanding Minnesota Statutes, section
 935.7 16A.28, subdivision 3, this appropriation is
 935.8 available until June 30, 2026.

935.9 **(d) Behavioral Health Services For**
 935.10 **Immigrant And Refugee Communities.**
 935.11 \$354,000 in fiscal year 2025 is for a payment
 935.12 to African Immigrant Community Services to
 935.13 provide culturally and linguistically
 935.14 appropriate services to new Americans with
 935.15 disabilities, mental health needs, and substance
 935.16 use disorders and to connect such individuals
 935.17 with appropriate alternative service providers
 935.18 to ensure continuity of care. This is a onetime
 935.19 appropriation. Notwithstanding Minnesota
 935.20 Statutes, section 16A.28, subdivision 3, this
 935.21 appropriation is available until June 30, 2027.

935.22 **(e) Base Level Adjustment.** The general fund
 935.23 base is decreased by \$1,811,000 in fiscal year
 935.24 2026 and decreased by \$1,811,000 in fiscal
 935.25 year 2027.

935.26 **Subd. 16. Grant Programs; Child Mental Health**
 935.27 **Grants**

-0-

500,000

935.28 **Youth Peer Recovery Support Services Pilot**
 935.29 **Project.** \$500,000 in fiscal year 2025 is for a
 935.30 grant to Hennepin County to conduct a
 935.31 two-year pilot project to provide peer recovery
 935.32 support services under Minnesota Statutes,
 935.33 section 245G.07, subdivision 2, clause (8), to
 935.34 youth between 13 and 18 years of age. The
 935.35 pilot project must be conducted in partnership

936.1 with a community organization that provides
 936.2 culturally specific peer recovery support
 936.3 services to East African individuals and that
 936.4 is working to expand peer recovery support
 936.5 services for youth in Hennepin County. At the
 936.6 conclusion of the pilot project, Hennepin
 936.7 County must submit a report to the chairs and
 936.8 ranking minority members of the legislative
 936.9 committees with jurisdiction over health and
 936.10 human services detailing the implementation,
 936.11 operation, and outcomes of the pilot project
 936.12 and providing recommendations on expanding
 936.13 youth peer recovery support services
 936.14 statewide. This is a onetime appropriation.
 936.15 Notwithstanding Minnesota Statutes, section
 936.16 16A.28, subdivision 3, this appropriation is
 936.17 available until June 30, 2026.

936.18	<u>Subd. 17. Grant Programs; Chemical</u>		
936.19	<u>Dependency Treatment Support Grants</u>	(500,000)	<u>2,500,000</u>

936.20 **Medical Assistance Reentry Demonstration**
 936.21 **Grants.** \$2,500,000 in fiscal year 2025 is for
 936.22 capacity building and implementation grants
 936.23 for the medical assistance reentry
 936.24 demonstration under Minnesota Statutes,
 936.25 section 256B.0761. This is a onetime
 936.26 appropriation. Notwithstanding Minnesota
 936.27 Statutes, section 16A.28, subdivision 3, this
 936.28 appropriation is available until June 30, 2027.

936.29	<u>Subd. 18. Direct Care and Treatment - Mental</u>		
936.30	<u>Health and Substance Abuse</u>	-0-	<u>977,000</u>

936.31	<u>Subd. 19. Direct Care and Treatment - Forensic</u>		
936.32	<u>Services</u>	-0-	<u>7,752,000</u>

936.33 **(a) Employee incentives.** \$1,000,000 in fiscal
 936.34 year 2025 is for incentives related to the
 936.35 transition of CARE St. Peter to the forensic

937.1 mental health program. This is a onetime
 937.2 appropriation.

937.3 (b) Base Level Adjustment. The general fund
 937.4 base is increased by \$6,612,000 in fiscal year
 937.5 2026 and increased by \$6,612,000 in fiscal
 937.6 year 2027.

937.7 Subd. 20. Direct Care and Treatment -
 937.8 Operations

-0-

6,094,000

937.9 (a) Free Communication Services for
 937.10 Patients and Clients. \$1,368,000 in fiscal
 937.11 year 2025 is for free communication services
 937.12 under article 51, section 1. This is a onetime
 937.13 appropriation. Notwithstanding Minnesota
 937.14 Statutes, section 16A.28, subdivision 3, this
 937.15 appropriation is available until June 30, 2026.

937.16 (b) Direct Care and Treatment Capacity;
 937.17 Miller Building. \$1,796,000 in fiscal year
 937.18 2025 is to design a replacement facility for the
 937.19 Miller Building on the Anoka Metro Regional
 937.20 Treatment Center campus. This is a onetime
 937.21 appropriation. Notwithstanding Minnesota
 937.22 Statutes, section 16A.28, subdivision 3, this
 937.23 appropriation is available until June 30, 2027.

937.24 (c) Direct Care and Treatment County
 937.25 Correctional Facility Support Pilot
 937.26 Program. \$2,387,000 in fiscal year 2025 is
 937.27 to establish a two-year county correctional
 937.28 facility support pilot program. The pilot
 937.29 program must: (1) provide education and
 937.30 support to counties and county correctional
 937.31 facilities on protocols and best practices for
 937.32 the provision of involuntary medications for
 937.33 mental health treatment; (2) provide technical
 937.34 assistance to expand access to injectable
 937.35 psychotropic medications in county

938.1 correctional facilities; and (3) survey county
 938.2 correctional facilities and their contracted
 938.3 medical providers on their capacity to provide
 938.4 injectable psychotropic medications, including
 938.5 involuntary administration of medications,
 938.6 and barriers to providing these services. This
 938.7 is a onetime appropriation. Notwithstanding
 938.8 Minnesota Statutes, section 16A.28,
 938.9 subdivision 3, this appropriation is available
 938.10 until June 30, 2026.

938.11 **(d) Advisory Committee for Direct Care**
 938.12 **and Treatment.** \$482,000 in fiscal year 2025
 938.13 is for the administration of the advisory
 938.14 committee for the operation of Direct Care
 938.15 and Treatment. This is a onetime
 938.16 appropriation. Notwithstanding Minnesota
 938.17 Statutes, section 16A.28, subdivision 3, this
 938.18 appropriation is available until June 30, 2027.

938.19 **(e) Base Level Adjustment.** The general fund
 938.20 base is increased by \$31,000 in fiscal year
 938.21 2026 and increased by \$0 in fiscal year 2027.

938.22 **Subd. 21. Grant Administration Costs**
 938.23 Notwithstanding Minnesota Statutes, section
 938.24 16B.98, subdivision 14, the commissioner of
 938.25 human services must not use any of the grant
 938.26 amounts appropriated under this section for
 938.27 administrative costs.

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

938.29 **Sec. 3. COMMISSIONER OF HEALTH**

938.30	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,087,000</u>
938.31	<u>Appropriations by Fund</u>				
938.32		<u>2024</u>		<u>2025</u>	

939.1	<u>General</u>	<u>-0-</u>	<u>554,000</u>
939.2	<u>State Government</u>		
939.3	<u>Special Revenue</u>	<u>-0-</u>	<u>533,000</u>

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

939.7	<u>Subd. 2. Health Improvement</u>	<u>-0-</u>	<u>554,000</u>
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939.8 **(a) Community Care Hub Grant. \$500,000**
 939.9 in fiscal year 2025 is from the general fund
 939.10 for the community care hub planning grant.
 939.11 This is a onetime appropriation.
 939.12 Notwithstanding Minnesota Statutes, section
 939.13 16A.28, subdivision 3, this appropriation is
 939.14 available until June 30, 2026.

939.15 **(b) Cannabis education program grants. To**
 939.16 achieve the net reduction in the general fund
 939.17 base of \$3,650,000 in fiscal year 2026 and
 939.18 \$3,650,000 in fiscal year 2027 for cannabis
 939.19 education grants under Minnesota Statutes,
 939.20 section 144.197, subdivision 4, the
 939.21 commissioner must not reduce the grant
 939.22 amounts distributed to Tribal health
 939.23 departments.

939.24 **(c) Carryforward Authority.**
 939.25 Notwithstanding Minnesota Statutes, section
 939.26 16A.28, subdivision 3, \$54,000 in fiscal year
 939.27 2025 is available until June 30, 2026, for
 939.28 administration expenses related to the
 939.29 community care hub grant.

939.30 **(d) Base Level Adjustment.** The general fund
 939.31 base is decreased by \$3,650,000 in fiscal year
 939.32 2026 and decreased by \$3,650,000 in fiscal
 939.33 year 2027.

940.1	<u>Subd. 3. Health Protection</u>		<u>-0-</u>	<u>533,000</u>
940.2	<u>This appropriation is from the state</u>			
940.3	<u>government special revenue fund.</u>			
940.4	<u>Base Level Adjustments.</u> The state			
940.5	<u>government special revenue base is increased</u>			
940.6	<u>by \$525,000 in fiscal year 2026 and increased</u>			
940.7	<u>by \$525,000 in fiscal year 2027.</u>			
940.8	<u>Subd. 4. Grantee Evaluation Requirement</u>			
940.9	<u>For all new grants for which money is</u>			
940.10	<u>appropriated in this act, the commissioner of</u>			
940.11	<u>health must comply with the grantee</u>			
940.12	<u>evaluation requirements under Minnesota</u>			
940.13	<u>Statutes, section 16B.98, subdivision 12.</u>			
940.14	Sec. 4. <u>COUNCIL ON DISABILITY</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 400,000</u>
940.15	<u>\$400,000 in fiscal year 2025 is for the</u>			
940.16	<u>Legislative Task Force on Guardianship.</u>			
940.17	<u>Notwithstanding Minnesota Statutes, section</u>			
940.18	<u>16A.28, subdivision 3, this appropriation is</u>			
940.19	<u>available until June 30, 2027. This is a onetime</u>			
940.20	<u>appropriation.</u>			
940.21	Sec. 5. <u>DEPARTMENT OF CORRECTIONS</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 1,649,000</u>
940.22	<u>Medical Assistance Reentry Demonstration.</u>			
940.23	<u>\$1,649,000 in fiscal year 2025 is from the</u>			
940.24	<u>general fund for planning and implementation</u>			
940.25	<u>of the medical assistance reentry</u>			
940.26	<u>demonstration. The base for this appropriation</u>			
940.27	<u>is \$1,924,000 in fiscal year 2026 and</u>			
940.28	<u>\$2,364,000 in fiscal year 2027.</u>			
940.29	Sec. 6. <u>DEPARTMENT OF EMPLOYMENT</u>			
940.30	<u>AND ECONOMIC DEVELOPMENT</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 5,000,000</u>
940.31	<u>Cedar Riverside Recreation Center.</u>			
940.32	<u>\$5,000,000 in fiscal year 2025 is for a payment</u>			
940.33	<u>to the Minneapolis Park and Recreation Board</u>			

941.1 for the design, development, and construction
941.2 of the new Cedar Riverside Recreation Center
941.3 to serve the largest immigrant population
941.4 center in the state. This is a onetime
941.5 appropriation available until June 30, 2028.

941.6 Sec. 7. Laws 2021, First Special Session chapter 7, article 17, section 19, as amended by
941.7 Laws 2022, chapter 98, article 15, section 15, is amended to read:

941.8 **Sec. 19. CENTERS FOR INDEPENDENT LIVING HCBS ACCESS GRANT.**

941.9 (a) This act includes \$1,200,000 in fiscal year 2022 and \$1,200,000 in fiscal year 2023
941.10 for grants to expand services to support people with disabilities from underserved
941.11 communities who are ineligible for medical assistance to live in their own homes and
941.12 communities by providing accessibility modifications, independent living services, and
941.13 public health program facilitation. The commissioner of human services must award the
941.14 grants in equal amounts to grantees. To be eligible, a grantee must be an organization defined
941.15 in Minnesota Statutes, section 268A.01, subdivision 8. Any unexpended amount in fiscal
941.16 year 2022 is available through June 30, 2023. The general fund base included in this act for
941.17 this purpose is \$0 in fiscal year 2024 and \$0 in fiscal year 2025.

941.18 (b) All grant activities must be completed by ~~March 31, 2024~~ June 30, 2025.

941.19 (c) This section expires June 30, ~~2024~~ 2025.

941.20 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2024.

941.21 Sec. 8. Laws 2023, chapter 53, article 21, section 6, is amended to read:

941.22 **Sec. 6. TRANSFERS.**

941.23 (a) In the biennium ending on June 30, 2025, the commissioner of management and
941.24 budget must transfer ~~\$400,000,000~~ \$390,000,000 from the general fund to the Minnesota
941.25 forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 2.
941.26 The base for this transfer is \$0.

941.27 (b) In the biennium ending on June 30, 2025, the commissioner of management and
941.28 budget shall transfer \$25,000,000 from the general fund to the Minnesota climate innovation
941.29 authority account established in Minnesota Statutes, section 216C.441, subdivision 11. The
941.30 base for this transfer is \$0.

942.1 (c) In the biennium ending on June 30, 2025, the commissioner of management and
942.2 budget must transfer \$75,000,000 from the general fund to the state competitiveness fund
942.3 account established in Minnesota Statutes, section 216C.391, subdivision 2. Notwithstanding
942.4 Minnesota Statutes, section 216C.391, subdivision 2, the commissioner of commerce must
942.5 use this transfer for grants to eligible entities for projects receiving federal loans or tax
942.6 credits where the benefits are in disadvantaged communities. The base for this transfer is
942.7 \$0. Up to three percent of money transferred under this paragraph is for administrative costs.

942.8 (d) ~~In the biennium ending on June 30, 2027,~~ The commissioners of management and
942.9 budget, in consultation with the commissioners of employment and economic development
942.10 and commerce, may transfer money between the Minnesota forward fund account, the
942.11 Minnesota climate innovation authority account, and the state competitiveness fund account.
942.12 The commissioner of management and budget must notify the Legislative Advisory
942.13 Commission within 15 days of making transfers under this paragraph.

942.14 (e) The commissioner of management and budget may transfer money from the Minnesota
942.15 forward fund account, the Minnesota climate innovation authority account, and the state
942.16 competitiveness fund account to the human services response contingency account established
942.17 under Minnesota Statutes, section 256.044, as necessary to respond to emergent state needs.
942.18 The commissioner of management and budget must notify the Legislative Advisory
942.19 Commission within 15 days of making transfers under this paragraph.

942.20 (f) The commissioner of management and budget may transfer money from the Minnesota
942.21 forward fund account, the Minnesota climate innovation authority account, and the state
942.22 competitiveness fund account to other state agencies to maximize federal funding
942.23 opportunities. Money transferred under this paragraph is appropriated to the agency that
942.24 receives the money and is available until June 30, 2027. Any money that remains unspent
942.25 is canceled to the general fund. The commissioner of management and budget must notify
942.26 the Legislative Advisory Commission 15 days prior to making transfers under this paragraph.

942.27 (g) The total amount transferred under paragraphs (e) and (f) shall not exceed
942.28 \$100,000,000.

942.29 Sec. 9. Laws 2023, chapter 53, article 21, section 7, is amended to read:

942.30 Sec. 7. **APPROPRIATIONS.**

942.31 (a) \$50,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund
942.32 account to the commissioner of employment and economic development for providing
942.33 businesses with matching funds required by federal programs. Money awarded under this

943.1 program is made retroactive to February 1, 2023, for applications and projects. The
943.2 commissioner may use up to two percent of this appropriation for administration. This is a
943.3 onetime appropriation and is available until June 30, 2027. Any funds that remain unspent
943.4 are canceled to the general fund.

943.5 (b) \$100,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund
943.6 account to the commissioner of employment and economic development to match existing
943.7 federal funds made available in the Consolidated Appropriations Act, Public Law 117-328.
943.8 This appropriation must be used to (1) construct and operate a bioindustrial manufacturing
943.9 pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks
943.10 or (2) for a Minnesota aerospace center for research, development, and testing, or both (1)
943.11 and (2). This appropriation is not subject to the requirements of Minnesota Statutes,
943.12 116J.8752, subdivision 5. The commissioner may use up to two percent of this appropriation
943.13 for administration. This is a onetime appropriation and is available until June 30, 2027. Any
943.14 funds that remain unspent are canceled to the general fund.

943.15 (c) ~~\$250,000,000~~ \$240,000,000 in fiscal year 2024 is appropriated from the Minnesota
943.16 forward fund account to the commissioner of employment and economic development to
943.17 match federal funds made available in the Chips and Science Act, Public Law 117-167.
943.18 Money awarded under this program is made retroactive to February 1, 2023, for applications
943.19 and projects. This appropriation is not subject to Minnesota Statutes, section 116J.8752,
943.20 subdivision 5. The commissioner may use up two percent for administration. This is a
943.21 onetime appropriation and is available until June 30, 2027. Any funds that remain unspent
943.22 are canceled to the general fund.

943.23 (d) The commissioner may use the appropriation under paragraph (c) to allocate up to
943.24 15 percent of the total project cost with a maximum of \$75,000,000 per project for the
943.25 purpose of constructing, modernizing, or expanding commercial facilities on the front- and
943.26 back-end fabrication of leading-edge, current-generation, and mature-node semiconductors;
943.27 funding semiconductor materials and manufacturing equipment facilities; and for research
943.28 and development facilities.

943.29 (e) The commissioner may use the appropriation under paragraph (c) to award:

943.30 (1) grants to institutions of higher education for developing and deploying training
943.31 programs and to build pipelines to serve the needs of industry; and

943.32 (2) grants to increase the capacity of institutions of higher education to serve industrial
943.33 requirements for research and development that coincide with current and future requirements
943.34 of projects eligible under this section. Grant money may be used to construct and equip

944.1 facilities that serve the purpose of the industry. The maximum grant award per institution
 944.2 of higher education under this section is \$5,000,000 and may not represent more than 50
 944.3 percent of the total project funding from other sources. Use of this funding must be supported
 944.4 by businesses receiving funds under clause (1).

944.5 (f) Money appropriated in paragraphs (a), (b), and (c) may be transferred between
 944.6 appropriations within the Minnesota forward fund account by the commissioner of
 944.7 employment and economic development with approval of the commissioner of management
 944.8 and budget. The commissioner must notify the Legislative Advisory Commission at least
 944.9 15 days prior to changing appropriations under this paragraph.

944.10 Sec. 10. Laws 2023, chapter 61, article 1, section 67, subdivision 3, is amended to read:

944.11 Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living
 944.12 must contract with a third party to evaluate the pilot project's impact on health care costs,
 944.13 retention of personal care assistants, and patients' and providers' satisfaction of care. The
 944.14 evaluation must include the number of participants, the hours of care provided by participants,
 944.15 and the retention of participants from semester to semester.

944.16 (b) By January 15, ~~2025~~ 2026, the Metropolitan Center for Independent Living must
 944.17 report the findings under paragraph (a) to the chairs and ranking minority members of the
 944.18 legislative committees with jurisdiction over human services finance and policy.

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

944.20 Sec. 11. Laws 2023, chapter 61, article 4, section 11, the effective date, is amended to
 944.21 read:

944.22 **EFFECTIVE DATE.** This section is effective January 1, ~~2024~~ 2026, or upon federal
 944.23 approval, whichever is later. The commissioner shall notify the revisor of statutes when
 944.24 federal approval is obtained.

944.25 Sec. 12. Laws 2023, chapter 61, article 9, section 2, subdivision 5, is amended to read:

944.26 Subd. 5. Central Office; Aging and Disability		
944.27 Services	40,115,000	11,995,000

944.28 (a) **Employment Supports Alignment Study.**
 944.29 \$50,000 in fiscal year 2024 and \$200,000 in
 944.30 fiscal year 2025 are to conduct an interagency
 944.31 employment supports alignment study. The

945.1 base for this appropriation is \$150,000 in fiscal
945.2 year 2026 and \$100,000 in fiscal year 2027.

945.3 **(b) Case Management Training**

945.4 **Curriculum.** \$377,000 in fiscal year 2024 and
945.5 \$377,000 in fiscal year 2025 are to develop
945.6 and implement a curriculum and training plan
945.7 to ensure all lead agency assessors and case
945.8 managers have the knowledge and skills
945.9 necessary to fulfill support planning and
945.10 coordination responsibilities for individuals
945.11 who use home and community-based disability
945.12 services and live in own-home settings. This
945.13 is a onetime appropriation.

945.14 **(c) Office of Ombudsperson for Long-Term**

945.15 **Care.** \$875,000 in fiscal year 2024 and
945.16 \$875,000 in fiscal year 2025 are for additional
945.17 staff and associated direct costs in the Office
945.18 of Ombudsperson for Long-Term Care.

945.19 **(d) Direct Care Services Corps Pilot Project.**

945.20 \$500,000 in fiscal year 2024 is from the
945.21 general fund for a grant to the Metropolitan
945.22 Center for Independent Living for the direct
945.23 care services corps pilot project. Up to \$25,000
945.24 may be used by the Metropolitan Center for
945.25 Independent Living for administrative costs.
945.26 This is a onetime appropriation and is
945.27 available until June 30, 2026.

945.28 **(e) Research on Access to Long-Term Care**

945.29 **Services and Financing.** Any unexpended
945.30 amount of the fiscal year 2023 appropriation
945.31 referenced in Laws 2021, First Special Session
945.32 chapter 7, article 17, section 16, estimated to
945.33 be \$300,000, is canceled. The amount canceled
945.34 is appropriated in fiscal year 2024 for the same
945.35 purpose.

946.1 **(f) Native American Elder Coordinator.**
 946.2 \$441,000 in fiscal year 2024 and \$441,000 in
 946.3 fiscal year 2025 are for the Native American
 946.4 elder coordinator position under Minnesota
 946.5 Statutes, section 256.975, subdivision 6.

946.6 **(g) Grant Administration Carryforward.**

946.7 (1) Of this amount, \$8,154,000 in fiscal year
 946.8 2024 is available until June 30, 2027.

946.9 (2) Of this amount, \$1,071,000 in fiscal year
 946.10 2025 is available until June 30, 2027.

946.11 (3) Of this amount, \$19,000,000 in fiscal year
 946.12 2024 is available until June 30, 2029.

946.13 **(h) Base Level Adjustment.** The general fund
 946.14 base is increased by \$8,189,000 in fiscal year
 946.15 2026 and increased by \$8,093,000 in fiscal
 946.16 year 2027.

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

946.18 Sec. 13. Laws 2023, chapter 61, article 9, section 2, subdivision 14, is amended to read:

946.19	Subd. 14. Grant Programs; Aging and Adult		
946.20	Services Grants	164,626,000	34,795,000

946.21 **(a) Vulnerable Adult Act Redesign Phase**
 946.22 **Two.** \$17,129,000 in fiscal year 2024 is for
 946.23 adult protection grants to counties and Tribes
 946.24 under Minnesota Statutes, section 256M.42.
 946.25 Notwithstanding Minnesota Statutes, section
 946.26 16A.28, this appropriation is available until
 946.27 June 30, 2027. The base for this appropriation
 946.28 is \$866,000 in fiscal year 2026 and \$867,000
 946.29 in fiscal year 2027.

946.30 **(b) Caregiver Respite Services Grants.**
 946.31 \$1,800,000 in fiscal year 2025 is for caregiver
 946.32 respite services grants under Minnesota

947.1 Statutes, section 256.9756. This is a onetime
947.2 appropriation.

947.3 **(c) Live Well at Home Grants.** \$4,575,000
947.4 in fiscal year 2024 is for live well at home
947.5 grants under Minnesota Statutes, section
947.6 256.9754, subdivision 3f. This is a onetime
947.7 appropriation and is available until June 30,
947.8 2025.

947.9 **(d) Senior Nutrition Program.** \$10,552,000
947.10 in fiscal year 2024 is for the senior nutrition
947.11 program. Notwithstanding Minnesota Statutes,
947.12 section 16A.28, this appropriation is available
947.13 until June 30, 2027. This is a onetime
947.14 appropriation.

947.15 **(e) Age-Friendly Community Grants.**
947.16 \$3,000,000 in fiscal year 2024 is for the
947.17 continuation of age-friendly community grants
947.18 under Laws 2021, First Special Session
947.19 chapter 7, article 17, section 8, subdivision 1.
947.20 Notwithstanding Minnesota Statutes, section
947.21 16A.28, this is a onetime appropriation and is
947.22 available until June 30, 2027.

947.23 **(f) Age-Friendly Technical Assistance**
947.24 **Grants.** \$1,725,000 in fiscal year 2024 is for
947.25 the continuation of age-friendly technical
947.26 assistance grants under Laws 2021, First
947.27 Special Session chapter 7, article 17, section
947.28 8, subdivision 2. Notwithstanding Minnesota
947.29 Statutes, section 16A.28, this is a onetime
947.30 appropriation and is available until June 30,
947.31 2027.

947.32 **(g) ~~Financially Distressed Nursing Facility~~**
947.33 **Long-Term Services and Supports Loan**
947.34 **Program.** \$93,200,000 in fiscal year 2024 is

948.1 for the ~~financially distressed nursing facility~~
 948.2 long-term services and supports loan program
 948.3 under Minnesota Statutes, section 256R.55,
 948.4 and is available as provided therein.

948.5 (h) **Base Level Adjustment.** The general fund
 948.6 base is \$33,861,000 in fiscal year 2026 and
 948.7 \$33,862,000 in fiscal year 2027.

948.8 Sec. 14. Laws 2023, chapter 61, article 9, section 2, subdivision 16, as amended by Laws
 948.9 2023, chapter 70, article 15, section 8, is amended to read:

948.10 Subd. 16. Grant Programs; Disabilities Grants	113,684,000	30,377,000
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948.11 (a) **Temporary Grants for Small**
 948.12 **Customized Living Providers.** \$5,450,000
 948.13 in fiscal year 2024 is for grants to assist small
 948.14 customized living providers to transition to
 948.15 community residential services licensure or
 948.16 integrated community supports licensure.
 948.17 Notwithstanding Minnesota Statutes, section
 948.18 16A.28, this appropriation is available until
 948.19 June 30, 2027. This is a onetime appropriation.

948.20 (b) **Lead Agency Capacity Building Grants.**
 948.21 \$444,000 in fiscal year 2024 and \$2,396,000
 948.22 in fiscal year 2025 are for grants to assist
 948.23 organizations, counties, and Tribes to build
 948.24 capacity for employment opportunities for
 948.25 people with disabilities. The base for this
 948.26 appropriation is \$2,413,000 in fiscal year 2026
 948.27 and \$2,411,000 in fiscal year 2027.

948.28 (c) **Employment and Technical Assistance**
 948.29 **Center Grants.** \$450,000 in fiscal year 2024
 948.30 and \$1,800,000 in fiscal year 2025 are for
 948.31 employment and technical assistance grants
 948.32 to assist organizations and employers in
 948.33 promoting a more inclusive workplace for
 948.34 people with disabilities.

949.1 **(d) Case Management Training Grants.**

949.2 \$37,000 in fiscal year 2024 and \$123,000 in
949.3 fiscal year 2025 are for grants to provide case
949.4 management training to organizations and
949.5 employers to support the state's disability
949.6 employment supports system. The base for
949.7 this appropriation is \$45,000 in fiscal year
949.8 2026 and \$45,000 in fiscal year 2027.

949.9 **(e) Self-Directed Bargaining Agreement;**

949.10 **Electronic Visit Verification Stipends.**

949.11 \$6,095,000 in fiscal year 2024 is for onetime
949.12 stipends of \$200 to bargaining members to
949.13 offset the potential costs related to people
949.14 using individual devices to access the
949.15 electronic visit verification system. Of this
949.16 amount, \$5,600,000 is for stipends and
949.17 \$495,000 is for administration. This is a
949.18 onetime appropriation and is available until
949.19 June 30, 2025.

949.20 **(f) Self-Directed Collective Bargaining**

949.21 **Agreement; Temporary Rate Increase**

949.22 **Memorandum of Understanding. \$1,600,000**

949.23 in fiscal year 2024 is for onetime stipends for
949.24 individual providers covered by the SEIU
949.25 collective bargaining agreement based on the
949.26 memorandum of understanding related to the
949.27 temporary rate increase in effect between
949.28 December 1, 2020, and February 7, 2021. Of
949.29 this amount, \$1,400,000 of the appropriation
949.30 is for stipends and \$200,000 is for
949.31 administration. This is a onetime
949.32 appropriation.

949.33 **(g) Self-Directed Collective Bargaining**

949.34 **Agreement; Retention Bonuses. \$50,750,000**

949.35 in fiscal year 2024 is for onetime retention

950.1 bonuses covered by the SEIU collective
950.2 bargaining agreement. Of this amount,
950.3 \$50,000,000 is for retention bonuses and
950.4 \$750,000 is for administration of the bonuses.
950.5 This is a onetime appropriation and is
950.6 available until June 30, 2025.

950.7 **(h) Self-Directed Bargaining Agreement;**
950.8 **Training Stipends.** \$2,100,000 in fiscal year
950.9 2024 and \$100,000 in fiscal year 2025 are for
950.10 onetime stipends of \$500 for collective
950.11 bargaining unit members who complete
950.12 designated, voluntary trainings made available
950.13 through or recommended by the State Provider
950.14 Cooperation Committee. Of this amount,
950.15 \$2,000,000 in fiscal year 2024 is for stipends,
950.16 and \$100,000 in fiscal year 2024 and \$100,000
950.17 in fiscal year 2025 are for administration. This
950.18 is a onetime appropriation.

950.19 **(i) Self-Directed Bargaining Agreement;**
950.20 **Orientation Program.** \$2,000,000 in fiscal
950.21 year 2024 and \$2,000,000 in fiscal year 2025
950.22 are for onetime \$100 payments to collective
950.23 bargaining unit members who complete
950.24 voluntary orientation requirements. Of this
950.25 amount, \$1,500,000 in fiscal year 2024 and
950.26 \$1,500,000 in fiscal year 2025 are for the
950.27 onetime \$100 payments, and \$500,000 in
950.28 fiscal year 2024 and \$500,000 in fiscal year
950.29 2025 are for orientation-related costs. This is
950.30 a onetime appropriation.

950.31 **(j) Self-Directed Bargaining Agreement;**
950.32 **Home Care Orientation Trust.** \$1,000,000
950.33 in fiscal year 2024 is for the Home Care
950.34 Orientation Trust under Minnesota Statutes,
950.35 section 179A.54, subdivision 11. The

951.1 commissioner shall disburse the appropriation
951.2 to the board of trustees of the Home Care
951.3 Orientation Trust for deposit into an account
951.4 designated by the board of trustees outside the
951.5 state treasury and state's accounting system.

951.6 This is a onetime appropriation and is
951.7 available until June 30, 2025.

951.8 **(k) HIV/AIDS Supportive Services.**

951.9 \$12,100,000 in fiscal year 2024 is for grants
951.10 to community-based HIV/AIDS supportive
951.11 services providers as defined in Minnesota
951.12 Statutes, section 256.01, subdivision 19, and
951.13 for payment of allowed health care costs as
951.14 defined in Minnesota Statutes, section
951.15 256.9365. This is a onetime appropriation and
951.16 is available until June 30, 2025.

951.17 **(l) Motion Analysis Advancements Clinical**

951.18 **Study and Patient Care.** \$400,000 is fiscal
951.19 year 2024 is for a grant to the Mayo Clinic
951.20 Motion Analysis Laboratory and Limb Lab
951.21 for continued research in motion analysis
951.22 advancements and patient care. This is a
951.23 onetime appropriation and is available through
951.24 June 30, 2025.

951.25 **(m) Grant to Family Voices in Minnesota.**

951.26 \$75,000 in fiscal year 2024 and \$75,000 in
951.27 fiscal year 2025 are for a grant to Family
951.28 Voices in Minnesota under Minnesota
951.29 Statutes, section 256.4776.

951.30 **(n) Parent-to-Parent Programs.**

951.31 (1) \$550,000 in fiscal year 2024 and \$550,000
951.32 in fiscal year 2025 are for grants to
951.33 organizations that provide services to
951.34 underserved communities with a high

952.1 prevalence of autism spectrum disorder. This
952.2 is a onetime appropriation and is available
952.3 until June 30, 2025.

952.4 (2) The commissioner shall give priority to
952.5 organizations that provide culturally specific
952.6 and culturally responsive services.

952.7 (3) Eligible organizations must:

952.8 (i) conduct outreach and provide support to
952.9 newly identified parents or guardians of a child
952.10 with special health care needs;

952.11 (ii) provide training to educate parents and
952.12 guardians in ways to support their child and
952.13 navigate the health, education, and human
952.14 services systems;

952.15 (iii) facilitate ongoing peer support for parents
952.16 and guardians from trained volunteer support
952.17 parents; and

952.18 (iv) communicate regularly with other
952.19 parent-to-parent programs and national
952.20 organizations to ensure that best practices are
952.21 implemented.

952.22 (4) Grant recipients must use grant money for
952.23 the activities identified in clause (3).

952.24 (5) For purposes of this paragraph, "special
952.25 health care needs" means disabilities, chronic
952.26 illnesses or conditions, health-related
952.27 educational or behavioral problems, or the risk
952.28 of developing disabilities, illnesses, conditions,
952.29 or problems.

952.30 (6) Each grant recipient must report to the
952.31 commissioner of human services annually by
952.32 January 15 with measurable outcomes from
952.33 programs and services funded by this

953.1 appropriation the previous year including the
953.2 number of families served and the number of
953.3 volunteer support parents trained by the
953.4 organization's parent-to-parent program.

953.5 **(o) Self-Advocacy Grants for Persons with**
953.6 **Intellectual and Developmental Disabilities.**

953.7 \$323,000 in fiscal year 2024 and \$323,000 in
953.8 fiscal year 2025 are for self-advocacy grants
953.9 under Minnesota Statutes, section 256.477.

953.10 This is a onetime appropriation. Of these
953.11 amounts, \$218,000 in fiscal year 2024 and
953.12 \$218,000 in fiscal year 2025 are for the
953.13 activities under Minnesota Statutes, section
953.14 256.477, subdivision 1, paragraph (a), clauses
953.15 (5) to (7), and for administrative costs, and
953.16 \$105,000 in fiscal year 2024 and \$105,000 in
953.17 fiscal year 2025 are for the activities under
953.18 Minnesota Statutes, section 256.477,
953.19 subdivision 2.

953.20 **(p) Technology for Home Grants.** \$300,000
953.21 in fiscal year 2024 and \$300,000 in fiscal year
953.22 2025 are for technology for home grants under
953.23 Minnesota Statutes, section 256.4773.

953.24 **(q) Community Residential Setting**
953.25 **Transition.** \$500,000 in fiscal year 2024 is
953.26 for a grant to Hennepin County to expedite
953.27 approval of community residential setting
953.28 licenses subject to the corporate foster care
953.29 moratorium exception under Minnesota
953.30 Statutes, section 245A.03, subdivision 7,
953.31 paragraph (a), clause (5).

953.32 **(r) Base Level Adjustment.** The general fund
953.33 base is \$27,343,000 in fiscal year 2026 and
953.34 \$27,016,000 in fiscal year 2027.

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

954.2 Sec. 15. Laws 2023, chapter 61, article 9, section 2, subdivision 18, is amended to read:

954.3 Subd. 18. **Grant Programs; Chemical**
 954.4 **Dependency Treatment Support Grants**

954.5 Appropriations by Fund

954.6	General	54,691,000	5,342,000
954.7	Lottery Prize	1,733,000	1,733,000

954.8 **(a) Culturally Specific Recovery**
 954.9 **Community Organization Start-Up Grants.**

954.10 \$4,000,000 in fiscal year 2024 is for culturally
 954.11 specific recovery community organization
 954.12 start-up grants. Notwithstanding Minnesota
 954.13 Statutes, section 16A.28, this appropriation is
 954.14 available until June 30, 2027. This is a onetime
 954.15 appropriation.

954.16 **(b) Safe Recovery Sites.** \$14,537,000 in fiscal
 954.17 year 2024 is from the general fund for start-up
 954.18 and capacity-building grants for organizations
 954.19 to establish safe recovery sites.
 954.20 Notwithstanding Minnesota Statutes, section
 954.21 16A.28, this appropriation is onetime and is
 954.22 available until June 30, 2029.

954.23 **(c) Technical Assistance for Culturally**
 954.24 **Specific Organizations; Culturally Specific**
 954.25 **Services Grants.** \$4,000,000 in fiscal year
 954.26 2024 is for grants to culturally specific
 954.27 providers for technical assistance navigating
 954.28 culturally specific and responsive substance
 954.29 use and recovery programs. Notwithstanding
 954.30 Minnesota Statutes, section 16A.28, this
 954.31 appropriation is available until June 30, 2027.

954.32 **(d) Technical Assistance for Culturally**
 954.33 **Specific Organizations; Culturally Specific**
 954.34 **Grant Development Training.** \$400,000 in

955.1 fiscal year 2024 is for grants for up to four
955.2 trainings for community members and
955.3 culturally specific providers for grant writing
955.4 training for substance use and recovery-related
955.5 grants. Notwithstanding Minnesota Statutes,
955.6 section 16A.28, this is a onetime appropriation
955.7 and is available until June 30, 2027.

955.8 **(e) Harm Reduction Supplies for Tribal and**
955.9 **Culturally Specific Programs.** \$7,597,000
955.10 in fiscal year 2024 is from the general fund to
955.11 provide sole source grants to culturally
955.12 specific communities to purchase syringes,
955.13 testing supplies, and opiate antagonists.
955.14 Notwithstanding Minnesota Statutes, section
955.15 16A.28, this appropriation is available until
955.16 June 30, 2027. This is a onetime appropriation.

955.17 **(f) Families and Family Treatment**
955.18 **Capacity-Building and Start-Up Grants.**
955.19 \$10,000,000 in fiscal year 2024 is from the
955.20 general fund for start-up and capacity-building
955.21 grants for family substance use disorder
955.22 treatment programs. Notwithstanding
955.23 Minnesota Statutes, section 16A.28, this
955.24 appropriation is available until June 30, 2029.
955.25 This is a onetime appropriation.

955.26 **(g) Start-Up and Capacity Building Grants**
955.27 **for Withdrawal Management.** ~~\$500,000~~ \$0
955.28 in fiscal year 2024 and \$1,000,000 in fiscal
955.29 year 2025 are for start-up and capacity
955.30 building grants for withdrawal management.

955.31 **(h) Recovery Community Organization**
955.32 **Grants.** \$4,300,000 in fiscal year 2024 is from
955.33 the general fund for grants to recovery
955.34 community organizations, as defined in
955.35 Minnesota Statutes, section 254B.01,

956.1 subdivision 8, that are current grantees as of
956.2 June 30, 2023. This is a onetime appropriation
956.3 and is available until June 30, 2025.

956.4 **(i) Opioid Overdose Prevention Grants.**

956.5 (1) \$125,000 in fiscal year 2024 and \$125,000
956.6 in fiscal year 2025 are from the general fund
956.7 for a grant to Ka Joog, a nonprofit organization
956.8 in Minneapolis, Minnesota, to be used for
956.9 collaborative outreach, education, and training
956.10 on opioid use and overdose, and distribution
956.11 of opiate antagonist kits in East African and
956.12 Somali communities in Minnesota. This is a
956.13 onetime appropriation.

956.14 (2) \$125,000 in fiscal year 2024 and \$125,000
956.15 in fiscal year 2025 are from the general fund
956.16 for a grant to the Steve Rummeler Hope
956.17 Network to be used for statewide outreach,
956.18 education, and training on opioid use and
956.19 overdose, and distribution of opiate antagonist
956.20 kits. This is a onetime appropriation.

956.21 (3) \$250,000 in fiscal year 2024 and \$250,000
956.22 in fiscal year 2025 are from the general fund
956.23 for a grant to African Career Education and
956.24 Resource, Inc. to be used for collaborative
956.25 outreach, education, and training on opioid
956.26 use and overdose, and distribution of opiate
956.27 antagonist kits. This is a onetime
956.28 appropriation.

956.29 **(j) Problem Gambling.** \$225,000 in fiscal
956.30 year 2024 and \$225,000 in fiscal year 2025
956.31 are from the lottery prize fund for a grant to a
956.32 state affiliate recognized by the National
956.33 Council on Problem Gambling. The affiliate
956.34 must provide services to increase public

957.1 awareness of problem gambling, education,
957.2 training for individuals and organizations that
957.3 provide effective treatment services to problem
957.4 gamblers and their families, and research
957.5 related to problem gambling.

957.6 **(k) Project ECHO.** \$1,310,000 in fiscal year
957.7 2024 and \$1,295,000 in fiscal year 2025 are
957.8 from the general fund for a grant to Hennepin
957.9 Healthcare to expand the Project ECHO
957.10 program. The grant must be used to establish
957.11 at least four substance use disorder-focused
957.12 Project ECHO programs at Hennepin
957.13 Healthcare, expanding the grantee's capacity
957.14 to improve health and substance use disorder
957.15 outcomes for diverse populations of
957.16 individuals enrolled in medical assistance,
957.17 including but not limited to immigrants,
957.18 individuals who are homeless, individuals
957.19 seeking maternal and perinatal care, and other
957.20 underserved populations. The Project ECHO
957.21 programs funded under this section must be
957.22 culturally responsive, and the grantee must
957.23 contract with culturally and linguistically
957.24 appropriate substance use disorder service
957.25 providers who have expertise in focus areas,
957.26 based on the populations served. Grant funds
957.27 may be used for program administration,
957.28 equipment, provider reimbursement, and
957.29 staffing hours. This is a onetime appropriation
957.30 and is available until June 30, 2027.

957.31 **(l) White Earth Nation Substance Use**
957.32 **Disorder Digital Therapy Tool.** \$3,000,000
957.33 in fiscal year 2024 is from the general fund
957.34 for a grant to the White Earth Nation to
957.35 develop an individualized Native American

958.1 centric digital therapy tool with Pathfinder
 958.2 Solutions. This is a onetime appropriation.
 958.3 The grant must be used to:
 958.4 (1) develop a mobile application that is
 958.5 culturally tailored to connecting substance use
 958.6 disorder resources with White Earth Nation
 958.7 members;
 958.8 (2) convene a planning circle with White Earth
 958.9 Nation members to design the tool;
 958.10 (3) provide and expand White Earth
 958.11 Nation-specific substance use disorder
 958.12 services; and
 958.13 (4) partner with an academic research
 958.14 institution to evaluate the efficacy of the
 958.15 program.

958.16 (m) **Wellness in the Woods.** \$300,000 in
 958.17 fiscal year 2024 and \$300,000 in fiscal year
 958.18 2025 are from the general fund for a grant to
 958.19 Wellness in the Woods for daily peer support
 958.20 and special sessions for individuals who are
 958.21 in substance use disorder recovery, are
 958.22 transitioning out of incarceration, or who have
 958.23 experienced trauma. These are onetime
 958.24 appropriations.

958.25 (n) **Base Level Adjustment.** The general fund
 958.26 base is \$3,247,000 in fiscal year 2026 and
 958.27 \$3,247,000 in fiscal year 2027.

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

958.29 Sec. 16. Laws 2023, chapter 70, article 20, section 2, subdivision 29, is amended to read:

958.30 Subd. 29. Grant Programs; Adult Mental Health		
958.31 Grants	132,327,000	121,270,000

958.32 (a) **Mobile crisis grants to Tribal Nations.**
 958.33 \$1,000,000 in fiscal year 2024 and \$1,000,000

959.1 in fiscal year 2025 are for mobile crisis grants
959.2 under Minnesota Statutes ~~section~~ sections
959.3 245.4661, subdivision 9, paragraph (b), clause
959.4 (15), and 245.4889, subdivision 1, paragraph
959.5 (b), clause (4), to Tribal Nations.

959.6 **(b) Mental health provider supervision**
959.7 **grant program.** \$1,500,000 in fiscal year
959.8 2024 and \$1,500,000 in fiscal year 2025 are
959.9 for the mental health provider supervision
959.10 grant program under Minnesota Statutes,
959.11 section 245.4663.

959.12 **(c) Minnesota State University, Mankato**
959.13 **community behavioral health center.**
959.14 \$750,000 in fiscal year 2024 and \$750,000 in
959.15 fiscal year 2025 are for a grant to the Center
959.16 for Rural Behavioral Health at Minnesota State
959.17 University, Mankato to establish a community
959.18 behavioral health center and training clinic.
959.19 The community behavioral health center must
959.20 provide comprehensive, culturally specific,
959.21 trauma-informed, practice- and
959.22 evidence-based, person- and family-centered
959.23 mental health and substance use disorder
959.24 treatment services in Blue Earth County and
959.25 the surrounding region to individuals of all
959.26 ages, regardless of an individual's ability to
959.27 pay or place of residence. The community
959.28 behavioral health center and training clinic
959.29 must also provide training and workforce
959.30 development opportunities to students enrolled
959.31 in the university's training programs in the
959.32 fields of social work, counseling and student
959.33 personnel, alcohol and drug studies,
959.34 psychology, and nursing. Upon request, the
959.35 commissioner must make information

960.1 regarding the use of this grant funding
960.2 available to the chairs and ranking minority
960.3 members of the legislative committees with
960.4 jurisdiction over behavioral health. This is a
960.5 onetime appropriation and is available until
960.6 June 30, 2027.

960.7 **(d) White Earth Nation; adult mental health**
960.8 **initiative.** \$300,000 in fiscal year 2024 and
960.9 \$300,000 in fiscal year 2025 are for adult
960.10 mental health initiative grants to the White
960.11 Earth Nation. This is a onetime appropriation.

960.12 **(e) Mobile crisis grants.** \$8,472,000 in fiscal
960.13 year 2024 and \$8,380,000 in fiscal year 2025
960.14 are for the mobile crisis grants under
960.15 Minnesota Statutes, ~~section~~ sections 245.4661,
960.16 subdivision 9, paragraph (b), clause (15), and
960.17 245.4889, subdivision 1, paragraph (b), clause
960.18 (4). This is a onetime appropriation and is
960.19 available until June 30, 2027.

960.20 **(f) Base level adjustment.** The general fund
960.21 base is \$121,980,000 in fiscal year 2026 and
960.22 \$121,980,000 in fiscal year 2027.

960.23 **Sec. 17. REIMBURSEMENT TO BELTRAMI COUNTY AND TODD COUNTY**
960.24 **FOR CERTAIN COST OF CARE PAYMENTS.**

960.25 This act includes \$336,680 in fiscal year 2025 for reimbursement of prior payments by
960.26 Beltrami County and the forgiveness of existing Beltrami County debt under article 49,
960.27 section 8, paragraph (a), and \$387,000 in fiscal year 2025 for reimbursement of prior
960.28 payments by Todd County and the forgiveness of existing Todd County debt under article
960.29 49, section 8, paragraph (b).

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

961.1 Sec. 18. **REVIVAL AND REENACTMENT.**

961.2 Minnesota Statutes 2022, section 256B.051, subdivision 7, is revived and reenacted
961.3 effective retroactively from August 1, 2023. Any time frames within or dependent on the
961.4 subdivision are based on the original effective date in Laws 2017, First Special Session
961.5 chapter 6, article 2, section 10.

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

961.7 Sec. 19. **APPROPRIATIONS GIVEN EFFECT ONCE.**

961.8 If an appropriation or transfer in this act is enacted more than once during the 2024
961.9 legislative session, the appropriation or transfer must be given effect once.

961.10 Sec. 20. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND BUDGET;**
961.11 **DIRECT CARE AND TREATMENT BUDGET.**

961.12 The commissioner of management and budget must identify any unexpended
961.13 appropriations and all base funding for the Direct Care and Treatment Division of the
961.14 Department of Human Services and allocate the identified unexpended appropriations and
961.15 base funding to Direct Care and Treatment when establishing the 2026-2027 biennial budget.

961.16 Sec. 21. **REPEALER.**

961.17 Laws 2023, chapter 25, section 190, subdivision 10, is repealed.

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

961.19 Sec. 22. **EXPIRATION OF UNCODIFIED LANGUAGE.**

961.20 All uncodified language contained in this article expires on June 30, 2025, unless a
961.21 different expiration date is explicit.

961.22 Sec. 23. **EFFECTIVE DATE.**

961.23 This article is effective July 1, 2024, unless a different effective date is specified.

962.1

ARTICLE 54

962.2

DEPARTMENT OF HUMAN SERVICES HEALTH CARE FINANCE

962.3

Section 1. Minnesota Statutes 2023 Supplement, section 256.9631, is amended to read:

962.4

256.9631 DIRECT PAYMENT SYSTEM ALTERNATIVE CARE DELIVERY

962.5

MODELS FOR MEDICAL ASSISTANCE AND MINNESOTACARE.

962.6

Subdivision 1. **Direction to the commissioner.** (a) The commissioner, in order to deliver

962.7

services to eligible individuals, achieve better health outcomes, and reduce the cost of health

962.8

care for the state, shall develop an implementation plan plans for a direct payment system

962.9

to deliver services to eligible individuals in order to achieve better health outcomes and

962.10

reduce the cost of health care for the state. Under this system, at least three care delivery

962.11

models that:

962.12

(1) are alternatives to the use of commercial managed care plans to deliver health care

962.13

to Minnesota health care program enrollees; and

962.14

(2) do not shift financial risk to nongovernmental entities.

962.15

(b) One of the alternative models must be a direct payment system under which eligible

962.16

individuals must receive services through the medical assistance fee-for-service system,

962.17

county-based purchasing plans, or and county-owned health maintenance organizations. At

962.18

least one additional model must include county-based purchasing plans and county-owned

962.19

health maintenance organizations in their design, and must allow these entities to deliver

962.20

care in geographic areas on a single plan basis, if:

962.21

(1) these entities contract with all providers that agree to contract terms for network

962.22

participation; and

962.23

(2) the commissioner of human services determines that an entity's provider network is

962.24

adequate to ensure enrollee access and choice.

962.25

(c) Before determining the alternative models for which implementation plans will be

962.26

developed, the commissioner shall consult with the chairs and ranking minority members

962.27

of the legislative committees with jurisdiction over health care finance and policy.

962.28

(d) The commissioner shall present an implementation plan plans for the direct payment

962.29

system selected models to the chairs and ranking minority members of the legislative

962.30

committees with jurisdiction over health care finance and policy by January 15, 2026. The

962.31

commissioner may contract for technical assistance in developing the implementation plan

962.32

plans and conducting related studies and analyses.

963.1 ~~(b) For the purposes of the direct payment system, the commissioner shall make the~~
963.2 ~~following assumptions:~~

963.3 ~~(1) health care providers are reimbursed directly for all medical assistance covered~~
963.4 ~~services provided to eligible individuals, using the fee-for-service payment methods specified~~
963.5 ~~in chapters 256, 256B, 256R, and 256S;~~

963.6 ~~(2) payments to a qualified hospital provider are equivalent to the payments that would~~
963.7 ~~have been received based on managed care direct payment arrangements. If necessary, a~~
963.8 ~~qualified hospital provider may use a county-owned health maintenance organization to~~
963.9 ~~receive direct payments as described in section 256B.1973; and~~

963.10 ~~(3) county-based purchasing plans and county-owned health maintenance organizations~~
963.11 ~~must be reimbursed at the capitation rate determined under sections 256B.69 and 256B.692.~~

963.12 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
963.13 meanings given.

963.14 (b) "Eligible individuals" means qualified all medical assistance enrollees, ~~defined as~~
963.15 ~~persons eligible for medical assistance as families and children and adults without children~~
963.16 and MinnesotaCare enrollees.

963.17 (c) "Minnesota health care programs" means the medical assistance and MinnesotaCare
963.18 programs.

963.19 ~~(e)~~ (d) "Qualified hospital provider" means a nonstate government teaching hospital
963.20 with high medical assistance utilization and a level 1 trauma center, and all of the hospital's
963.21 owned or affiliated health care professionals, ambulance services, sites, and clinics.

963.22 Subd. 3. **Implementation ~~plan~~ plans.** (a) ~~The~~ Each implementation plan must include:

963.23 (1) a timeline for the development and recommended implementation date of the ~~direct~~
963.24 ~~payment system~~ alternative model. In recommending a timeline, the commissioner must
963.25 consider:

963.26 (i) timelines required by the existing contracts with managed care plans and county-based
963.27 purchasing plans to sunset existing delivery models;

963.28 (ii) in counties that choose to operate a county-based purchasing plan under section
963.29 256B.692, timelines for any new procurements required for those counties to establish a
963.30 new county-based purchasing plan or participate in an existing county-based purchasing
963.31 plan;

964.1 (iii) in counties that choose to operate a county-owned health maintenance organization
964.2 under section 256B.69, timelines for any new procurements required for those counties to
964.3 establish a new county-owned health maintenance organization or to continue serving
964.4 enrollees through an existing county-owned health maintenance organization; and

964.5 (iv) a recommendation on whether the commissioner should contract with a third-party
964.6 administrator to administer the ~~direct payment system~~ alternative model, and the timeline
964.7 needed for procuring an administrator;

964.8 (2) the procedures to be used to ensure continuity of care for enrollees who transition
964.9 from managed care to fee-for-service and any administrative resources needed to carry out
964.10 these procedures;

964.11 (3) recommended quality measures for health care service delivery;

964.12 (4) any changes to fee-for-service payment rates that the commissioner determines are
964.13 necessary to ensure provider access and high-quality care and to reduce health disparities;

964.14 (5) recommendations on ensuring effective care coordination under the ~~direct payment~~
964.15 ~~system~~ alternative model, especially for enrollees who:

964.16 (i) are age 65 or older, blind, or have disabilities;

964.17 (ii) have complex medical conditions, ~~who;~~

964.18 (iii) face socioeconomic barriers to receiving care, ~~or who;~~ or

964.19 (iv) are from underserved populations that experience health disparities;

964.20 (6) recommendations on ~~whether the direct payment system should provide supplemental~~
964.21 ~~payments~~ payment arrangements for care coordination, including:

964.22 (i) the provider types eligible for ~~supplemental~~ care coordination payments;

964.23 (ii) procedures to coordinate ~~supplemental~~ care coordination payments with existing
964.24 supplemental or cost-based payment methods or to replace these existing methods; and

964.25 (iii) procedures to align care coordination initiatives funded ~~through supplemental~~
964.26 ~~payments~~ under ~~this section~~ the alternative model with existing care coordination initiatives;

964.27 (7) recommendations on whether the ~~direct payment system~~ alternative model should
964.28 include funding to providers for outreach initiatives to patients who, because of mental
964.29 illness, homelessness, or other circumstances, are unlikely to obtain needed care and
964.30 treatment;

965.1 (8) recommendations for a supplemental payment to qualified hospital providers to offset
965.2 any potential revenue losses resulting from the shift from managed care payments; and

965.3 ~~(9) recommendations on whether and how the direct payment system should be expanded~~
965.4 ~~to deliver services and care coordination to medical assistance enrollees who are age 65 or~~
965.5 ~~older, are blind, or have a disability and to persons enrolled in MinnesotaCare; and~~

965.6 ~~(10)~~ (9) recommendations for statutory changes necessary to implement the ~~direct~~
965.7 ~~payment system~~ alternative model.

965.8 (b) In developing the each implementation plan, the commissioner shall:

965.9 (1) calculate the projected cost of a ~~direct payment system~~ the alternative model relative
965.10 to the cost of the current system;

965.11 (2) assess gaps in care coordination under the current medical assistance and
965.12 MinnesotaCare programs;

965.13 (3) evaluate the effectiveness of approaches other states have taken to coordinate care
965.14 under a fee-for-service system, including the coordination of care provided to persons who
965.15 are age 65 or older, are blind, or have disabilities;

965.16 (4) estimate the loss of revenue and cost savings from other payment enhancements
965.17 based on managed care plan directed payments and pass-throughs;

965.18 (5) estimate cost trends under a ~~direct payment system~~ the alternative model for managed
965.19 care payments to county-based purchasing plans and county-owned health maintenance
965.20 organizations;

965.21 (6) estimate the impact of a ~~direct payment system~~ the alternative model on other revenue,
965.22 including taxes, surcharges, or other federally approved in lieu of services and on other
965.23 arrangements allowed under managed care;

965.24 (7) consider allowing eligible individuals to opt out of managed care as an alternative
965.25 approach;

965.26 ~~(8) assess the feasibility of a medical assistance outpatient prescription drug benefit~~
965.27 ~~carve-out under section 256B.69, subdivision 6d, and in consultation with the commissioners~~
965.28 ~~of commerce and health, assess the feasibility of including MinnesotaCare enrollees and~~
965.29 ~~private sector enrollees of health plan companies in the drug benefit carve-out. The~~
965.30 ~~assessment of feasibility must address and include recommendations related to the process~~
965.31 ~~and terms by which the commissioner would contract with health plan companies to~~

966.1 ~~administer prescription drug benefits and develop and manage a drug formulary, and the~~
966.2 ~~impact of the drug-benefit carve-out on health care providers, including small pharmacies;~~

966.3 ~~(9)~~ (8) consult with the commissioners of health and commerce and the contractor or
966.4 contractors analyzing the Minnesota Health Plan ~~under section 19~~ and other health reform
966.5 models on plan design and assumptions; and

966.6 ~~(10)~~ (9) conduct other analyses necessary to develop the implementation plan.

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

966.8 Sec. 2. Minnesota Statutes 2022, section 256.9657, is amended by adding a subdivision
966.9 to read:

966.10 **Subd. 2a. Teaching hospital surcharge.** (a) Each teaching hospital shall pay to the
966.11 medical assistance account a surcharge equal to 1.41 percent of its fiscal year 2021 net
966.12 patient revenue for inpatient services. The initial surcharge must not be collected more than
966.13 30 days before the commissioner makes the first of the payments required under section
966.14 256.969, subdivision 2g. Subsequent surcharge payments must be paid annually in the form
966.15 and manner specified by the commissioner. The surcharge must comply with all applicable
966.16 federal requirements and federal laws, including but not limited to Code of Federal
966.17 Regulations, title 42, section 433.68.

966.18 (b) Revenue from the surcharge must be used by the commissioner only to pay the
966.19 nonfederal share of the medical assistance supplemental payments described in section
966.20 256.969, subdivision 2g, and must be used to supplement, and not supplant, medical
966.21 assistance reimbursement to teaching hospitals.

966.22 (c) For purposes of this subdivision, "teaching hospital" means any Minnesota hospital
966.23 with a Centers for Medicare and Medicaid Services designation of "teaching hospital" as
966.24 reported on form CMS-2552-10, worksheet S-2, line 56, that is eligible for reimbursement
966.25 under section 256.969, subdivision 2g.

966.26 (d) Notwithstanding paragraph (c), the following hospitals are exempt from paying the
966.27 surcharge under this section:

966.28 (1) all hospitals in Minnesota designated as a children's hospital under Medicare, including
966.29 Children's Health Care, doing business as Children's Minnesota, and Gillette Children's
966.30 Specialty Healthcare, doing business as Gillette Children's;

966.31 (2) teaching hospitals with three or fewer full-time equivalent trainees, based on a
966.32 Medicare cost report filed for the fiscal year ending in 2022;

967.1 (3) federal Indian Health Service facilities; and

967.2 (4) regional treatment centers.

967.3 (e) The teaching hospital surcharge established under this subdivision must only be
967.4 assessed if the annual inpatient supplemental payments under section 256.969, subdivision
967.5 2g, are approved by the Centers for Medicare and Medicaid Services.

967.6 (f) The commissioner must reduce the surcharge percentage in paragraph (a) such that
967.7 the aggregate amount collected from hospitals under this subdivision does not exceed the
967.8 total amount needed for the nonfederal share of the annual inpatient supplemental payments
967.9 authorized by section 256.969, subdivision 2g.

967.10 (g) For purposes of this subdivision, net patient revenue for inpatient services must be
967.11 calculated by:

967.12 (1) determining gross inpatient hospital facility charges from the hospital's audited
967.13 statements or, if not contained or segregated within the hospital's audited financial statements,
967.14 using detailed internal financial income statements or schedules; and

967.15 (2) subtracting from gross inpatient hospital facility charges:

967.16 (i) all professional fee charges, home health charges, skilled nursing facility charges,
967.17 hospice charges, end-stage renal disease charges, and other nonhospital charges; and

967.18 (ii) applicable contractual allowances.

967.19 (h) Teaching hospitals subject to the surcharge under this subdivision shall submit to
967.20 the commissioner, in the form and manner specified by the commissioner, all documentation
967.21 necessary to provide reconciliation of the net patient revenue calculation under paragraph
967.22 (b).

967.23 (i) This subdivision is effective on the later of July 1, 2025, or 60 days after the end of
967.24 the first legislative regular session that begins following federal approval for all of the
967.25 following: (1) the amendment in this act adding section 256.9657, subdivision 2a; (2) the
967.26 amendment in this act to section 256.969, subdivision 2b; and (3) the amendment in this
967.27 act adding section 256.969, subdivision 2g. The commissioner of human services shall
967.28 notify the revisor of statutes when federal approval is obtained.

967.29 (j) This subdivision is subject to the implementation requirements in section 9.

967.30 (k) This subdivision expires June 30, 2030, or five years after federal approval is obtained,
967.31 whichever is later.

968.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 256.969, subdivision 2b, is amended
968.2 to read:

968.3 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
968.4 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
968.5 to the following:

968.6 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
968.7 methodology;

968.8 (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology
968.9 under subdivision 25;

968.10 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
968.11 distinct parts as defined by Medicare shall be paid according to the methodology under
968.12 subdivision 12; and

968.13 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

968.14 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
968.15 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
968.16 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
968.17 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
968.18 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
968.19 years are updated, a Minnesota long-term hospital's base year shall remain within the same
968.20 period as other hospitals.

968.21 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
968.22 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
968.23 area, except for the hospitals paid under the methodologies described in paragraph (a),
968.24 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
968.25 manner similar to Medicare. The base year or years for the rates effective November 1,
968.26 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
968.27 ensuring that the total aggregate payments under the rebased system are equal to the total
968.28 aggregate payments that were made for the same number and types of services in the base
968.29 year. Separate budget neutrality calculations shall be determined for payments made to
968.30 critical access hospitals and payments made to hospitals paid under the DRG system. Only
968.31 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being
968.32 rebased during the entire base period shall be incorporated into the budget neutrality
968.33 calculation.

969.1 (d) For discharges occurring on or after November 1, 2014, through the next rebasing
969.2 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph
969.3 (a), clause (4), shall include adjustments to the projected rates that result in no greater than
969.4 a five percent increase or decrease from the base year payments for any hospital. Any
969.5 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)
969.6 shall maintain budget neutrality as described in paragraph (c).

969.7 (e) For discharges occurring on or after November 1, 2014, the commissioner may make
969.8 additional adjustments to the rebased rates, and when evaluating whether additional
969.9 adjustments should be made, the commissioner shall consider the impact of the rates on the
969.10 following:

969.11 (1) pediatric services;

969.12 (2) behavioral health services;

969.13 (3) trauma services as defined by the National Uniform Billing Committee;

969.14 (4) transplant services;

969.15 (5) obstetric services, newborn services, and behavioral health services provided by
969.16 hospitals outside the seven-county metropolitan area;

969.17 (6) outlier admissions;

969.18 (7) low-volume providers; and

969.19 (8) services provided by small rural hospitals that are not critical access hospitals.

969.20 (f) Hospital payment rates established under paragraph (c) must incorporate the following:

969.21 (1) for hospitals paid under the DRG methodology, the base year payment rate per
969.22 admission is standardized by the applicable Medicare wage index and adjusted by the
969.23 hospital's disproportionate population adjustment;

969.24 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,
969.25 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on
969.26 October 31, 2014;

969.27 (3) the cost and charge data used to establish hospital payment rates must only reflect
969.28 inpatient services covered by medical assistance; and

969.29 (4) in determining hospital payment rates for discharges occurring on or after the rate
969.30 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
969.31 discharge shall be based on the cost-finding methods and allowable costs of the Medicare

970.1 program in effect during the base year or years. In determining hospital payment rates for
970.2 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
970.3 methods and allowable costs of the Medicare program in effect during the base year or
970.4 years.

970.5 (g) The commissioner shall validate the rates effective November 1, 2014, by applying
970.6 the rates established under paragraph (c), and any adjustments made to the rates under
970.7 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the
970.8 total aggregate payments for the same number and types of services under the rebased rates
970.9 are equal to the total aggregate payments made during calendar year 2013.

970.10 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
970.11 thereafter, payment rates under this section shall be rebased to reflect only those changes
970.12 in hospital costs between the existing base year or years and the next base year or years. In
970.13 any year that inpatient claims volume falls below the threshold required to ensure a
970.14 statistically valid sample of claims, the commissioner may combine claims data from two
970.15 consecutive years to serve as the base year. Years in which inpatient claims volume is
970.16 reduced or altered due to a pandemic or other public health emergency shall not be used as
970.17 a base year or part of a base year if the base year includes more than one year. Changes in
970.18 costs between base years shall be measured using the lower of the hospital cost index defined
970.19 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per
970.20 claim. The commissioner shall establish the base year for each rebasing period considering
970.21 the most recent year or years for which filed Medicare cost reports are available, except
970.22 that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019.
970.23 The estimated change in the average payment per hospital discharge resulting from a
970.24 scheduled rebasing must be calculated and made available to the legislature by January 15
970.25 of each year in which rebasing is scheduled to occur, and must include by hospital the
970.26 differential in payment rates compared to the individual hospital's costs.

970.27 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
970.28 for critical access hospitals located in Minnesota or the local trade area shall be determined
970.29 using a new cost-based methodology. The commissioner shall establish within the
970.30 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
970.31 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
970.32 the total cost for critical access hospitals as reflected in base year cost reports. Until the
970.33 next rebasing that occurs, the new methodology shall result in no greater than a five percent
970.34 decrease from the base year payments for any hospital, except a hospital that had payments
970.35 that were greater than 100 percent of the hospital's costs in the base year shall have their

971.1 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
971.2 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
971.3 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
971.4 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
971.5 following criteria:

971.6 (1) hospitals that had payments at or below 80 percent of their costs in the base year
971.7 shall have a rate set that equals 85 percent of their base year costs;

971.8 (2) hospitals that had payments that were above 80 percent, up to and including 90
971.9 percent of their costs in the base year shall have a rate set that equals 95 percent of their
971.10 base year costs; and

971.11 (3) hospitals that had payments that were above 90 percent of their costs in the base year
971.12 shall have a rate set that equals 100 percent of their base year costs.

971.13 (j) The commissioner may refine the payment tiers and criteria for critical access hospitals
971.14 to coincide with the next rebasing under paragraph (h). The factors used to develop the new
971.15 methodology may include, but are not limited to:

971.16 (1) the ratio between the hospital's costs for treating medical assistance patients and the
971.17 hospital's charges to the medical assistance program;

971.18 (2) the ratio between the hospital's costs for treating medical assistance patients and the
971.19 hospital's payments received from the medical assistance program for the care of medical
971.20 assistance patients;

971.21 (3) the ratio between the hospital's charges to the medical assistance program and the
971.22 hospital's payments received from the medical assistance program for the care of medical
971.23 assistance patients;

971.24 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

971.25 (5) the proportion of that hospital's costs that are administrative and trends in
971.26 administrative costs; and

971.27 (6) geographic location.

971.28 (k) Subject to subdivision 2g, effective for discharges occurring on or after January 1,
971.29 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include
971.30 a rate factor specific to each hospital that qualifies for a medical education and research
971.31 cost distribution under section 62J.692, subdivision 4, paragraph (a).

972.1 **EFFECTIVE DATE.** (a) This section is effective the later of July 1, 2025, or 60 days
972.2 after the end of the first legislative session that begins following federal approval of all of
972.3 the following:

972.4 (1) the amendment in this act to add Minnesota Statutes, section 256.9657, subdivision
972.5 2a;

972.6 (2) the amendments in this act to Minnesota Statutes, section 256.969, subdivision 2b;
972.7 and

972.8 (3) the amendment in this act to add Minnesota Statutes, section 256.969, subdivision
972.9 2g.

972.10 (b) The commissioner of human services shall notify the revisor of statutes when federal
972.11 approval is obtained.

972.12 Sec. 4. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to
972.13 read:

972.14 Subd. 2g. **Annual supplemental payment for graduate medical education.** (a) The
972.15 commissioner and contracted managed care organizations shall annually pay an inpatient
972.16 supplemental payment to all eligible hospitals for graduate medical education. A hospital
972.17 must be an eligible hospital to receive an annual supplemental payment under this
972.18 subdivision. Payments under this subdivision must comply with all applicable federal
972.19 requirements and federal laws and meet the requirements of Code of Federal Regulations,
972.20 title 42, section 438.60.

972.21 (b) For purposes of this subdivision, "eligible hospital" means a hospital that:

972.22 (1) is located in Minnesota;

972.23 (2) participates in Minnesota's medical assistance program;

972.24 (3) has received fee-for-service medical assistance payments in the payment year; and

972.25 (4) is either:

972.26 (i) eligible to receive graduate medical education payments from the Medicare program
972.27 under Code of Federal Regulations, title 42, section 413.75; or

972.28 (ii) a hospital in Minnesota designated as a children's hospital under Medicare, including
972.29 Children's Health Care, doing business as Children's Minnesota, and Gillette Children's
972.30 Specialty Healthcare, doing business as Gillette Children's.

972.31 (c) The annual inpatient supplemental payment must be calculated as follows:

973.1 (1) \$425,000 per full-time equivalent trained for each of the first ten full-time equivalents
973.2 at a hospital;

973.3 (2) \$350,000 per full-time equivalent trained for each full-time equivalent between 11
973.4 and 20 full-time equivalents at a hospital;

973.5 (3) \$95,000 per full-time equivalent trained for each full-time equivalent between 21
973.6 and 30 full-time equivalents at a hospital;

973.7 (4) \$70,000 per full-time equivalent trained for each full-time equivalent between 31
973.8 and 400 full-time equivalents at a hospital; and

973.9 (5) \$50,000 per full-time equivalent trained for each full-time equivalent above 401
973.10 full-time equivalents at a hospital.

973.11 (d) The data source for the full-time equivalent trained under paragraph (c) must be the
973.12 Medicare cost report for the fiscal year ending in calendar year 2022. The full-time equivalent
973.13 is calculated by adding the two values populated on lines 10 and 11 on worksheet E, part
973.14 A, of the Medicare cost report for that year, except that for eligible hospitals that are children's
973.15 hospitals, the full-time equivalent is calculated based on interns and residents, as determined
973.16 by adding form CMS-2552-10, worksheet E-4, lines 6, 10.01, and 15.01, or its equivalent,
973.17 for that year.

973.18 (e) An eligible hospital must not accept any reimbursement under section 62J.692 if it
973.19 would result in payments in excess of eligible expenditures. The surcharge paid under section
973.20 256.9657, subdivision 2a, and the payment received under this section must be reported in
973.21 the application under section 62J.692.

973.22 (f) The supplemental payments under this subdivision:

973.23 (1) must not be included as public program revenue under section 62J.692; and

973.24 (2) must be deemed permissible pass-through payments for graduate medical education
973.25 under Code of Federal Regulations, title 42, section 438.6(d), or when the state makes
973.26 payments directly to teaching hospitals for graduate medical education costs approved under
973.27 the state plan under Code of Federal Regulations, title 42, section 438.60.

973.28 (g) The total aggregate state and federal supplemental payments for hospitals under this
973.29 subdivision must not exceed \$203,000,000 per year. The commissioner may reduce the
973.30 amount paid for each full-time equivalent, as described in paragraph (c), on an equal basis
973.31 to limit the total cost of all supplemental payments to the total dollar amounts available.

974.1 (h) This subdivision is effective the later of July 1, 2025, or 60 days after the end of the
974.2 first legislative regular session that begins following federal approval for all of the following:
974.3 (1) the amendment in this act adding section 256.9657, subdivision 2a; (2) the amendment
974.4 in this act to section 256.969, subdivision 2b; and (3) the amendment in this act to add
974.5 section 256.969, subdivision 2g. The commissioner of human services shall notify the revisor
974.6 of statutes when federal approval is obtained.

974.7 (i) This subdivision is subject to the implementation requirements in section 9.

974.8 (j) This subdivision expires June 30, 2030, or five years after federal approval is obtained,
974.9 whichever is later.

974.10 Sec. 5. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to
974.11 read:

974.12 Subd. 32. **Biological products for cell and gene therapy.** (a) Effective July 1, 2025,
974.13 and upon necessary federal approval of documentation required to enter into a value-based
974.14 arrangement under section 256B.0625, subdivision 13k, the commissioner may provide
974.15 separate reimbursement to hospitals for biological products provided in the inpatient hospital
974.16 setting as part of cell or gene therapy to treat rare diseases, as defined in United States Code,
974.17 title 21, section 360bb, if the drug manufacturer enters into a value-based arrangement with
974.18 the commissioner.

974.19 (b) The commissioner shall establish the separate reimbursement rate for biological
974.20 products provided under paragraph (a) based on the methodology used for drugs administered
974.21 in an outpatient setting under section 256B.0625, subdivision 13e, paragraph (e).

974.22 **EFFECTIVE DATE.** This section is effective July 1, 2025.

974.23 Sec. 6. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13e, as
974.24 amended by Laws 2024, chapter 85, section 66, is amended to read:

974.25 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall
974.26 be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the
974.27 usual and customary price charged to the public. The usual and customary price means the
974.28 lowest price charged by the provider to a patient who pays for the prescription by cash,
974.29 check, or charge account and includes prices the pharmacy charges to a patient enrolled in
974.30 a prescription savings club or prescription discount club administered by the pharmacy or
974.31 pharmacy chain. The amount of payment basis must be reduced to reflect all discount
974.32 amounts applied to the charge by any third-party provider/insurer agreement or contract for

975.1 submitted charges to medical assistance programs. The net submitted charge may not be
975.2 greater than the patient liability for the service. The professional dispensing fee shall be
975.3 ~~\$10.77~~ \$11.55 for prescriptions filled with legend drugs meeting the definition of "covered
975.4 outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The
975.5 dispensing fee for intravenous solutions that must be compounded by the pharmacist shall
975.6 be ~~\$10.77~~ \$11.55 per claim. The professional dispensing fee for prescriptions filled with
975.7 over-the-counter drugs meeting the definition of covered outpatient drugs shall be ~~\$10.77~~
975.8 \$11.55 for dispensed quantities equal to or greater than the number of units contained in
975.9 the manufacturer's original package. The professional dispensing fee shall be prorated based
975.10 on the percentage of the package dispensed when the pharmacy dispenses a quantity less
975.11 than the number of units contained in the manufacturer's original package. The pharmacy
975.12 dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered
975.13 outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units
975.14 contained in the manufacturer's original package and shall be prorated based on the
975.15 percentage of the package dispensed when the pharmacy dispenses a quantity less than the
975.16 number of units contained in the manufacturer's original package. The National Average
975.17 Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug.
975.18 For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient
975.19 cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for
975.20 a provider participating in the federal 340B Drug Pricing Program shall be either the 340B
975.21 Drug Pricing Program ceiling price established by the Health Resources and Services
975.22 Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as
975.23 the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in
975.24 the United States, not including prompt pay or other discounts, rebates, or reductions in
975.25 price, for the most recent month for which information is available, as reported in wholesale
975.26 price guides or other publications of drug or biological pricing data. The maximum allowable
975.27 cost of a multisource drug may be set by the commissioner and it shall be comparable to
975.28 the actual acquisition cost of the drug product and no higher than the NADAC of the generic
975.29 product. Establishment of the amount of payment for drugs shall not be subject to the
975.30 requirements of the Administrative Procedure Act.

975.31 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
975.32 an automated drug distribution system meeting the requirements of section 151.58, or a
975.33 packaging system meeting the packaging standards set forth in Minnesota Rules, part
975.34 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
975.35 retrospective billing for prescription drugs dispensed to long-term care facility residents. A
975.36 retrospectively billing pharmacy must submit a claim only for the quantity of medication

976.1 used by the enrolled recipient during the defined billing period. A retrospectively billing
976.2 pharmacy must use a billing period not less than one calendar month or 30 days.

976.3 (c) A pharmacy provider using packaging that meets the standards set forth in Minnesota
976.4 Rules, part 6800.2700, is required to credit the department for the actual acquisition cost
976.5 of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective
976.6 billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that
976.7 is less than a 30-day supply.

976.8 (d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC
976.9 of the generic product or the maximum allowable cost established by the commissioner
976.10 unless prior authorization for the brand name product has been granted according to the
976.11 criteria established by the Drug Formulary Committee as required by subdivision 13f,
976.12 paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in
976.13 a manner consistent with section 151.21, subdivision 2.

976.14 (e) The basis for determining the amount of payment for drugs administered in an
976.15 outpatient setting shall be the lower of the usual and customary cost submitted by the
976.16 provider, 106 percent of the average sales price as determined by the United States
976.17 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
976.18 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost
976.19 set by the commissioner. If average sales price is unavailable, the amount of payment must
976.20 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition
976.21 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner.
976.22 The commissioner shall discount the payment rate for drugs obtained through the federal
976.23 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an
976.24 outpatient setting shall be made to the administering facility or practitioner. A retail or
976.25 specialty pharmacy dispensing a drug for administration in an outpatient setting is not
976.26 eligible for direct reimbursement.

976.27 (f) The commissioner may establish maximum allowable cost rates for specialty pharmacy
976.28 products that are lower than the ingredient cost formulas specified in paragraph (a). The
976.29 commissioner may require individuals enrolled in the health care programs administered
976.30 by the department to obtain specialty pharmacy products from providers with whom the
976.31 commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are
976.32 defined as those used by a small number of recipients or recipients with complex and chronic
976.33 diseases that require expensive and challenging drug regimens. Examples of these conditions
976.34 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C,
976.35 growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of

977.1 cancer. Specialty pharmaceutical products include injectable and infusion therapies,
977.2 biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that
977.3 require complex care. The commissioner shall consult with the Formulary Committee to
977.4 develop a list of specialty pharmacy products subject to maximum allowable cost
977.5 reimbursement. In consulting with the Formulary Committee in developing this list, the
977.6 commissioner shall take into consideration the population served by specialty pharmacy
977.7 products, the current delivery system and standard of care in the state, and access to care
977.8 issues. The commissioner shall have the discretion to adjust the maximum allowable cost
977.9 to prevent access to care issues.

977.10 (g) Home infusion therapy services provided by home infusion therapy pharmacies must
977.11 be paid at rates according to subdivision 8d.

977.12 (h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey
977.13 for all pharmacies that are physically located in the state of Minnesota that dispense outpatient
977.14 drugs under medical assistance. The commissioner shall ensure that the vendor has prior
977.15 experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the
977.16 department to dispense outpatient prescription drugs to fee-for-service members must
977.17 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under
977.18 section 256B.064 for failure to respond. The commissioner shall require the vendor to
977.19 measure a single statewide cost of dispensing for specialty prescription drugs and a single
977.20 statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies
977.21 to measure the mean, mean weighted by total prescription volume, mean weighted by
977.22 medical assistance prescription volume, median, median weighted by total prescription
977.23 volume, and median weighted by total medical assistance prescription volume. The
977.24 commissioner shall post a copy of the final cost of dispensing survey report on the
977.25 department's website. The initial survey must be completed no later than January 1, 2021,
977.26 and repeated every three years. The commissioner shall provide a summary of the results
977.27 of each cost of dispensing survey and provide recommendations for any changes to the
977.28 dispensing fee to the chairs and ranking minority members of the legislative committees
977.29 with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section
977.30 256.01, subdivision 42, this paragraph does not expire.

977.31 (i) The commissioner shall increase the ingredient cost reimbursement calculated in
977.32 paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to
977.33 the wholesale drug distributor tax under section 295.52.

977.34 **EFFECTIVE DATE.** This section is effective October 1, 2024.

978.1 Sec. 7. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13k, is
978.2 amended to read:

978.3 Subd. 13k. **Value-based purchasing arrangements.** (a) The commissioner may enter
978.4 into a value-based purchasing arrangement under medical assistance or MinnesotaCare, by
978.5 written arrangement with a drug manufacturer based on agreed-upon metrics. The
978.6 commissioner may contract with a vendor to implement and administer the value-based
978.7 purchasing arrangement. A value-based purchasing arrangement may include but is not
978.8 limited to rebates, discounts, price reductions, risk sharing, reimbursements, guarantees,
978.9 shared savings payments, withholds, or bonuses. A value-based purchasing arrangement
978.10 must provide at least the same value or discount in the aggregate as would claiming the
978.11 mandatory federal drug rebate under the Federal Social Security Act, section 1927.

978.12 (b) Nothing in this section shall be interpreted as requiring a drug manufacturer or the
978.13 commissioner to enter into an arrangement as described in paragraph (a).

978.14 (c) Nothing in this section shall be interpreted as altering or modifying medical assistance
978.15 coverage requirements under the federal Social Security Act, section 1927.

978.16 (d) If the commissioner determines that a state plan amendment is necessary before
978.17 implementing a value-based purchasing arrangement, the commissioner shall request the
978.18 amendment and may delay implementing this provision until the amendment is approved.

978.19 (e) The commissioner may provide separate reimbursement to hospitals for drugs provided
978.20 in the inpatient hospital setting as part of a value-based purchasing arrangement. This
978.21 payment must be separate from the diagnostic related group reimbursement for the inpatient
978.22 admission or discharge associated with a stay during which the patient received a drug under
978.23 this section. For payments made under this section, the hospital must not be reimbursed for
978.24 the drug under the payment methodology in section 256.969. The commissioner shall
978.25 establish the separate reimbursement rate for drugs provided under this section based on
978.26 the methodology used for drugs administered in an outpatient setting under section
978.27 256B.0625, subdivision 13e, paragraph (e).

978.28 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
978.29 of human services shall notify the revisor of statutes when federal approval is obtained.

978.30 Sec. 8. Minnesota Statutes 2023 Supplement, section 256L.04, subdivision 10, is amended
978.31 to read:

978.32 Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is available to
978.33 citizens or nationals of the United States; lawfully present noncitizens as defined in Code

979.1 of Federal Regulations, ~~title 8, section 103.12~~ title 45, section 155.20; and undocumented
979.2 noncitizens. For purposes of this subdivision, an undocumented noncitizen is an individual
979.3 who resides in the United States without the approval or acquiescence of the United States
979.4 Citizenship and Immigration Services. Families with children who are citizens or nationals
979.5 of the United States must cooperate in obtaining satisfactory documentary evidence of
979.6 citizenship or nationality according to the requirements of the federal Deficit Reduction
979.7 Act of 2005, Public Law 109-171.

979.8 (b) Notwithstanding subdivisions 1 and 7, eligible persons include families and
979.9 individuals who are ineligible for medical assistance by reason of immigration status and
979.10 who have incomes equal to or less than 200 percent of federal poverty guidelines, except
979.11 that these persons may be eligible for emergency medical assistance under section 256B.06,
979.12 subdivision 4.

979.13 **EFFECTIVE DATE.** This section is effective November 1, 2024.

979.14 **Sec. 9. IMPLEMENTATION OF TEACHING HOSPITAL SURCHARGE AND**
979.15 **GRADUATE MEDICAL EDUCATION SUPPLEMENTAL PAYMENT.**

979.16 (a) The commissioner of human services shall submit to the Centers for Medicare and
979.17 Medicaid Services a request for federal approval to implement the teaching hospital surcharge
979.18 under Minnesota Statutes, section 256.9657, subdivision 2a, and the graduate medical
979.19 education supplemental payments under Minnesota Statutes, section 256.969, subdivisions
979.20 2b and 2g. At least 60 days before submitting the request for approval, the commissioner
979.21 of human services shall make available to the public the draft surcharge requirements, draft
979.22 supplemental payment rates, and an estimate of each nonexempt hospital's surcharge amount.
979.23 The commissioner shall provide at least 60 days for public comment.

979.24 (b) During the design, and prior to submission, of the request for approval described in
979.25 paragraph (a), the commissioner must consult with representatives of eligible hospitals, as
979.26 defined in Minnesota Statutes, section 256.969, subdivision 2g.

979.27 (c) If federal approval is received under paragraph (a), the commissioner shall provide
979.28 a 30-day public comment period on the federally approved terms and conditions for the
979.29 surcharge and supplemental payments. If, during the 30-day comment period, the
979.30 commissioner receives a documented, written statement of opposition from representatives
979.31 of one or more eligible hospitals, as defined in Minnesota Statutes, section 256.9657,
979.32 subdivision 2a, the commissioner shall publish the written statement and indefinitely suspend
979.33 implementation of both the teaching hospital surcharge under Minnesota Statutes, section

980.1 256.9657, subdivision 2a, and the supplemental payments under Minnesota Statutes, section
980.2 256.969, subdivisions 2b and 2g.

980.3 (d) By December 15, 2024, the commissioner of health may make recommendations to
980.4 the legislature for program modifications and conforming amendments to Minnesota Statutes,
980.5 section 62J.692, that are necessary as a result of the amendments to Minnesota Statutes,
980.6 section 256.969, subdivisions 2b and 2g. In developing the recommendations under this
980.7 paragraph, the commissioner of health must consult with eligible hospitals, as defined in
980.8 Minnesota Statutes, section 256.969, subdivision 2g.

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

980.10 **Sec. 10. COUNTY-ADMINISTERED RURAL MEDICAL ASSISTANCE MODEL.**

980.11 Subdivision 1. **Model development.** (a) The commissioner of human services, in
980.12 collaboration with the Association of Minnesota Counties and county-based purchasing
980.13 plans, shall develop a county-administered rural medical assistance (CARMA) model and
980.14 a detailed plan for implementing the CARMA model.

980.15 (b) The CARMA model must be designed to achieve the following objectives:

980.16 (1) provide a distinct county owned and administered alternative to the prepaid medical
980.17 assistance program;

980.18 (2) facilitate greater integration of health care and social services to address social
980.19 determinants of health in rural communities, with the degree of integration of social services
980.20 varying with each county's needs and resources;

980.21 (3) account for the smaller number of medical assistance enrollees and locally available
980.22 providers of behavioral health, oral health, specialty and tertiary care, nonemergency medical
980.23 transportation, and other health care services in rural communities; and

980.24 (4) promote greater accountability for health outcomes, health equity, customer service,
980.25 community outreach, and cost of care.

980.26 Subd. 2. **County participation.** The CARMA model must give each rural county the
980.27 option of applying to participate in the CARMA model as an alternative to participation in
980.28 the prepaid medical assistance program. The CARMA model must include a process for
980.29 the commissioner to determine whether and how a rural county can participate.

980.30 Subd. 3. **Report to the legislature.** (a) The commissioner shall report recommendations
980.31 and an implementation plan for the CARMA model to the chairs and ranking minority
980.32 members of the legislative committees with jurisdiction over health care policy and finance

981.1 by January 15, 2025. The CARMA model and implementation plan must address the issues
 981.2 and consider the recommendations identified in the document titled "Recommendations
 981.3 Not Contingent on Outcome(s) of Current Litigation," attached to the September 13, 2022,
 981.4 e-filing to the Second Judicial District Court (Correspondence for Judicial Approval Index
 981.5 #102), that relates to the final contract decisions of the commissioner of human services
 981.6 regarding *South Country Health Alliance v. Minnesota Department of Human Services*, No.
 981.7 62-CV-22-907 (Ramsey Cnty. Dist. Ct. 2022).

981.8 (b) The report must also identify the clarifications, approvals, and waivers that are needed
 981.9 from the Centers for Medicare and Medicaid Services and include any draft legislation
 981.10 necessary to implement the CARMA model.

981.11 **ARTICLE 55**

981.12 **DEPARTMENT OF HUMAN SERVICES HEALTH CARE POLICY**

981.13 Section 1. Minnesota Statutes 2022, section 62M.01, subdivision 3, is amended to read:

981.14 Subd. 3. **Scope.** (a) Nothing in this chapter applies to review of claims after submission
 981.15 to determine eligibility for benefits under a health benefit plan. The appeal procedure
 981.16 described in section 62M.06 applies to any complaint as defined under section 62Q.68,
 981.17 subdivision 2, that requires a medical determination in its resolution.

981.18 (b) Effective January 1, 2026, this chapter ~~does not apply~~ applies to managed care plans
 981.19 or county-based purchasing plans when the plan is providing coverage to state public health
 981.20 care program enrollees under chapter 256B or 256L.

981.21 (c) Effective January 1, 2026, the following sections of this chapter apply to services
 981.22 delivered under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to
 981.23 18, and 21; 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07;
 981.24 62M.072; 62M.09; 62M.10; 62M.12; 62M.17, subdivision 2; and 62M.18.

981.25 Sec. 2. Minnesota Statutes 2023 Supplement, section 256.0471, subdivision 1, as amended
 981.26 by Laws 2024, chapter 80, article 1, section 76, is amended to read:

981.27 Subdivision 1. **Qualifying overpayment.** Any overpayment for state-funded medical
 981.28 assistance under chapter 256B and state-funded MinnesotaCare under chapter 256L granted
 981.29 pursuant to section 256.045, subdivision 10; ~~chapter 256B for state-funded medical~~
 981.30 assistance; and for assistance granted under chapters 256D, 256I, and 256K, and 256L for
 981.31 state-funded MinnesotaCare except agency error claims, become a judgment by operation
 981.32 of law 90 days after the notice of overpayment is personally served upon the recipient in a

982.1 manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts,
982.2 or by certified mail, return receipt requested. This judgment shall be entitled to full faith
982.3 and credit in this and any other state.

982.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

982.5 Sec. 3. Minnesota Statutes 2022, section 256.9657, subdivision 8, is amended to read:

982.6 Subd. 8. **Commissioner's duties.** ~~(a) Beginning October 1, 2023, the commissioner of~~
982.7 ~~human services shall annually report to the chairs and ranking minority members of the~~
982.8 ~~legislative committees with jurisdiction over health care policy and finance regarding the~~
982.9 ~~provider surcharge program. The report shall include information on total billings, total~~
982.10 ~~collections, and administrative expenditures for the previous fiscal year. This paragraph~~
982.11 ~~expires January 1, 2032.~~

982.12 ~~(b)~~ (a) The surcharge shall be adjusted by inflationary and caseload changes in future
982.13 bienniums to maintain reimbursement of health care providers in accordance with the
982.14 requirements of the state and federal laws governing the medical assistance program,
982.15 including the requirements of the Medicaid moratorium amendments of 1991 found in
982.16 Public Law No. 102-234.

982.17 ~~(e)~~ (b) The commissioner shall request the Minnesota congressional delegation to support
982.18 a change in federal law that would prohibit federal disallowances for any state that makes
982.19 a good faith effort to comply with Public Law 102-234 by enacting conforming legislation
982.20 prior to the issuance of federal implementing regulations.

982.21 Sec. 4. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to
982.22 read:

982.23 Subd. 2h. **Alternate inpatient payment rate for a discharge.** (a) Effective retroactively
982.24 from January 1, 2024, in any rate year in which a children's hospital discharge is included
982.25 in the federally required disproportionate share hospital payment audit, where the patient
982.26 discharged had resided in a children's hospital for over 20 years, the commissioner shall
982.27 compute an alternate inpatient rate for the children's hospital. The alternate payment rate
982.28 must be the rate computed under this section excluding the disproportionate share hospital
982.29 payment under subdivision 9, paragraph (d), clause (1), increased by an amount equal to
982.30 99 percent of what the disproportionate share hospital payment would have been under
982.31 subdivision 9, paragraph (d), clause (1), had the discharge been excluded.

983.1 (b) In any rate year in which payment to a children's hospital is made using this alternate
983.2 payment rate, payments must not be made to the hospital under subdivisions 2e, 2f, and 9.

983.3 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
983.4 of human services shall notify the revisor of statutes when federal approval is obtained.

983.5 Sec. 5. Minnesota Statutes 2022, section 256B.056, subdivision 1a, is amended to read:

983.6 Subd. 1a. **Income and assets generally.** (a)(1) Unless specifically required by state law
983.7 or rule or federal law or regulation, the methodologies used in counting income and assets
983.8 to determine eligibility for medical assistance for persons whose eligibility category is based
983.9 on blindness, disability, or age of 65 or more years, the methodologies for the Supplemental
983.10 Security Income program shall be used, except as provided ~~under~~ in clause (2) and
983.11 subdivision 3, paragraph (a), clause (6).

983.12 (2) State tax credits, rebates, and refunds must not be counted as income. State tax credits,
983.13 rebates, and refunds must not be counted as assets for a period of 12 months after the month
983.14 of receipt.

983.15 ~~(2)~~ (3) Increases in benefits under title II of the Social Security Act shall not be counted
983.16 as income for purposes of this subdivision until July 1 of each year. Effective upon federal
983.17 approval, for children eligible under section 256B.055, subdivision 12, or for home and
983.18 community-based waiver services whose eligibility for medical assistance is determined
983.19 without regard to parental income, child support payments, including any payments made
983.20 by an obligor in satisfaction of or in addition to a temporary or permanent order for child
983.21 support, and Social Security payments are not counted as income.

983.22 (b)(1) The modified adjusted gross income methodology as defined in United States
983.23 Code, title 42, section 1396a(e)(14), shall be used for eligibility categories based on:

983.24 (i) children under age 19 and their parents and relative caretakers as defined in section
983.25 256B.055, subdivision 3a;

983.26 (ii) children ages 19 to 20 as defined in section 256B.055, subdivision 16;

983.27 (iii) pregnant women as defined in section 256B.055, subdivision 6;

983.28 (iv) infants as defined in sections 256B.055, subdivision 10, and 256B.057, subdivision
983.29 1; and

983.30 (v) adults without children as defined in section 256B.055, subdivision 15.

983.31 For these purposes, a "methodology" does not include an asset or income standard, or
983.32 accounting method, or method of determining effective dates.

984.1 (2) For individuals whose income eligibility is determined using the modified adjusted
984.2 gross income methodology in clause (1):

984.3 (i) the commissioner shall subtract from the individual's modified adjusted gross income
984.4 an amount equivalent to five percent of the federal poverty guidelines; and

984.5 (ii) the individual's current monthly income and household size is used to determine
984.6 eligibility for the 12-month eligibility period. If an individual's income is expected to vary
984.7 month to month, eligibility is determined based on the income predicted for the 12-month
984.8 eligibility period.

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

984.10 Sec. 6. Minnesota Statutes 2022, section 256B.056, subdivision 10, is amended to read:

984.11 Subd. 10. **Eligibility verification.** (a) The commissioner shall require women who are
984.12 applying for the continuation of medical assistance coverage following the end of the
984.13 12-month postpartum period to update their income and asset information and to submit
984.14 any required income or asset verification.

984.15 (b) The commissioner shall determine the eligibility of private-sector health care coverage
984.16 for infants less than one year of age eligible under section 256B.055, subdivision 10, or
984.17 256B.057, subdivision 1, paragraph (c), and shall pay for private-sector coverage if this is
984.18 determined to be cost-effective.

984.19 (c) The commissioner shall verify assets and income for all applicants, and for all
984.20 recipients upon renewal.

984.21 (d) The commissioner shall utilize information obtained through the electronic service
984.22 established by the secretary of the United States Department of Health and Human Services
984.23 and other available electronic data sources in Code of Federal Regulations, title 42, sections
984.24 435.940 to 435.956, to verify eligibility requirements. The commissioner shall establish
984.25 standards to define when information obtained electronically is reasonably compatible with
984.26 information provided by applicants and enrollees, including use of self-attestation, to
984.27 accomplish real-time eligibility determinations and maintain program integrity.

984.28 (e) Each person applying for or receiving medical assistance under section 256B.055,
984.29 subdivision 7, and any other person whose resources are required by law to be disclosed to
984.30 determine the applicant's or recipient's eligibility must authorize the commissioner to obtain
984.31 information from financial institutions to ~~identify unreported accounts~~ verify assets as
984.32 required in section 256.01, subdivision 18f. If a person refuses or revokes the authorization,
984.33 the commissioner may determine that the applicant or recipient is ineligible for medical

985.1 assistance. For purposes of this paragraph, an authorization to ~~identify unreported accounts~~
985.2 verify assets meets the requirements of the Right to Financial Privacy Act, United States
985.3 Code, title 12, chapter 35, and need not be furnished to the financial institution.

985.4 (f) County and tribal agencies shall comply with the standards established by the
985.5 commissioner for appropriate use of the asset verification system specified in section 256.01,
985.6 subdivision 18f.

985.7 Sec. 7. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 8, is amended
985.8 to read:

985.9 Subd. 8. **Medical assistance payment for assertive community treatment and**
985.10 **intensive residential treatment services.** (a) Payment for intensive residential treatment
985.11 services and assertive community treatment in this section shall be based on one daily rate
985.12 per provider inclusive of the following services received by an eligible client in a given
985.13 calendar day: all rehabilitative services under this section, staff travel time to provide
985.14 rehabilitative services under this section, and nonresidential crisis stabilization services
985.15 under section 256B.0624.

985.16 (b) Except as indicated in paragraph (c), payment will not be made to more than one
985.17 entity for each client for services provided under this section on a given day. If services
985.18 under this section are provided by a team that includes staff from more than one entity, the
985.19 team must determine how to distribute the payment among the members.

985.20 (c) The commissioner shall determine one rate for each provider that will bill medical
985.21 assistance for residential services under this section and one rate for each assertive community
985.22 treatment provider. If a single entity provides both services, one rate is established for the
985.23 entity's residential services and another rate for the entity's nonresidential services under
985.24 this section. A provider is not eligible for payment under this section without authorization
985.25 from the commissioner. The commissioner shall develop rates using the following criteria:

985.26 (1) the provider's cost for services shall include direct services costs, other program
985.27 costs, and other costs determined as follows:

985.28 (i) the direct services costs must be determined using actual costs of salaries, benefits,
985.29 payroll taxes, and training of direct service staff and service-related transportation;

985.30 (ii) other program costs not included in item (i) must be determined as a specified
985.31 percentage of the direct services costs as determined by item (i). The percentage used shall
985.32 be determined by the commissioner based upon the average of percentages that represent

986.1 the relationship of other program costs to direct services costs among the entities that provide
986.2 similar services;

986.3 (iii) physical plant costs calculated based on the percentage of space within the program
986.4 that is entirely devoted to treatment and programming. This does not include administrative
986.5 or residential space;

986.6 (iv) assertive community treatment physical plant costs must be reimbursed as part of
986.7 the costs described in item (ii); and

986.8 (v) subject to federal approval, up to an additional five percent of the total rate may be
986.9 added to the program rate as a quality incentive based upon the entity meeting performance
986.10 criteria specified by the commissioner;

986.11 (2) actual cost is defined as costs which are allowable, allocable, and reasonable, and
986.12 consistent with federal reimbursement requirements under Code of Federal Regulations,
986.13 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
986.14 Budget Circular Number A-122, relating to nonprofit entities;

986.15 (3) the number of service units;

986.16 (4) the degree to which clients will receive services other than services under this section;
986.17 and

986.18 (5) the costs of other services that will be separately reimbursed.

986.19 (d) The rate for intensive residential treatment services and assertive community treatment
986.20 must exclude the medical assistance room and board rate, as defined in section 256B.056,
986.21 subdivision 5d, and services not covered under this section, such as partial hospitalization,
986.22 home care, and inpatient services.

986.23 (e) Physician services that are not separately billed may be included in the rate to the
986.24 extent that a psychiatrist, or other health care professional providing physician services
986.25 within their scope of practice, is a member of the intensive residential treatment services
986.26 treatment team. Physician services, whether billed separately or included in the rate, may
986.27 be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning
986.28 given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth
986.29 is used to provide intensive residential treatment services.

986.30 (f) When services under this section are provided by an assertive community treatment
986.31 provider, case management functions must be an integral part of the team.

987.1 (g) The rate for a provider must not exceed the rate charged by that provider for the
987.2 same service to other payors.

987.3 (h) The rates for existing programs must be established prospectively based upon the
987.4 expenditures and utilization over a prior 12-month period using the criteria established in
987.5 paragraph (c). The rates for new programs must be established based upon estimated
987.6 expenditures and estimated utilization using the criteria established in paragraph (c).

987.7 (i) Effective for the rate years beginning on and after January 1, 2024, rates for assertive
987.8 community treatment, adult residential crisis stabilization services, and intensive residential
987.9 treatment services must be annually adjusted for inflation using the Centers for Medicare
987.10 and Medicaid Services Medicare Economic Index, as forecasted in the ~~fourth~~ third quarter
987.11 of the calendar year before the rate year. The inflation adjustment must be based on the
987.12 12-month period from the midpoint of the previous rate year to the midpoint of the rate year
987.13 for which the rate is being determined.

987.14 (j) Entities who discontinue providing services must be subject to a settle-up process
987.15 whereby actual costs and reimbursement for the previous 12 months are compared. In the
987.16 event that the entity was paid more than the entity's actual costs plus any applicable
987.17 performance-related funding due the provider, the excess payment must be reimbursed to
987.18 the department. If a provider's revenue is less than actual allowed costs due to lower
987.19 utilization than projected, the commissioner may reimburse the provider to recover its actual
987.20 allowable costs. The resulting adjustments by the commissioner must be proportional to the
987.21 percent of total units of service reimbursed by the commissioner and must reflect a difference
987.22 of greater than five percent.

987.23 (k) A provider may request of the commissioner a review of any rate-setting decision
987.24 made under this subdivision.

987.25 Sec. 8. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 9, is amended
987.26 to read:

987.27 Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental
987.28 services.

987.29 (b) The following guidelines apply to dental services:

987.30 (1) posterior fillings are paid at the amalgam rate;

987.31 (2) application of sealants are covered once every five years per permanent molar; and

987.32 (3) application of fluoride varnish is covered once every six months.

988.1 (c) In addition to the services specified in paragraph ~~(b)~~ (a), medical assistance covers
988.2 the following services:

988.3 (1) house calls or extended care facility calls for on-site delivery of covered services;

988.4 (2) behavioral management when additional staff time is required to accommodate
988.5 behavioral challenges and sedation is not used;

988.6 (3) oral or IV sedation, if the covered dental service cannot be performed safely without
988.7 it or would otherwise require the service to be performed under general anesthesia in a
988.8 hospital or surgical center; and

988.9 (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but
988.10 no more than four times per year.

988.11 (d) The commissioner shall not require prior authorization for the services included in
988.12 paragraph (c), clauses (1) to (3), and shall prohibit managed care and county-based purchasing
988.13 plans from requiring prior authorization for the services included in paragraph (c), clauses
988.14 (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

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

988.16 Sec. 9. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13e, as
988.17 amended by Laws 2024, chapter 85, section 66, is amended to read:

988.18 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall
988.19 be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the
988.20 usual and customary price charged to the public. The usual and customary price means the
988.21 lowest price charged by the provider to a patient who pays for the prescription by cash,
988.22 check, or charge account and includes prices the pharmacy charges to a patient enrolled in
988.23 a prescription savings club or prescription discount club administered by the pharmacy or
988.24 pharmacy chain, unless the prescription savings club or prescription discount club is one
988.25 in which an individual pays a recurring monthly access fee for unlimited access to a defined
988.26 list of drugs for which the pharmacy does not bill the member or a payer on a
988.27 per-standard-transaction basis. The amount of payment basis must be reduced to reflect all
988.28 discount amounts applied to the charge by any third-party provider/insurer agreement or
988.29 contract for submitted charges to medical assistance programs. The net submitted charge
988.30 may not be greater than the patient liability for the service. The professional dispensing fee
988.31 shall be \$10.77 for prescriptions filled with legend drugs meeting the definition of "covered
988.32 outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The
988.33 dispensing fee for intravenous solutions that must be compounded by the pharmacist shall

989.1 be \$10.77 per claim. The professional dispensing fee for prescriptions filled with
989.2 over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$10.77
989.3 for dispensed quantities equal to or greater than the number of units contained in the
989.4 manufacturer's original package. The professional dispensing fee shall be prorated based
989.5 on the percentage of the package dispensed when the pharmacy dispenses a quantity less
989.6 than the number of units contained in the manufacturer's original package. The pharmacy
989.7 dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered
989.8 outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units
989.9 contained in the manufacturer's original package and shall be prorated based on the
989.10 percentage of the package dispensed when the pharmacy dispenses a quantity less than the
989.11 number of units contained in the manufacturer's original package. The National Average
989.12 Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug.
989.13 For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient
989.14 cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for
989.15 a provider participating in the federal 340B Drug Pricing Program shall be either the 340B
989.16 Drug Pricing Program ceiling price established by the Health Resources and Services
989.17 Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as
989.18 the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in
989.19 the United States, not including prompt pay or other discounts, rebates, or reductions in
989.20 price, for the most recent month for which information is available, as reported in wholesale
989.21 price guides or other publications of drug or biological pricing data. The maximum allowable
989.22 cost of a multisource drug may be set by the commissioner and it shall be comparable to
989.23 the actual acquisition cost of the drug product and no higher than the NADAC of the generic
989.24 product. Establishment of the amount of payment for drugs shall not be subject to the
989.25 requirements of the Administrative Procedure Act.

989.26 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
989.27 an automated drug distribution system meeting the requirements of section 151.58, or a
989.28 packaging system meeting the packaging standards set forth in Minnesota Rules, part
989.29 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
989.30 retrospective billing for prescription drugs dispensed to long-term care facility residents. A
989.31 retrospectively billing pharmacy must submit a claim only for the quantity of medication
989.32 used by the enrolled recipient during the defined billing period. A retrospectively billing
989.33 pharmacy must use a billing period not less than one calendar month or 30 days.

989.34 (c) A pharmacy provider using packaging that meets the standards set forth in Minnesota
989.35 Rules, part 6800.2700, is required to credit the department for the actual acquisition cost

990.1 of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective
990.2 billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that
990.3 is less than a 30-day supply.

990.4 (d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC
990.5 of the generic product or the maximum allowable cost established by the commissioner
990.6 unless prior authorization for the brand name product has been granted according to the
990.7 criteria established by the Drug Formulary Committee as required by subdivision 13f,
990.8 paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in
990.9 a manner consistent with section 151.21, subdivision 2.

990.10 (e) The basis for determining the amount of payment for drugs administered in an
990.11 outpatient setting shall be the lower of the usual and customary cost submitted by the
990.12 provider, 106 percent of the average sales price as determined by the United States
990.13 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
990.14 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost
990.15 set by the commissioner. If average sales price is unavailable, the amount of payment must
990.16 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition
990.17 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner.
990.18 The commissioner shall discount the payment rate for drugs obtained through the federal
990.19 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an
990.20 outpatient setting shall be made to the administering facility or practitioner. A retail or
990.21 specialty pharmacy dispensing a drug for administration in an outpatient setting is not
990.22 eligible for direct reimbursement.

990.23 (f) The commissioner may establish maximum allowable cost rates for specialty pharmacy
990.24 products that are lower than the ingredient cost formulas specified in paragraph (a). The
990.25 commissioner may require individuals enrolled in the health care programs administered
990.26 by the department to obtain specialty pharmacy products from providers with whom the
990.27 commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are
990.28 defined as those used by a small number of recipients or recipients with complex and chronic
990.29 diseases that require expensive and challenging drug regimens. Examples of these conditions
990.30 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C,
990.31 growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of
990.32 cancer. Specialty pharmaceutical products include injectable and infusion therapies,
990.33 biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that
990.34 require complex care. The commissioner shall consult with the Formulary Committee to
990.35 develop a list of specialty pharmacy products subject to maximum allowable cost

991.1 reimbursement. In consulting with the Formulary Committee in developing this list, the
991.2 commissioner shall take into consideration the population served by specialty pharmacy
991.3 products, the current delivery system and standard of care in the state, and access to care
991.4 issues. The commissioner shall have the discretion to adjust the maximum allowable cost
991.5 to prevent access to care issues.

991.6 (g) Home infusion therapy services provided by home infusion therapy pharmacies must
991.7 be paid at rates according to subdivision 8d.

991.8 (h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey
991.9 for all pharmacies that are physically located in the state of Minnesota that dispense outpatient
991.10 drugs under medical assistance. The commissioner shall ensure that the vendor has prior
991.11 experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the
991.12 department to dispense outpatient prescription drugs to fee-for-service members must
991.13 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under
991.14 section 256B.064 for failure to respond. The commissioner shall require the vendor to
991.15 measure a single statewide cost of dispensing for specialty prescription drugs and a single
991.16 statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies
991.17 to measure the mean, mean weighted by total prescription volume, mean weighted by
991.18 medical assistance prescription volume, median, median weighted by total prescription
991.19 volume, and median weighted by total medical assistance prescription volume. The
991.20 commissioner shall post a copy of the final cost of dispensing survey report on the
991.21 department's website. The initial survey must be completed no later than January 1, 2021,
991.22 and repeated every three years. The commissioner shall provide a summary of the results
991.23 of each cost of dispensing survey and provide recommendations for any changes to the
991.24 dispensing fee to the chairs and ranking minority members of the legislative committees
991.25 with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section
991.26 256.01, subdivision 42, this paragraph does not expire.

991.27 (i) The commissioner shall increase the ingredient cost reimbursement calculated in
991.28 paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to
991.29 the wholesale drug distributor tax under section 295.52.

991.30 Sec. 10. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
991.31 to read:

991.32 Subd. 25c. **Applicability of utilization review provisions.** Effective January 1, 2026,
991.33 the following provisions of chapter 62M apply to the commissioner when delivering services
991.34 under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to 18, and 21;

992.1 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07; 62M.072;
992.2 62M.09; 62M.10; 62M.12; 62M.17, subdivision 2; and 62M.18.

992.3 Sec. 11. Minnesota Statutes 2023 Supplement, section 256B.0701, subdivision 6, is
992.4 amended to read:

992.5 Subd. 6. **Recuperative care facility rate.** (a) The recuperative care facility rate is for
992.6 facility costs and must be paid from state money in an amount equal to the ~~medical assistance~~
992.7 ~~room and board~~ MSA equivalent rate as defined in section 256I.03, subdivision 11a, at the
992.8 time the recuperative care services were provided. The eligibility standards in chapter 256I
992.9 do not apply to the recuperative care facility rate. The recuperative care facility rate is only
992.10 paid when the recuperative care services rate is paid to a provider. Providers may opt to
992.11 only receive the recuperative care services rate.

992.12 (b) Before a recipient is discharged from a recuperative care setting, the provider must
992.13 ensure that the recipient's medical condition is stabilized or that the recipient is being
992.14 discharged to a setting that is able to meet that recipient's needs.

992.15 Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.0947, subdivision 7, is
992.16 amended to read:

992.17 Subd. 7. **Medical assistance payment and rate setting.** (a) Payment for services in this
992.18 section must be based on one daily encounter rate per provider inclusive of the following
992.19 services received by an eligible client in a given calendar day: all rehabilitative services,
992.20 supports, and ancillary activities under this section, staff travel time to provide rehabilitative
992.21 services under this section, and crisis response services under section 256B.0624.

992.22 (b) Payment must not be made to more than one entity for each client for services
992.23 provided under this section on a given day. If services under this section are provided by a
992.24 team that includes staff from more than one entity, the team shall determine how to distribute
992.25 the payment among the members.

992.26 (c) The commissioner shall establish regional cost-based rates for entities that will bill
992.27 medical assistance for nonresidential intensive rehabilitative mental health services. In
992.28 developing these rates, the commissioner shall consider:

992.29 (1) the cost for similar services in the health care trade area;

992.30 (2) actual costs incurred by entities providing the services;

992.31 (3) the intensity and frequency of services to be provided to each client;

993.1 (4) the degree to which clients will receive services other than services under this section;
993.2 and

993.3 (5) the costs of other services that will be separately reimbursed.

993.4 (d) The rate for a provider must not exceed the rate charged by that provider for the
993.5 same service to other payers.

993.6 (e) Effective for the rate years beginning on and after January 1, 2024, rates must be
993.7 annually adjusted for inflation using the Centers for Medicare and Medicaid Services
993.8 Medicare Economic Index, as forecasted in the ~~fourth~~ third quarter of the calendar year
993.9 before the rate year. The inflation adjustment must be based on the 12-month period from
993.10 the midpoint of the previous rate year to the midpoint of the rate year for which the rate is
993.11 being determined.

993.12 Sec. 13. Minnesota Statutes 2023 Supplement, section 256B.764, is amended to read:

993.13 **256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.**

993.14 (a) Effective for services rendered on or after July 1, 2007, payment rates for family
993.15 planning services shall be increased by 25 percent over the rates in effect June 30, 2007,
993.16 when these services are provided by a community clinic as defined in section 145.9268,
993.17 subdivision 1.

993.18 (b) Effective for services rendered on or after July 1, 2013, payment rates for family
993.19 planning services shall be increased by 20 percent over the rates in effect June 30, 2013,
993.20 when these services are provided by a community clinic as defined in section 145.9268,
993.21 subdivision 1. The commissioner shall adjust capitation rates to managed care and
993.22 county-based purchasing plans to reflect this increase, and shall require plans to pass on the
993.23 full amount of the rate increase to eligible community clinics, in the form of higher payment
993.24 rates for family planning services.

993.25 (c) Effective for services provided on or after January 1, 2024, payment rates for family
993.26 planning, when such services are provided by an eligible community clinic as defined in
993.27 section 145.9268, subdivision 1, and abortion services shall be increased by 20 percent.
993.28 This increase does not apply to federally qualified health centers, rural health centers, or
993.29 Indian health services.

994.1 Sec. 14. Minnesota Statutes 2023 Supplement, section 256L.03, subdivision 1, is amended
994.2 to read:

994.3 Subdivision 1. **Covered health services.** (a) "Covered health services" means the health
994.4 services reimbursed under chapter 256B, with the exception of special education services,
994.5 home care nursing services, ~~adult dental care services other than services covered under~~
994.6 ~~section 256B.0625, subdivision 9, orthodontic services,~~ nonemergency medical transportation
994.7 services, personal care assistance and case management services, community first services
994.8 and supports under section 256B.85, behavioral health home services under section
994.9 256B.0757, housing stabilization services under section 256B.051, and nursing home or
994.10 intermediate care facilities services.

994.11 (b) Covered health services shall be expanded as provided in this section.

994.12 (c) For the purposes of covered health services under this section, "child" means an
994.13 individual younger than 19 years of age.

994.14 Sec. 15. Minnesota Statutes 2022, section 524.3-801, as amended by Laws 2024, chapter
994.15 79, article 9, section 20, is amended to read:

994.16 **524.3-801 NOTICE TO CREDITORS.**

994.17 (a) Unless notice has already been given under this section, upon appointment of a
994.18 general personal representative in informal proceedings or upon the filing of a petition for
994.19 formal appointment of a general personal representative, notice thereof, in the form prescribed
994.20 by court rule, shall be given under the direction of the court administrator by publication
994.21 once a week for two successive weeks in a legal newspaper in the county wherein the
994.22 proceedings are pending giving the name and address of the general personal representative
994.23 and notifying creditors of the estate to present their claims within four months after the date
994.24 of the court administrator's notice which is subsequently published or be forever barred,
994.25 unless they are entitled to further service of notice under paragraph (b) or (c).

994.26 (b) The personal representative shall, within three months after the date of the first
994.27 publication of the notice, serve a copy of the notice upon each then known and identified
994.28 creditor in the manner provided in paragraph (c). If the decedent or a predeceased spouse
994.29 of the decedent received assistance for which a claim could be filed under section 246.53,
994.30 256B.15, 256D.16, or 261.04, notice to the commissioner of human services or direct care
994.31 and treatment executive board, as applicable, must be given under paragraph (d) instead of
994.32 under this paragraph or paragraph (c). A creditor is "known" if: (i) the personal representative
994.33 knows that the creditor has asserted a claim that arose during the decedent's life against

995.1 either the decedent or the decedent's estate; (ii) the creditor has asserted a claim that arose
995.2 during the decedent's life and the fact is clearly disclosed in accessible financial records
995.3 known and available to the personal representative; or (iii) the claim of the creditor would
995.4 be revealed by a reasonably diligent search for creditors of the decedent in accessible
995.5 financial records known and available to the personal representative. Under this section, a
995.6 creditor is "identified" if the personal representative's knowledge of the name and address
995.7 of the creditor will permit service of notice to be made under paragraph (c).

995.8 (c) Unless the claim has already been presented to the personal representative or paid,
995.9 the personal representative shall serve a copy of the notice required by paragraph (b) upon
995.10 each creditor of the decedent who is then known to the personal representative and identified
995.11 either by delivery of a copy of the required notice to the creditor, or by mailing a copy of
995.12 the notice to the creditor by certified, registered, or ordinary first class mail addressed to
995.13 the creditor at the creditor's office or place of residence.

995.14 (d)(1) Effective for decedents dying on or after July 1, 1997, if the decedent or a
995.15 predeceased spouse of the decedent received assistance for which a claim could be filed
995.16 under section 246.53, 256B.15, 256D.16, or 261.04, the personal representative or the
995.17 attorney for the personal representative shall serve the commissioner or executive board,
995.18 as applicable, with notice in the manner prescribed in paragraph (c), or electronically in a
995.19 manner prescribed by the commissioner or executive board, as soon as practicable after the
995.20 appointment of the personal representative. The notice must state the decedent's full name,
995.21 date of birth, and Social Security number and, to the extent then known after making a
995.22 reasonably diligent inquiry, the full name, date of birth, and Social Security number for
995.23 each of the decedent's predeceased spouses. The notice may also contain a statement that,
995.24 after making a reasonably diligent inquiry, the personal representative has determined that
995.25 the decedent did not have any predeceased spouses or that the personal representative has
995.26 been unable to determine one or more of the previous items of information for a predeceased
995.27 spouse of the decedent. A copy of the notice to creditors must be attached to and be a part
995.28 of the notice to the commissioner or executive board.

995.29 (2) Notwithstanding a will or other instrument or law to the contrary, except as allowed
995.30 in this paragraph, no property subject to administration by the estate may be distributed by
995.31 the estate or the personal representative until 70 days after the date the notice is served on
995.32 the commissioner or executive board as provided in paragraph (c), unless the local agency
995.33 consents as provided for in clause (6). This restriction on distribution does not apply to the
995.34 personal representative's sale of real or personal property, but does apply to the net proceeds
995.35 the estate receives from these sales. The personal representative, or any person with personal

996.1 knowledge of the facts, may provide an affidavit containing the description of any real or
996.2 personal property affected by this paragraph and stating facts showing compliance with this
996.3 paragraph. If the affidavit describes real property, it may be filed or recorded in the office
996.4 of the county recorder or registrar of titles for the county where the real property is located.
996.5 This paragraph does not apply to proceedings under sections 524.3-1203 and 525.31, or
996.6 when a duly authorized agent of a county is acting as the personal representative of the
996.7 estate.

996.8 (3) At any time before an order or decree is entered under section 524.3-1001 or
996.9 524.3-1002, or a closing statement is filed under section 524.3-1003, the personal
996.10 representative or the attorney for the personal representative may serve an amended notice
996.11 on the commissioner or executive board to add variations or other names of the decedent
996.12 or a predeceased spouse named in the notice, the name of a predeceased spouse omitted
996.13 from the notice, to add or correct the date of birth or Social Security number of a decedent
996.14 or predeceased spouse named in the notice, or to correct any other deficiency in a prior
996.15 notice. The amended notice must state the decedent's name, date of birth, and Social Security
996.16 number, the case name, case number, and district court in which the estate is pending, and
996.17 the date the notice being amended was served on the commissioner or executive board. If
996.18 the amendment adds the name of a predeceased spouse omitted from the notice, it must also
996.19 state that spouse's full name, date of birth, and Social Security number. The amended notice
996.20 must be served on the commissioner or executive board in the same manner as the original
996.21 notice. Upon service, the amended notice relates back to and is effective from the date the
996.22 notice it amends was served, and the time for filing claims arising under section 246.53,
996.23 256B.15, 256D.16 or 261.04 is extended by 60 days from the date of service of the amended
996.24 notice. Claims filed during the 60-day period are undischarged and unbarred claims, may
996.25 be prosecuted by the entities entitled to file those claims in accordance with section
996.26 524.3-1004, and the limitations in section 524.3-1006 do not apply. The personal
996.27 representative or any person with personal knowledge of the facts may provide and file or
996.28 record an affidavit in the same manner as provided for in clause (1).

996.29 (4) Within one year after the date an order or decree is entered under section 524.3-1001
996.30 or 524.3-1002 or a closing statement is filed under section 524.3-1003, any person who has
996.31 an interest in property that was subject to administration by the estate may serve an amended
996.32 notice on the commissioner or executive board to add variations or other names of the
996.33 decedent or a predeceased spouse named in the notice, the name of a predeceased spouse
996.34 omitted from the notice, to add or correct the date of birth or Social Security number of a
996.35 decedent or predeceased spouse named in the notice, or to correct any other deficiency in

997.1 a prior notice. The amended notice must be served on the commissioner or executive board
997.2 in the same manner as the original notice and must contain the information required for
997.3 amendments under clause (3). If the amendment adds the name of a predeceased spouse
997.4 omitted from the notice, it must also state that spouse's full name, date of birth, and Social
997.5 Security number. Upon service, the amended notice relates back to and is effective from
997.6 the date the notice it amends was served. If the amended notice adds the name of an omitted
997.7 predeceased spouse or adds or corrects the Social Security number or date of birth of the
997.8 decedent or a predeceased spouse already named in the notice, then, notwithstanding any
997.9 other laws to the contrary, claims against the decedent's estate on account of those persons
997.10 resulting from the amendment and arising under section 246.53, 256B.15, 256D.16, or
997.11 261.04 are undischarged and unbarred claims, may be prosecuted by the entities entitled to
997.12 file those claims in accordance with section 524.3-1004, and the limitations in section
997.13 524.3-1006 do not apply. The person filing the amendment or any other person with personal
997.14 knowledge of the facts may provide and file or record an affidavit describing affected real
997.15 or personal property in the same manner as clause (1).

997.16 (5) After one year from the date an order or decree is entered under section 524.3-1001
997.17 or 524.3-1002, or a closing statement is filed under section 524.3-1003, no error, omission,
997.18 or defect of any kind in the notice to the commissioner or executive board required under
997.19 this paragraph or in the process of service of the notice on the commissioner or executive
997.20 board, or the failure to serve the commissioner or executive board with notice as required
997.21 by this paragraph, makes any distribution of property by a personal representative void or
997.22 voidable. The distributee's title to the distributed property shall be free of any claims based
997.23 upon a failure to comply with this paragraph.

997.24 (6) The local agency may consent to a personal representative's request to distribute
997.25 property subject to administration by the estate to distributees during the 70-day period after
997.26 service of notice on the commissioner or executive board. The local agency may grant or
997.27 deny the request in whole or in part and may attach conditions to its consent as it deems
997.28 appropriate. When the local agency consents to a distribution, it shall give the estate a written
997.29 certificate evidencing its consent to the early distribution of assets at no cost. The certificate
997.30 must include the name, case number, and district court in which the estate is pending, the
997.31 name of the local agency, describe the specific real or personal property to which the consent
997.32 applies, state that the local agency consents to the distribution of the specific property
997.33 described in the consent during the 70-day period following service of the notice on the
997.34 commissioner or executive board, state that the consent is unconditional or list all of the
997.35 terms and conditions of the consent, be dated, and may include other contents as may be

998.1 appropriate. The certificate must be signed by the director of the local agency or the director's
998.2 designees and is effective as of the date it is dated unless it provides otherwise. The signature
998.3 of the director or the director's designee does not require any acknowledgment. The certificate
998.4 shall be prima facie evidence of the facts it states, may be attached to or combined with a
998.5 deed or any other instrument of conveyance and, when so attached or combined, shall
998.6 constitute a single instrument. If the certificate describes real property, it shall be accepted
998.7 for recording or filing by the county recorder or registrar of titles in the county in which the
998.8 property is located. If the certificate describes real property and is not attached to or combined
998.9 with a deed or other instrument of conveyance, it shall be accepted for recording or filing
998.10 by the county recorder or registrar of titles in the county in which the property is located.
998.11 The certificate constitutes a waiver of the 70-day period provided for in clause (2) with
998.12 respect to the property it describes and is prima facie evidence of service of notice on the
998.13 commissioner or executive board. The certificate is not a waiver or relinquishment of any
998.14 claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and does not otherwise
998.15 constitute a waiver of any of the personal representative's duties under this paragraph.
998.16 Distributees who receive property pursuant to a consent to an early distribution shall remain
998.17 liable to creditors of the estate as provided for by law.

998.18 (7) All affidavits provided for under this paragraph:

998.19 (i) shall be provided by persons who have personal knowledge of the facts stated in the
998.20 affidavit;

998.21 (ii) may be filed or recorded in the office of the county recorder or registrar of titles in
998.22 the county in which the real property they describe is located for the purpose of establishing
998.23 compliance with the requirements of this paragraph; and

998.24 (iii) are prima facie evidence of the facts stated in the affidavit.

998.25 (8) This paragraph applies to the estates of decedents dying on or after July 1, 1997.
998.26 Clause (5) also applies with respect to all notices served on the commissioner of human
998.27 services before July 1, 1997, under Laws 1996, chapter 451, article 2, section 55. All notices
998.28 served on the commissioner before July 1, 1997, pursuant to Laws 1996, chapter 451, article
998.29 2, section 55, shall be deemed to be legally sufficient for the purposes for which they were
998.30 intended, notwithstanding any errors, omissions or other defects.

999.1 **Sec. 16. DIRECTION TO COMMISSIONER; REIMBURSEMENT FOR**
999.2 **EXTRACORPOREAL MEMBRANE OXYGENATION CANNULATION AS AN**
999.3 **OUTPATIENT SERVICE.**

999.4 The commissioner of human services, in consultation with providers and hospitals, shall
999.5 determine the feasibility of an outpatient reimbursement mechanism for medical assistance
999.6 coverage of extracorporeal membrane oxygenation (ECMO) cannulation performed outside
999.7 an inpatient hospital setting or in a self-contained mobile ECMO unit. If an outpatient
999.8 reimbursement mechanism is feasible, then the commissioner of human services shall
999.9 develop a recommended payment mechanism. By January 15, 2025, the commissioner of
999.10 human services shall submit a recommendation and the required legislative language to the
999.11 chairs and ranking minority members of the legislative committees with jurisdiction over
999.12 health care finance. If such a payment mechanism is infeasible, the commissioner of human
999.13 services shall submit an explanation as to why it is infeasible.

999.14 **ARTICLE 56**

999.15 **HEALTH CARE**

999.16 Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 12, is amended to read:

999.17 **Subd. 12. Reports on interagency agreements and intra-agency transfers.** The
999.18 MNSure Board shall provide ~~quarterly reports to the chairs and ranking minority members~~
999.19 ~~of the legislative committees with jurisdiction over health and human services policy and~~
999.20 ~~finance on:~~ legislative reports on interagency agreements and intra-agency transfers according
999.21 to section 15.0395.

999.22 ~~(1) interagency agreements or service-level agreements and any renewals or extensions~~
999.23 ~~of existing interagency or service-level agreements with a state department under section~~
999.24 ~~15.01, state agency under section 15.012, or the Department of Information Technology~~
999.25 ~~Services, with a value of more than \$100,000, or related agreements with the same department~~
999.26 ~~or agency with a cumulative value of more than \$100,000; and~~

999.27 ~~(2) transfers of appropriations of more than \$100,000 between accounts within or between~~
999.28 ~~agencies.~~

999.29 ~~The report must include the statutory citation authorizing the agreement, transfer or dollar~~
999.30 ~~amount, purpose, and effective date of the agreement, the duration of the agreement, and a~~
999.31 ~~copy of the agreement.~~

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

1000.1 Sec. 2. Minnesota Statutes 2022, section 62V.08, is amended to read:

1000.2 **62V.08 REPORTS.**

1000.3 (a) MNsure shall submit a report to the legislature by ~~January 15, 2015~~ March 31, 2025,
1000.4 and each ~~January 15~~ March 31 thereafter, on: (1) the performance of MNsure operations;
1000.5 (2) meeting MNsure responsibilities; (3) an accounting of MNsure budget activities; (4)
1000.6 practices and procedures that have been implemented to ensure compliance with data
1000.7 practices laws, and a description of any violations of data practices laws or procedures; and
1000.8 (5) the effectiveness of the outreach and implementation activities of MNsure in reducing
1000.9 the rate of uninsurance.

1000.10 (b) MNsure must publish its administrative and operational costs on a website to educate
1000.11 consumers on those costs. The information published must include: (1) the amount of
1000.12 premiums and federal premium subsidies collected; (2) the amount and source of revenue
1000.13 received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and
1000.14 source of any other fees collected for purposes of supporting operations; and (4) any misuse
1000.15 of funds as identified in accordance with section 3.975. The website must be updated at
1000.16 least annually.

1000.17 Sec. 3. Minnesota Statutes 2022, section 62V.11, subdivision 4, is amended to read:

1000.18 Subd. 4. **Review of costs.** The board shall submit for review the annual budget of MNsure
1000.19 for the next fiscal year by ~~March 15~~ 31 of each year, beginning ~~March 15, 2014~~ 31, 2025.

1000.20 Sec. 4. Minnesota Statutes 2023 Supplement, section 151.74, subdivision 3, is amended
1000.21 to read:

1000.22 Subd. 3. **Access to urgent-need insulin.** (a) MNsure shall develop an application form
1000.23 to be used by an individual who is in urgent need of insulin. The application must ask the
1000.24 individual to attest to the eligibility requirements described in subdivision 2. The form shall
1000.25 be accessible through MNsure's website. MNsure shall also make the form available to
1000.26 pharmacies and health care providers who prescribe or dispense insulin, hospital emergency
1000.27 departments, urgent care clinics, and community health clinics. By submitting a completed,
1000.28 signed, and dated application to a pharmacy, the individual attests that the information
1000.29 contained in the application is correct.

1000.30 (b) If the individual is in urgent need of insulin, the individual may present a completed,
1000.31 signed, and dated application form to a pharmacy. The individual must also:

1000.32 (1) have a valid insulin prescription; and

1001.1 (2) present the pharmacist with identification indicating Minnesota residency in the form
1001.2 of a valid Minnesota identification card, driver's license or permit, individual taxpayer
1001.3 identification number, or Tribal identification card as defined in section 171.072, paragraph
1001.4 (b). If the individual in urgent need of insulin is under the age of 18, the individual's parent
1001.5 or legal guardian must provide the pharmacist with proof of residency.

1001.6 (c) Upon receipt of a completed and signed application, the pharmacist shall dispense
1001.7 the prescribed insulin in an amount that will provide the individual with a 30-day supply.
1001.8 The pharmacy must notify the health care practitioner who issued the prescription order no
1001.9 later than 72 hours after the insulin is dispensed.

1001.10 (d) The pharmacy may submit to the manufacturer of the dispensed insulin product or
1001.11 to the manufacturer's vendor a claim for payment that is in accordance with the National
1001.12 Council for Prescription Drug Program standards for electronic claims processing, unless
1001.13 the manufacturer agrees to send to the pharmacy a replacement supply of the same insulin
1001.14 as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the
1001.15 manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the
1001.16 pharmacy in an amount that covers the pharmacy's acquisition cost.

1001.17 (e) The pharmacy may collect an insulin co-payment from the individual to cover the
1001.18 pharmacy's costs of processing and dispensing in an amount not to exceed \$35 for the 30-day
1001.19 supply of insulin dispensed.

1001.20 (f) The pharmacy shall also provide each eligible individual with the information sheet
1001.21 described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy
1001.22 for the individual to contact if the individual ~~is in need of~~ accessing needs to access ongoing
1001.23 insulin coverage options, including assistance in:

1001.24 (1) applying for medical assistance or MinnesotaCare;

1001.25 (2) applying for a qualified health plan offered through MNsure, subject to open and
1001.26 special enrollment periods;

1001.27 (3) accessing information on providers who participate in prescription drug discount
1001.28 programs, including providers who are authorized to participate in the 340B program under
1001.29 section 340b of the federal Public Health Services Act, United States Code, title 42, section
1001.30 256b; and

1001.31 (4) accessing insulin manufacturers' patient assistance programs, co-payment assistance
1001.32 programs, and other foundation-based programs.

1002.1 (g) The pharmacist shall retain a copy of the application form submitted by the individual
1002.2 to the pharmacy for reporting and auditing purposes.

1002.3 (h) A manufacturer may submit to the commissioner of administration a request for
1002.4 reimbursement in an amount not to exceed \$35 for each 30-day supply of insulin the
1002.5 manufacturer provides under paragraph (d). The commissioner of administration shall
1002.6 determine the manner and format for submitting and processing requests for reimbursement.
1002.7 After receiving a reimbursement request, the commissioner of administration shall reimburse
1002.8 the manufacturer in an amount not to exceed \$35 for each 30-day supply of insulin the
1002.9 manufacturer provided under paragraph (d).

1002.10 **EFFECTIVE DATE.** This section is effective December 1, 2024.

1002.11 Sec. 5. Minnesota Statutes 2022, section 151.74, subdivision 6, is amended to read:

1002.12 Subd. 6. **Continuing safety net program; process.** (a) The individual shall submit to
1002.13 a pharmacy the statement of eligibility provided by the manufacturer under subdivision 5,
1002.14 paragraph (b). Upon receipt of an individual's eligibility status, the pharmacy shall submit
1002.15 an order containing the name of the insulin product and the daily dosage amount as contained
1002.16 in a valid prescription to the product's manufacturer.

1002.17 (b) The pharmacy must include with the order to the manufacturer the following
1002.18 information:

1002.19 (1) the pharmacy's name and shipping address;

1002.20 (2) the pharmacy's office telephone number, fax number, email address, and contact
1002.21 name; and

1002.22 (3) any specific days or times when deliveries are not accepted by the pharmacy.

1002.23 (c) Upon receipt of an order from a pharmacy and the information described in paragraph
1002.24 (b), the manufacturer shall send to the pharmacy a 90-day supply of insulin as ordered,
1002.25 unless a lesser amount is requested in the order, at no charge to the individual or pharmacy.

1002.26 (d) Except as authorized under paragraph (e), the pharmacy shall provide the insulin to
1002.27 the individual at no charge to the individual. The pharmacy shall not provide insulin received
1002.28 from the manufacturer to any individual other than the individual associated with the specific
1002.29 order. The pharmacy shall not seek reimbursement for the insulin received from the
1002.30 manufacturer or from any third-party payer.

1003.1 (e) The pharmacy may collect a co-payment from the individual to cover the pharmacy's
1003.2 costs for processing and dispensing in an amount not to exceed \$50 for each 90-day supply
1003.3 if the insulin is sent to the pharmacy.

1003.4 (f) The pharmacy may submit to a manufacturer a reorder for an individual if the
1003.5 individual's eligibility statement has not expired. Upon receipt of a reorder from a pharmacy,
1003.6 the manufacturer must send to the pharmacy an additional 90-day supply of the product,
1003.7 unless a lesser amount is requested, at no charge to the individual or pharmacy if the
1003.8 individual's eligibility statement has not expired.

1003.9 (g) Notwithstanding paragraph (c), a manufacturer may send the insulin as ordered
1003.10 directly to the individual if the manufacturer provides a mail order service option.

1003.11 (h) A manufacturer may submit to the commissioner of administration a request for
1003.12 reimbursement in an amount not to exceed \$105 for each 90-day supply of insulin the
1003.13 manufacturer provides under paragraphs (c) and (f). The commissioner of administration
1003.14 shall determine the manner and format for submitting and processing requests for
1003.15 reimbursement. After receiving a reimbursement request, the commissioner of administration
1003.16 shall reimburse the manufacturer in an amount not to exceed \$105 for each 90-day supply
1003.17 of insulin the manufacturer provided under paragraphs (c) and (f). If the manufacturer
1003.18 provides less than a 90-day supply of insulin under paragraphs (c) and (f), the manufacturer
1003.19 may submit a request for reimbursement not to exceed \$35 for each 30-day supply of insulin
1003.20 provided.

1003.21 **EFFECTIVE DATE.** This section is effective December 1, 2024.

1003.22 **Sec. 6. [151.741] INSULIN MANUFACTURER REGISTRATION FEE.**

1003.23 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
1003.24 the meanings given.

1003.25 (b) "Board" means the Minnesota Board of Pharmacy under section 151.02.

1003.26 (c) "Manufacturer" means a manufacturer licensed under section 151.252 and engaged
1003.27 in the manufacturing of prescription insulin.

1003.28 **Subd. 2. Assessment of registration fee.** (a) The board shall assess each manufacturer
1003.29 an annual registration fee of \$100,000, except as provided in paragraph (b). The board shall
1003.30 notify each manufacturer of this requirement beginning November 1, 2024, and each
1003.31 November 1 thereafter.

1004.1 (b) A manufacturer may request an exemption from the annual registration fee. The
1004.2 board shall exempt a manufacturer from the annual registration fee if the manufacturer can
1004.3 demonstrate to the board, in the form and manner specified by the board, that gross revenue
1004.4 from sales of prescription insulin produced by that manufacturer and sold or delivered within
1004.5 or into Minnesota was less than five percent of the total gross revenue from sales of
1004.6 prescription insulin produced by all manufacturers and sold or delivered within or into
1004.7 Minnesota in the previous calendar year.

1004.8 Subd. 3. **Payment of the registration fee; deposit of fee.** (a) Each manufacturer must
1004.9 pay the registration fee by March 1, 2025, and by each March 1 thereafter. In the event of
1004.10 a change in ownership of the manufacturer, the new owner must pay the registration fee
1004.11 that the original owner would have been assessed had the original owner retained ownership.
1004.12 The board may assess a late fee of ten percent per month or any portion of a month that the
1004.13 registration fee is paid after the due date.

1004.14 (b) The registration fee, including any late fees, must be deposited in the insulin safety
1004.15 net program account.

1004.16 Subd. 4. **Insulin safety net program account.** The insulin safety net program account
1004.17 is established in the special revenue fund in the state treasury. Money in the account is
1004.18 appropriated each fiscal year to:

1004.19 (1) the MNsure board in an amount sufficient to carry out assigned duties under section
1004.20 151.74, subdivision 7; and

1004.21 (2) the Board of Pharmacy in an amount sufficient to cover costs incurred by the board
1004.22 in assessing and collecting the registration fee under this section and in administering the
1004.23 insulin safety net program under section 151.74.

1004.24 Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a)
1004.25 The insulin repayment account is established in the special revenue fund in the state treasury.
1004.26 Money in the account is appropriated each fiscal year to the commissioner of administration
1004.27 to reimburse manufacturers for insulin dispensed under the insulin safety net program in
1004.28 section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6,
1004.29 paragraph (h), and to cover costs incurred by the commissioner in providing these
1004.30 reimbursement payments.

1004.31 (b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration
1004.32 shall certify to the commissioner of management and budget the total amount expended in
1004.33 the prior fiscal year for:

1005.1 (1) reimbursement to manufacturers for insulin dispensed under the insulin safety net
1005.2 program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph
1005.3 (h), and 6, paragraph (h); and

1005.4 (2) costs incurred by the commissioner of administration in providing the reimbursement
1005.5 payments described in clause (1).

1005.6 (c) The commissioner of management and budget shall transfer from the health care
1005.7 access fund to the special revenue fund, beginning July 1, 2025, and each July 1 thereafter,
1005.8 an amount equal to the amount to which the commissioner of administration certified
1005.9 pursuant to paragraph (b).

1005.10 Subd. 6. Contingent transfer by commissioner. If subdivisions 2 and 3, or the
1005.11 application of subdivisions 2 and 3 to any person or circumstance, are held invalid for any
1005.12 reason in a court of competent jurisdiction, the invalidity of subdivisions 2 and 3 does not
1005.13 affect other provisions of this act, and the commissioner of management and budget shall
1005.14 annually transfer from the health care access fund to the insulin safety net program account
1005.15 an amount sufficient to implement subdivision 4.

1005.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1005.17 Sec. 7. Laws 2020, chapter 73, section 8, is amended to read:

1005.18 Sec. 8. **APPROPRIATIONS.**

1005.19 (a) \$297,000 is appropriated in fiscal year 2020 from the health care access fund to the
1005.20 Board of Directors of MNsure ~~to train navigators to assist individuals and provide~~
1005.21 ~~compensation as required~~ for the insulin safety net program under Minnesota Statutes,
1005.22 section 151.74, ~~subdivision 7. Of this appropriation, \$108,000 is for implementing the~~
1005.23 ~~training requirements for navigators and \$189,000 is for application assistance bonus~~
1005.24 ~~payments.~~ This is a onetime appropriation and is available until ~~December 31, 2024~~ June
1005.25 30, 2027.

1005.26 (b) \$250,000 is appropriated in fiscal year 2020 from the health care access fund to the
1005.27 Board of Directors of MNsure for a public awareness campaign for the insulin safety net
1005.28 program established under Minnesota Statutes, section 151.74. This is a onetime appropriation
1005.29 and is available until December 31, 2024.

1005.30 (c) \$76,000 is appropriated in fiscal year 2021 from the health care access fund to the
1005.31 Board of Pharmacy to implement Minnesota Statutes, section 151.74. The base for this

1006.1 appropriation is \$76,000 in fiscal year 2022; \$76,000 in fiscal year 2023; \$76,000 in fiscal
1006.2 year 2024; \$38,000 in fiscal year 2025; and \$0 in fiscal year 2026.

1006.3 (d) \$136,000 in fiscal year 2021 is appropriated from the health care access fund to the
1006.4 commissioner of health to implement the survey to assess program satisfaction in Minnesota
1006.5 Statutes, section 151.74, subdivision 12. The base for this appropriation is \$80,000 in fiscal
1006.6 year 2022 and \$0 in fiscal year 2023. This is a onetime appropriation.

1006.7 Sec. 8. **REPEALER; SUNSET FOR THE LONG-TERM SAFETY NET INSULIN**
1006.8 **PROGRAM.**

1006.9 Minnesota Statutes 2022, section 151.74, subdivision 16, is repealed.

1006.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1006.11 **ARTICLE 57**
1006.12 **HEALTH INSURANCE**

1006.13 Section 1. Minnesota Statutes 2022, section 43A.24, is amended by adding a subdivision
1006.14 to read:

1006.15 **Subd. 4. For-profit health maintenance organizations prohibited.** The commissioner
1006.16 must ensure that state paid hospital, medical, and dental benefits are not provided to eligible
1006.17 employees by a health maintenance organization which is not a nonprofit corporation
1006.18 organized under chapter 317A or a local governmental unit, as defined in section 62D.02.

1006.19 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1006.20 Sec. 2. Minnesota Statutes 2022, section 62A.0411, is amended to read:

1006.21 **62A.0411 MATERNITY CARE.**

1006.22 **Subdivision 1. Minimum inpatient care.** Every health plan as defined in section 62Q.01,
1006.23 subdivision 3, that provides maternity benefits must, consistent with other coinsurance,
1006.24 co-payment, deductible, and related contract terms, provide coverage of a minimum of 48
1006.25 hours of inpatient care following a vaginal delivery and a minimum of 96 hours of inpatient
1006.26 care following a caesarean section for a mother and her newborn. The health plan shall not
1006.27 provide any compensation or other nonmedical remuneration to encourage a mother and
1006.28 newborn to leave inpatient care before the duration minimums specified in this section.

1006.29 **Subd. 1a. Medical facility transfer.** (a) If a health care provider acting within the
1006.30 provider's scope of practice recommends that either the mother or newborn be transferred
1006.31 to a different medical facility, every health plan must provide the coverage required under

1007.1 subdivision 1 for the mother, newborn, and newborn siblings at both medical facilities. The
1007.2 coverage required under this subdivision includes but is not limited to expenses related to
1007.3 transferring all individuals from one medical facility to a different medical facility.

1007.4 (b) The coverage required under this subdivision must be provided without cost sharing,
1007.5 including but not limited to deductible, co-pay, or coinsurance. The coverage required under
1007.6 this paragraph must be provided without any limitation that is not generally applicable to
1007.7 other coverages under the plan.

1007.8 (c) Notwithstanding paragraph (b), a health plan that is a high-deductible health plan in
1007.9 conjunction with a health savings account must include cost-sharing for the coverage required
1007.10 under this subdivision at the minimum level necessary to preserve the enrollee's ability to
1007.11 make tax-exempt contributions and withdrawals from the health savings account as provided
1007.12 in section 223 of the Internal Revenue Code of 1986.

1007.13 Subd. 2. **Minimum postdelivery outpatient care.** (a) The health plan must also provide
1007.14 coverage for postdelivery outpatient care to a mother and her newborn if the duration of
1007.15 inpatient care is less than the minimums provided in this section.

1007.16 (b) Postdelivery care consists of a minimum of one home visit by a registered nurse.
1007.17 Services provided by the registered nurse include, but are not limited to, parent education,
1007.18 assistance and training in breast and bottle feeding, and conducting any necessary and
1007.19 appropriate clinical tests. The home visit must be conducted within four days following the
1007.20 discharge of the mother and her child.

1007.21 Subd. 3. **Health plan defined.** For purposes of this section, "health plan" has the meaning
1007.22 given in section 62Q.01, subdivision 3, and county-based purchasing plans.

1007.23 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to all policies,
1007.24 plans, certificates, and contracts offered, issued, or renewed on or after that date.

1007.25 Sec. 3. Minnesota Statutes 2022, section 62A.15, is amended by adding a subdivision to
1007.26 read:

1007.27 Subd. 3d. **Pharmacist.** All benefits provided by a policy or contract referred to in
1007.28 subdivision 1 relating to expenses incurred for medical treatment or services provided by
1007.29 a licensed physician must include services provided by a licensed pharmacist, according to
1007.30 the requirements of section 151.01, to the extent a licensed pharmacist's services are within
1007.31 the pharmacist's scope of practice.

1007.32 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to policies
1007.33 or contracts offered, issued, or renewed on or after that date.

1008.1 Sec. 4. Minnesota Statutes 2022, section 62A.15, subdivision 4, is amended to read:

1008.2 Subd. 4. **Denial of benefits.** (a) No carrier referred to in subdivision 1 may, in the
1008.3 payment of claims to employees in this state, deny benefits payable for services covered by
1008.4 the policy or contract if the services are lawfully performed by a licensed chiropractor, a
1008.5 licensed optometrist, a registered nurse meeting the requirements of subdivision 3a, a licensed
1008.6 physician assistant, ~~or a licensed acupuncture practitioner,~~ or a licensed pharmacist.

1008.7 (b) When carriers referred to in subdivision 1 make claim determinations concerning
1008.8 the appropriateness, quality, or utilization of chiropractic health care for Minnesotans, any
1008.9 of these determinations that are made by health care professionals must be made by, or
1008.10 under the direction of, or subject to the review of licensed doctors of chiropractic.

1008.11 (c) When a carrier referred to in subdivision 1 makes a denial of payment claim
1008.12 determination concerning the appropriateness, quality, or utilization of acupuncture services
1008.13 for individuals in this state performed by a licensed acupuncture practitioner, a denial of
1008.14 payment claim determination that is made by a health professional must be made by, under
1008.15 the direction of, or subject to the review of a licensed acupuncture practitioner.

1008.16 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to policies
1008.17 or contracts offered, issued, or renewed on or after that date.

1008.18 Sec. 5. Minnesota Statutes 2022, section 62A.28, subdivision 2, is amended to read:

1008.19 Subd. 2. **Required coverage.** (a) Every policy, plan, certificate, or contract referred to
1008.20 in subdivision 1 ~~issued or renewed after August 1, 1987,~~ must provide coverage for scalp
1008.21 hair prostheses, including all equipment and accessories necessary for regular use of scalp
1008.22 hair prostheses, worn for hair loss suffered as a result of a health condition, including but
1008.23 not limited to alopecia areata or the treatment for cancer, unless there is a clinical basis for
1008.24 limitation.

1008.25 (b) The coverage required by this section is subject to the co-payment, coinsurance,
1008.26 deductible, and other enrollee cost-sharing requirements that apply to similar types of items
1008.27 under the policy, plan, certificate, or contract and may be limited to one prosthesis per
1008.28 benefit year.

1008.29 (c) The coverage required by this section for scalp hair prostheses is limited to \$1,000
1008.30 per benefit year.

1008.31 (d) A scalp hair prosthesis must be prescribed by a doctor to be covered under this
1008.32 section.

1009.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to all policies,
1009.2 plans, certificates, and contracts offered, issued, or renewed on or after that date.

1009.3 Sec. 6. **[62A.3098] RAPID WHOLE GENOME SEQUENCING; COVERAGE.**

1009.4 Subdivision 1. **Definition.** For purposes of this section, "rapid whole genome sequencing"
1009.5 or "rWGS" means an investigation of the entire human genome, including coding and
1009.6 noncoding regions and mitochondrial deoxyribonucleic acid, to identify disease-causing
1009.7 genetic changes that returns the final results in 14 days. Rapid whole genome sequencing
1009.8 includes patient-only whole genome sequencing and duo and trio whole genome sequencing
1009.9 of the patient and the patient's biological parent or parents.

1009.10 Subd. 2. **Required coverage.** A health plan that provides coverage to Minnesota residents
1009.11 must cover rWGS testing if the enrollee:

1009.12 (1) is 21 years of age or younger;

1009.13 (2) has a complex or acute illness of unknown etiology that is not confirmed to have
1009.14 been caused by an environmental exposure, toxic ingestion, an infection with a normal
1009.15 response to therapy, or trauma; and

1009.16 (3) is receiving inpatient hospital services in an intensive care unit or a neonatal or high
1009.17 acuity pediatric care unit.

1009.18 Subd. 3. **Coverage criteria.** Coverage may be based on the following medical necessity
1009.19 criteria:

1009.20 (1) the enrollee has symptoms that suggest a broad differential diagnosis that would
1009.21 require an evaluation by multiple genetic tests if rWGS testing is not performed;

1009.22 (2) timely identification of a molecular diagnosis is necessary in order to guide clinical
1009.23 decision making, and the rWGS testing may aid in guiding the treatment or management
1009.24 of the enrollee's condition; and

1009.25 (3) the enrollee's complex or acute illness of unknown etiology includes at least one of
1009.26 the following conditions:

1009.27 (i) congenital anomalies involving at least two organ systems, or complex or multiple
1009.28 congenital anomalies in one organ system;

1009.29 (ii) specific organ malformations that are highly suggestive of a genetic etiology;

1009.30 (iii) abnormal laboratory tests or abnormal chemistry profiles suggesting the presence
1009.31 of a genetic disease, complex metabolic disorder, or inborn error of metabolism;

- 1010.1 (iv) refractory or severe hypoglycemia or hyperglycemia;
- 1010.2 (v) abnormal response to therapy related to an underlying medical condition affecting
- 1010.3 vital organs or bodily systems;
- 1010.4 (vi) severe muscle weakness, rigidity, or spasticity;
- 1010.5 (vii) refractory seizures;
- 1010.6 (viii) a high-risk stratification on evaluation for a brief resolved unexplained event with
- 1010.7 any of the following features:
- 1010.8 (A) a recurrent event without respiratory infection;
- 1010.9 (B) a recurrent seizure-like event; or
- 1010.10 (C) a recurrent cardiopulmonary resuscitation;
- 1010.11 (ix) abnormal cardiac diagnostic testing results that are suggestive of possible
- 1010.12 channelopathies, arrhythmias, cardiomyopathies, myocarditis, or structural heart disease;
- 1010.13 (x) abnormal diagnostic imaging studies that are suggestive of underlying genetic
- 1010.14 condition;
- 1010.15 (xi) abnormal physiologic function studies that are suggestive of an underlying genetic
- 1010.16 etiology; or
- 1010.17 (xii) family genetic history related to the patient's condition.
- 1010.18 Subd. 4. **Cost sharing.** Coverage provided in this section is subject to the enrollee's
- 1010.19 health plan cost-sharing requirements, including any deductibles, co-payments, or coinsurance
- 1010.20 requirements that apply to diagnostic testing services.
- 1010.21 Subd. 5. **Payment for services provided.** If the enrollee's health plan uses a capitated
- 1010.22 or bundled payment arrangement to reimburse a provider for services provided in an inpatient
- 1010.23 setting, reimbursement for services covered under this section must be paid separately and
- 1010.24 in addition to any reimbursement otherwise payable to the provider under the capitated or
- 1010.25 bundled payment arrangement, unless the health carrier and the provider have negotiated
- 1010.26 an increased capitated or bundled payment rate that includes the services covered under this
- 1010.27 section.
- 1010.28 Subd. 6. **Genetic data.** Genetic data generated as a result of performing rWGS and
- 1010.29 covered under this section: (1) must be used for the primary purpose of assisting the ordering
- 1010.30 provider and treating care team to diagnose and treat the patient; (2) is protected health
- 1010.31 information as set forth under the Health Insurance Portability and Accountability Act

1011.1 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, and
1011.2 any promulgated regulations, including but not limited to Code of Federal Regulations, title
1011.3 45, parts 160 and 164, subparts A and E; and (3) is a protected health record under sections
1011.4 144.291 to 144.298.

1011.5 Subd. 7. **Reimbursement.** (a) The commissioner of commerce must reimburse health
1011.6 carriers for coverage under this section. Reimbursement is available only for coverage that
1011.7 would not have been provided by the health plan without the requirements of this section.
1011.8 Treatments and services covered by the health plan as of January 1, 2024, are ineligible for
1011.9 payments under this subdivision by the commissioner of commerce.

1011.10 (b) Health carriers must report to the commissioner of commerce quantified costs
1011.11 attributable to the additional benefit under this section in a format developed by the
1011.12 commissioner. A health plan's coverage as of January 1, 2024, must be used by the health
1011.13 carrier as the basis for determining whether coverage would not have been provided by the
1011.14 health plan for purposes of this subdivision.

1011.15 (c) The commissioner of commerce must evaluate submissions and make payments to
1011.16 health carriers as provided in Code of Federal Regulations, title 45, section 155.170.

1011.17 Subd. 8. **Appropriation.** Each fiscal year, an amount necessary to make payments to
1011.18 health carriers to defray the cost of providing coverage under this section is appropriated
1011.19 to the commissioner of commerce.

1011.20 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to a health
1011.21 plan offered, issued, or sold on or after that date.

1011.22 Sec. 7. **[62A.59] COVERAGE OF SERVICE; PRIOR AUTHORIZATION.**

1011.23 Subdivision 1. **Service for which prior authorization not required.** A health carrier
1011.24 must not retrospectively deny or limit coverage of a health care service for which prior
1011.25 authorization was not required by the health carrier, unless there is evidence that the health
1011.26 care service was provided based on fraud or misinformation.

1011.27 Subd. 2. **Service for which prior authorization required but not obtained.** A health
1011.28 carrier must not deny or limit coverage of a health care service which the enrollee has already
1011.29 received solely on the basis of lack of prior authorization if the service would otherwise
1011.30 have been covered had the prior authorization been obtained.

1011.31 **EFFECTIVE DATE.** This section is effective January 1, 2026, and applies to health
1011.32 plans offered, sold, issued, or renewed on or after that date.

1012.1 Sec. 8. [62C.045] APPLICATION OF OTHER LAW.

1012.2 Sections 145D.30 to 145D.37 apply to service plan corporations operating under this
1012.3 chapter.

1012.4 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1012.5 Sec. 9. Minnesota Statutes 2022, section 62D.02, subdivision 7, is amended to read:

1012.6 Subd. 7. **Comprehensive health maintenance services.** "Comprehensive health
1012.7 maintenance services" means a set of comprehensive health services which the enrollees
1012.8 might reasonably require to be maintained in good health including as a minimum, but not
1012.9 limited to, emergency care, emergency ground ambulance transportation services, inpatient
1012.10 hospital and physician care, outpatient health services and preventive health services.
1012.11 ~~Elective, induced abortion, except as medically necessary to prevent the death of the mother,~~
1012.12 ~~whether performed in a hospital, other abortion facility or the office of a physician, shall~~
1012.13 ~~not be mandatory for any health maintenance organization.~~

1012.14 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1012.15 plans offered, sold, issued, or renewed on or after that date.

1012.16 Sec. 10. Minnesota Statutes 2022, section 62D.04, subdivision 5, is amended to read:

1012.17 Subd. 5. **Participation; government programs.** Health maintenance organizations that
1012.18 are a nonprofit corporation organized under chapter 317A or a local governmental unit shall,
1012.19 as a condition of receiving and retaining a certificate of authority, participate in the medical
1012.20 assistance and MinnesotaCare programs. A health maintenance organization governed by
1012.21 this subdivision is required to submit proposals in good faith that meet the requirements of
1012.22 the request for proposal provided that the requirements can be reasonably met by a health
1012.23 maintenance organization to serve individuals eligible for the above programs in a geographic
1012.24 region of the state if, at the time of publication of a request for proposal, the percentage of
1012.25 recipients in the public programs in the region who are enrolled in the health maintenance
1012.26 organization is less than the health maintenance organization's percentage of the total number
1012.27 of individuals enrolled in health maintenance organizations in the same region. Geographic
1012.28 regions shall be defined by the commissioner of human services in the request for proposals.

1012.29 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1013.1 Sec. 11. **[62D.1071] COVERAGE OF LICENSED PHARMACIST SERVICES.**

1013.2 Subdivision 1. **Pharmacist.** All benefits provided by a health maintenance contract
1013.3 relating to expenses incurred for medical treatment or services provided by a licensed
1013.4 physician must include services provided by a licensed pharmacist to the extent a licensed
1013.5 pharmacist's services are within the pharmacist's scope of practice.

1013.6 Subd. 2. **Denial of benefits.** When paying claims for enrollees in Minnesota, a health
1013.7 maintenance organization must not deny payment for medical services covered by an
1013.8 enrollee's health maintenance contract if the services are lawfully performed by a licensed
1013.9 pharmacist.

1013.10 Subd. 3. **Exemptions.** (a) This section does not apply to or affect the coverage or
1013.11 reimbursement for medication therapy management services under section 62Q.676 or
1013.12 256B.0625, subdivisions 5, 13h, and 28a.

1013.13 (b) This section does not apply to managed care organizations or county-based purchasing
1013.14 plans when the plan provides coverage to public health care program enrollees under chapter
1013.15 256B or 256L.

1013.16 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1013.17 plans offered, issued, or renewed on or after that date.

1013.18 Sec. 12. Minnesota Statutes 2022, section 62D.12, subdivision 19, is amended to read:

1013.19 Subd. 19. **Coverage of service.** A health maintenance organization may not deny or
1013.20 limit coverage of a service which the enrollee has already received solely on the basis of
1013.21 lack of prior authorization or second opinion, to the extent that the service would otherwise
1013.22 have been covered under the member's contract by the health maintenance organization had
1013.23 prior authorization or second opinion been obtained. This subdivision expires December
1013.24 31, 2025, for health plans offered, sold, issued, or renewed on or after that date.

1013.25 Sec. 13. Minnesota Statutes 2022, section 62D.20, subdivision 1, is amended to read:

1013.26 Subdivision 1. **Rulemaking.** The commissioner of health may, pursuant to chapter 14,
1013.27 promulgate such reasonable rules as are necessary or proper to carry out the provisions of
1013.28 sections 62D.01 to 62D.30. Included among such rules shall be those which provide minimum
1013.29 requirements for the provision of comprehensive health maintenance services, as defined
1013.30 in section 62D.02, subdivision 7, and reasonable exclusions therefrom. ~~Nothing in such~~
1013.31 ~~rules shall force or require a health maintenance organization to provide elective, induced~~
1013.32 ~~abortions, except as medically necessary to prevent the death of the mother, whether~~

1014.1 ~~performed in a hospital, other abortion facility, or the office of a physician; the rules shall~~
1014.2 ~~provide every health maintenance organization the option of excluding or including elective,~~
1014.3 ~~induced abortions, except as medically necessary to prevent the death of the mother, as part~~
1014.4 ~~of its comprehensive health maintenance services.~~

1014.5 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1014.6 plans offered, sold, issued, or renewed on or after that date.

1014.7 Sec. 14. Minnesota Statutes 2022, section 62D.22, subdivision 5, is amended to read:

1014.8 Subd. 5. **Other state law.** Except as otherwise provided in sections 62A.01 to 62A.42
1014.9 and 62D.01 to 62D.30, ~~and except as they eliminate elective, induced abortions, wherever~~
1014.10 ~~performed, from health or maternity benefits,~~ provisions of the insurance laws and provisions
1014.11 of nonprofit health service plan corporation laws shall not be applicable to any health
1014.12 maintenance organization granted a certificate of authority under sections 62D.01 to 62D.30.

1014.13 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1014.14 plans offered, sold, issued, or renewed on or after that date.

1014.15 Sec. 15. Minnesota Statutes 2022, section 62D.22, is amended by adding a subdivision to
1014.16 read:

1014.17 Subd. 5a. **Application of other law.** Effective July 1, 2025, sections 145D.30 to 145D.37
1014.18 apply to nonprofit health maintenance organizations operating under this chapter.

1014.19 Sec. 16. **[62D.221] OVERSIGHT OF TRANSACTIONS.**

1014.20 Subdivision 1. **Insurance provisions applicable to health maintenance**
1014.21 **organizations.** Health maintenance organizations are subject to sections 60A.135, 60A.136,
1014.22 60A.137, 60A.16, 60A.161, 60D.17, 60D.18, and 60D.20 and must comply with the
1014.23 provisions of these sections applicable to insurers. In applying these sections to health
1014.24 maintenance organizations, "commissioner" means the commissioner of health. Health
1014.25 maintenance organizations are subject to Minnesota Rules, chapter 2720, as applicable to
1014.26 sections 60D.17, 60D.18, and 60D.20, and must comply with the provisions of chapter 2720
1014.27 applicable to insurers, unless the commissioner of health adopts rules to implement this
1014.28 subdivision.

1014.29 Subd. 2. **Statement.** In addition to the conditions in section 60D.17, subdivision 1,
1014.30 subjecting a health maintenance organization to filing requirements, no person other than
1014.31 the issuer shall acquire all or substantially all of the assets of a domestic nonprofit health
1014.32 maintenance organization through any means unless at the time the offer, request, or

1015.1 invitation is made or the agreement is entered into the person has filed with the commissioner
1015.2 and has sent to the health maintenance organization a statement containing the information
1015.3 required in section 60D.17 and the offer, request, invitation, agreement, or acquisition has
1015.4 been approved by the commissioner of health in the manner prescribed in section 60D.17.

1015.5 Sec. 17. Minnesota Statutes 2022, section 62M.02, subdivision 1a, is amended to read:

1015.6 Subd. 1a. **Adverse determination.** "Adverse determination" means a decision by a
1015.7 utilization review organization relating to an admission, extension of stay, or health care
1015.8 service that is partially or wholly adverse to the enrollee, including:

1015.9 (1) a decision to deny an admission, extension of stay, or health care service on the basis
1015.10 that it is not medically necessary; or

1015.11 (2) an authorization for a health care service that is less intensive than the health care
1015.12 service specified in the original request for authorization.

1015.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1015.14 Sec. 18. Minnesota Statutes 2022, section 62M.02, subdivision 5, is amended to read:

1015.15 Subd. 5. **Authorization.** "Authorization" means a determination by a utilization review
1015.16 organization that an admission, extension of stay, or other health care service has been
1015.17 reviewed and that, based on the information provided, it satisfies the utilization review
1015.18 requirements of the applicable health benefit plan and the health plan company or
1015.19 commissioner will then pay for the covered benefit, provided the preexisting limitation
1015.20 provisions, the general exclusion provisions, and any deductible, co-payment, coinsurance,
1015.21 or other policy requirements have been met.

1015.22 Sec. 19. Minnesota Statutes 2022, section 62M.02, is amended by adding a subdivision
1015.23 to read:

1015.24 Subd. 8a. **Commissioner.** "Commissioner" means, effective January 1, 2026, for the
1015.25 sections specified in section 62M.01, subdivision 3, paragraph (c), the commissioner of
1015.26 human services, unless otherwise specified.

1015.27 Sec. 20. Minnesota Statutes 2022, section 62M.02, subdivision 11, is amended to read:

1015.28 Subd. 11. **Enrollee.** "Enrollee" means:

1015.29 (1) an individual covered by a health benefit plan and includes an insured policyholder,
1015.30 subscriber, contract holder, member, covered person, or certificate holder; or

1016.1 (2) effective January 1, 2026, for the sections specified in section 62M.01, subdivision
1016.2 3, paragraph (c), a recipient receiving coverage through fee-for-service under chapters 256B
1016.3 and 256L.

1016.4 Sec. 21. Minnesota Statutes 2022, section 62M.02, subdivision 12, is amended to read:

1016.5 Subd. 12. **Health benefit plan.** (a) "Health benefit plan" means:

1016.6 (1) a policy, contract, or certificate issued by a health plan company for the coverage of
1016.7 medical, dental, or hospital benefits; or

1016.8 (2) effective January 1, 2026, for the sections specified in section 62M.01, subdivision
1016.9 3, paragraph (c), coverage of medical, dental, or hospital benefits through fee-for-service
1016.10 under chapters 256B and 256L, as specified by the commissioner on the agency's public
1016.11 website or through other forms of recipient and provider guidance.

1016.12 (b) A health benefit plan does not include coverage that is:

1016.13 (1) limited to disability or income protection coverage;

1016.14 (2) automobile medical payment coverage;

1016.15 (3) supplemental to liability insurance;

1016.16 (4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense
1016.17 incurred basis;

1016.18 (5) credit accident and health insurance issued under chapter 62B;

1016.19 (6) blanket accident and sickness insurance as defined in section 62A.11;

1016.20 (7) accident only coverage issued by a licensed and tested insurance agent; or

1016.21 (8) workers' compensation.

1016.22 Sec. 22. Minnesota Statutes 2022, section 62M.02, subdivision 21, is amended to read:

1016.23 Subd. 21. **Utilization review organization.** "Utilization review organization" means an
1016.24 entity including but not limited to an insurance company licensed under chapter 60A to
1016.25 offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01;
1016.26 a prepaid limited health service organization issued a certificate of authority and operating
1016.27 under sections 62A.451 to 62A.4528; a health service plan licensed under chapter 62C; a
1016.28 health maintenance organization licensed under chapter 62D; a community integrated service
1016.29 network licensed under chapter 62N; an accountable provider network operating under
1016.30 chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance

1017.1 employee health plan operating under chapter 62H; a multiple employer welfare arrangement,
1017.2 as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA),
1017.3 United States Code, title 29, section 1103, as amended; a third-party administrator licensed
1017.4 under section 60A.23, subdivision 8, which conducts utilization review and authorizes or
1017.5 makes adverse determinations regarding an admission, extension of stay, or other health
1017.6 care services for a Minnesota resident; effective January 1, 2026, for the sections specified
1017.7 in section 62M.01, subdivision 3, paragraph (c), the commissioner of human services for
1017.8 purposes of delivering services through fee-for-service under chapters 256B and 256L; any
1017.9 other entity that provides, offers, or administers hospital, outpatient, medical, prescription
1017.10 drug, or other health benefits to individuals treated by a health professional under a policy,
1017.11 plan, or contract; or any entity performing utilization review that is affiliated with, under
1017.12 contract with, or conducting utilization review on behalf of, a business entity in this state.
1017.13 Utilization review organization does not include a clinic or health care system acting pursuant
1017.14 to a written delegation agreement with an otherwise regulated utilization review organization
1017.15 that contracts with the clinic or health care system. The regulated utilization review
1017.16 organization is accountable for the delegated utilization review activities of the clinic or
1017.17 health care system.

1017.18 Sec. 23. Minnesota Statutes 2022, section 62M.04, subdivision 1, is amended to read:

1017.19 Subdivision 1. **Responsibility for obtaining authorization.** A health benefit plan that
1017.20 includes utilization review requirements must specify the process for notifying the utilization
1017.21 review organization in a timely manner and obtaining authorization for health care services.
1017.22 Each health plan company must provide a clear and concise description of this process to
1017.23 an enrollee as part of the policy, subscriber contract, or certificate of coverage. Effective
1017.24 January 1, 2026, the commissioner must provide a clear and concise description of this
1017.25 process to fee-for-service recipients receiving services under chapters 256B and 256L,
1017.26 through the agency's public website or through other forms of recipient guidance. In addition
1017.27 to the enrollee, the utilization review organization must allow any provider or provider's
1017.28 designee, or responsible patient representative, including a family member, to fulfill the
1017.29 obligations under the health benefit plan.

1017.30 A claims administrator that contracts directly with providers for the provision of health
1017.31 care services to enrollees may, through contract, require the provider to notify the review
1017.32 organization in a timely manner and obtain authorization for health care services.

1018.1 Sec. 24. Minnesota Statutes 2022, section 62M.05, subdivision 3a, is amended to read:

1018.2 Subd. 3a. **Standard review determination.** (a) ~~Notwithstanding subdivision 3b, a~~
1018.3 ~~standard review determination on all requests for utilization review must be communicated~~
1018.4 ~~to the provider and enrollee in accordance with this subdivision within five business days~~
1018.5 ~~after receiving the request if the request is received electronically, or within six business~~
1018.6 ~~days if received through nonelectronic means, provided that all information reasonably~~
1018.7 ~~necessary to make a determination on the request has been made available to the utilization~~
1018.8 ~~review organization. Effective January 1, 2022, A standard review determination on all~~
1018.9 requests for utilization review must be communicated to the provider and enrollee in
1018.10 accordance with this subdivision within five business days after receiving the request,
1018.11 regardless of how the request was received, provided that all information reasonably
1018.12 necessary to make a determination on the request has been made available to the utilization
1018.13 review organization.

1018.14 (b) When a determination is made to authorize, notification must be provided promptly
1018.15 by telephone to the provider. The utilization review organization shall send written
1018.16 notification to the provider or shall maintain an audit trail of the determination and telephone
1018.17 notification. For purposes of this subdivision, "audit trail" includes documentation of the
1018.18 telephone notification, including the date; the name of the person spoken to; the enrollee;
1018.19 the service, procedure, or admission authorized; and the date of the service, procedure, or
1018.20 admission. If the utilization review organization indicates authorization by use of a number,
1018.21 the number must be called the "authorization number." For purposes of this subdivision,
1018.22 notification may also be made by facsimile to a verified number or by electronic mail to a
1018.23 secure electronic mailbox. These electronic forms of notification satisfy the "audit trail"
1018.24 requirement of this paragraph.

1018.25 (c) When an adverse determination is made, notification must be provided within the
1018.26 time periods specified in paragraph (a) by telephone, by facsimile to a verified number, or
1018.27 by electronic mail to a secure electronic mailbox to the attending health care professional
1018.28 and hospital or physician office as applicable. Written notification must also be sent to the
1018.29 hospital or physician office as applicable and attending health care professional if notification
1018.30 occurred by telephone. For purposes of this subdivision, notification may be made by
1018.31 facsimile to a verified number or by electronic mail to a secure electronic mailbox. Written
1018.32 notification must be sent to the enrollee and may be sent by United States mail, facsimile
1018.33 to a verified number, or by electronic mail to a secure mailbox. The written notification
1018.34 must include all reasons relied on by the utilization review organization for the determination
1018.35 and the process for initiating an appeal of the determination. Upon request, the utilization

1019.1 review organization shall provide the provider or enrollee with the criteria used to determine
1019.2 the necessity, appropriateness, and efficacy of the health care service and identify the
1019.3 database, professional treatment parameter, or other basis for the criteria. Reasons for an
1019.4 adverse determination may include, among other things, the lack of adequate information
1019.5 to authorize after a reasonable attempt has been made to contact the provider or enrollee.

1019.6 (d) When an adverse determination is made, the written notification must inform the
1019.7 enrollee and the attending health care professional of the right to submit an appeal to the
1019.8 internal appeal process described in section 62M.06 and the procedure for initiating the
1019.9 internal appeal. The written notice shall be provided in a culturally and linguistically
1019.10 appropriate manner consistent with the provisions of the Affordable Care Act as defined
1019.11 under section 62A.011, subdivision 1a.

1019.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1019.13 Sec. 25. Minnesota Statutes 2022, section 62M.07, subdivision 2, is amended to read:

1019.14 Subd. 2. **Prior authorization of emergency certain services prohibited.** No utilization
1019.15 review organization, health plan company, or claims administrator may conduct or require
1019.16 prior authorization of:

1019.17 (1) emergency confinement or an emergency service. The enrollee or the enrollee's
1019.18 authorized representative may be required to notify the health plan company, claims
1019.19 administrator, or utilization review organization as soon as reasonably possible after the
1019.20 beginning of the emergency confinement or emergency service;

1019.21 (2) outpatient mental health treatment or outpatient substance use disorder treatment,
1019.22 except for treatment which is a medication. Prior authorizations required for medications
1019.23 used for outpatient mental health treatment or outpatient substance use disorder treatment
1019.24 must be processed according to section 62M.05, subdivision 3b, for initial determinations,
1019.25 and according to section 62M.06, subdivision 2, for appeals;

1019.26 (3) antineoplastic cancer treatment that is consistent with guidelines of the National
1019.27 Comprehensive Cancer Network, except for treatment which is a medication. Prior
1019.28 authorizations required for medications used for antineoplastic cancer treatment must be
1019.29 processed according to section 62M.05, subdivision 3b, for initial determinations, and
1019.30 according to section 62M.06, subdivision 2, for appeals;

1019.31 (4) services that currently have a rating of A or B from the United States Preventive
1019.32 Services Task Force, immunizations recommended by the Advisory Committee on
1019.33 Immunization Practices of the Centers for Disease Control and Prevention, or preventive

1020.1 services and screenings provided to women as described in Code of Federal Regulations,
1020.2 title 45, section 147.130;

1020.3 (5) pediatric hospice services provided by a hospice provider licensed under sections
1020.4 144A.75 to 144A.755; and

1020.5 (6) treatment delivered through a neonatal abstinence program operated by pediatric
1020.6 pain or palliative care subspecialists.

1020.7 Clauses (2) to (6) are effective January 1, 2026, and apply to health benefit plans offered,
1020.8 sold, issued, or renewed on or after that date.

1020.9 Sec. 26. Minnesota Statutes 2022, section 62M.07, subdivision 4, is amended to read:

1020.10 Subd. 4. **Submission of prior authorization requests.** (a) If prior authorization for a
1020.11 health care service is required, the utilization review organization, health plan company, or
1020.12 claim administrator must allow providers to submit requests for prior authorization of the
1020.13 health care services without unreasonable delay by telephone, facsimile, or voice mail or
1020.14 through an electronic mechanism 24 hours a day, seven days a week. This subdivision does
1020.15 not apply to dental service covered under MinnesotaCare or medical assistance.

1020.16 (b) Effective January 1, 2027, for health benefit plans offered, sold, issued, or renewed
1020.17 on or after that date, utilization review organizations, health plan companies, and claims
1020.18 administrators must have and maintain a prior authorization application programming
1020.19 interface (API) that automates the prior authorization process for health care services,
1020.20 excluding prescription drugs and medications. The API must allow providers to determine
1020.21 whether a prior authorization is required for health care services, identify prior authorization
1020.22 information and documentation requirements, and facilitate the exchange of prior
1020.23 authorization requests and determinations from provider electronic health records or practice
1020.24 management systems. The API must use the Health Level Seven (HL7) Fast Healthcare
1020.25 Interoperability Resources (FHIR) standard in accordance with Code of Federal Regulations,
1020.26 title 45, section 170.215(a)(1), and the most recent standards and guidance adopted by the
1020.27 United States Department of Health and Human Services to implement that section. Prior
1020.28 authorization submission requests for prescription drugs and medications must comply with
1020.29 the requirements of section 62J.497.

1021.1 Sec. 27. Minnesota Statutes 2022, section 62M.07, is amended by adding a subdivision
1021.2 to read:

1021.3 Subd. 5. **Treatment of a chronic condition.** This subdivision is effective January 1,
1021.4 2026, and applies to health benefit plans offered, sold, issued, or renewed on or after that
1021.5 date. An authorization for treatment of a chronic health condition does not expire unless
1021.6 the standard of treatment for that health condition changes. A chronic health condition is a
1021.7 condition that is expected to last one year or more and:

1021.8 (1) requires ongoing medical attention to effectively manage the condition or prevent
1021.9 an adverse health event; or

1021.10 (2) limits one or more activities of daily living.

1021.11 Sec. 28. Minnesota Statutes 2022, section 62M.10, subdivision 7, is amended to read:

1021.12 **Subd. 7. Availability of criteria.** (a) For utilization review determinations other than
1021.13 prior authorization, a utilization review organization shall, upon request, provide to an
1021.14 enrollee, a provider, and the commissioner of commerce the criteria used to determine the
1021.15 medical necessity, appropriateness, and efficacy of a procedure or service and identify the
1021.16 database, professional treatment guideline, or other basis for the criteria.

1021.17 (b) For prior authorization determinations, a utilization review organization must submit
1021.18 the organization's current prior authorization requirements and restrictions, including written,
1021.19 evidence-based, clinical criteria used to make an authorization or adverse determination, to
1021.20 all health plan companies for which the organization performs utilization review. A health
1021.21 plan company must post on its public website the prior authorization requirements and
1021.22 restrictions of any utilization review organization that performs utilization review for the
1021.23 health plan company. These prior authorization requirements and restrictions must be detailed
1021.24 and written in language that is easily understandable to providers. This paragraph does not
1021.25 apply to the commissioner of human services when delivering services through fee-for-service
1021.26 under chapters 256B and 256L.

1021.27 (c) Effective January 1, 2026, the commissioner of human services must post on the
1021.28 department's public website the prior authorization requirements and restrictions, including
1021.29 written, evidence-based, clinical criteria used to make an authorization or adverse
1021.30 determination, that apply to prior authorization determinations for fee-for-service under
1021.31 chapters 256B and 256L. These prior authorization requirements and restrictions must be
1021.32 detailed and written in language that is easily understandable to providers.

1022.1 Sec. 29. Minnesota Statutes 2022, section 62M.10, subdivision 8, is amended to read:

1022.2 Subd. 8. **Notice; new prior authorization requirements or restrictions; change to**
1022.3 **existing requirement or restriction.** (a) Before a utilization review organization may
1022.4 implement a new prior authorization requirement or restriction or amend an existing prior
1022.5 authorization requirement or restriction, the utilization review organization must submit the
1022.6 new or amended requirement or restriction to all health plan companies for which the
1022.7 organization performs utilization review. A health plan company must post on its website
1022.8 the new or amended requirement or restriction. This paragraph does not apply to the
1022.9 commissioner of human services when delivering services through fee-for-service under
1022.10 chapters 256B and 256L.

1022.11 (b) At least 45 days before a new prior authorization requirement or restriction or an
1022.12 amended existing prior authorization requirement or restriction is implemented, the utilization
1022.13 review organization, health plan company, or claims administrator must provide written or
1022.14 electronic notice of the new or amended requirement or restriction to all Minnesota-based,
1022.15 in-network attending health care professionals who are subject to the prior authorization
1022.16 requirements and restrictions. This paragraph does not apply to the commissioner of human
1022.17 services when delivering services through fee-for-service under chapters 256B and 256L.

1022.18 (c) Effective January 1, 2026, before the commissioner of human services may implement
1022.19 a new prior authorization requirement or restriction or amend an existing prior authorization
1022.20 requirement or restriction, the commissioner, at least 45 days before the new or amended
1022.21 requirement or restriction takes effect, must provide written or electronic notice of the new
1022.22 or amended requirement or restriction, to all health care professionals participating as
1022.23 fee-for-service providers under chapters 256B and 256L who are subject to the prior
1022.24 authorization requirements and restrictions.

1022.25 Sec. 30. Minnesota Statutes 2022, section 62M.17, subdivision 2, is amended to read:

1022.26 Subd. 2. **Effect of change in prior authorization clinical criteria.** (a) If, during a plan
1022.27 year, a utilization review organization changes coverage terms for a health care service or
1022.28 the clinical criteria used to conduct prior authorizations for a health care service, the change
1022.29 in coverage terms or change in clinical criteria shall not apply until the next plan year for
1022.30 any enrollee who received prior authorization for a health care service using the coverage
1022.31 terms or clinical criteria in effect before the effective date of the change.

1022.32 (b) Paragraph (a) does not apply if a utilization review organization changes coverage
1022.33 terms for a drug or device that has been deemed unsafe by the United States Food and Drug
1022.34 Administration (FDA); that has been withdrawn by either the FDA or the product

1023.1 manufacturer; or when an independent source of research, clinical guidelines, or
1023.2 evidence-based standards has issued drug- or device-specific warnings or recommended
1023.3 changes in drug or device usage.

1023.4 (c) Paragraph (a) does not apply if a utilization review organization changes coverage
1023.5 terms for a service or the clinical criteria used to conduct prior authorizations for a service
1023.6 when an independent source of research, clinical guidelines, or evidence-based standards
1023.7 has recommended changes in usage of the service for reasons related to patient harm. This
1023.8 paragraph expires December 31, 2025, for health benefit plans offered, sold, issued, or
1023.9 renewed on or after that date.

1023.10 (d) Effective January 1, 2026, and applicable to health benefit plans offered, sold, issued,
1023.11 or renewed on or after that date, paragraph (a) does not apply if a utilization review
1023.12 organization changes coverage terms for a service or the clinical criteria used to conduct
1023.13 prior authorizations for a service when an independent source of research, clinical guidelines,
1023.14 or evidence-based standards has recommended changes in usage of the service for reasons
1023.15 related to previously unknown and imminent patient harm.

1023.16 ~~(d)~~ (e) Paragraph (a) does not apply if a utilization review organization removes a brand
1023.17 name drug from its formulary or places a brand name drug in a benefit category that increases
1023.18 the enrollee's cost, provided the utilization review organization (1) adds to its formulary a
1023.19 generic or multisource brand name drug rated as therapeutically equivalent according to
1023.20 the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA
1023.21 Purple Book, at a lower cost to the enrollee, and (2) provides at least a 60-day notice to
1023.22 prescribers, pharmacists, and affected enrollees.

1023.23 Sec. 31. **[62M.19] ANNUAL REPORT TO COMMISSIONER OF HEALTH; PRIOR**
1023.24 **AUTHORIZATIONS.**

1023.25 On or before September 1 each year, each utilization review organization must report
1023.26 to the commissioner of health, in a form and manner specified by the commissioner,
1023.27 information on prior authorization requests for the previous calendar year. The report
1023.28 submitted under this subdivision must include the following data:

1023.29 (1) the total number of prior authorization requests received;

1023.30 (2) the number of prior authorization requests for which an authorization was issued;

1023.31 (3) the number of prior authorization requests for which an adverse determination was
1023.32 issued;

1023.33 (4) the number of adverse determinations reversed on appeal;

- 1024.1 (5) the 25 codes with the highest number of prior authorization requests and the
1024.2 percentage of authorizations for each of these codes;
- 1024.3 (6) the 25 codes with the highest percentage of prior authorization requests for which
1024.4 an authorization was issued and the total number of the requests;
- 1024.5 (7) the 25 codes with the highest percentage of prior authorization requests for which
1024.6 an adverse determination was issued but which was reversed on appeal and the total number
1024.7 of the requests;
- 1024.8 (8) the 25 codes with the highest percentage of prior authorization requests for which
1024.9 an adverse determination was issued and the total number of the requests; and
- 1024.10 (9) the reasons an adverse determination to a prior authorization request was issued,
1024.11 expressed as a percentage of all adverse determinations. The reasons listed may include but
1024.12 are not limited to:
- 1024.13 (i) the patient did not meet prior authorization criteria;
- 1024.14 (ii) incomplete information was submitted by the provider to the utilization review
1024.15 organization;
- 1024.16 (iii) the treatment program changed; and
- 1024.17 (iv) the patient is no longer covered by the health benefit plan.
- 1024.18 Sec. 32. Minnesota Statutes 2022, section 62Q.097, is amended by adding a subdivision
1024.19 to read:
- 1024.20 Subd. 3. **Prohibited application questions.** An application for provider credentialing
1024.21 must not:
- 1024.22 (1) require the provider to disclose past health conditions;
- 1024.23 (2) require the provider to disclose current health conditions, if the provider is being
1024.24 treated so that the condition does not affect the provider's ability to practice medicine; or
- 1024.25 (3) require the disclosure of any health conditions that would not affect the provider's
1024.26 ability to practice medicine in a competent, safe, and ethical manner.
- 1024.27 **EFFECTIVE DATE.** This section applies to applications for provider credentialing
1024.28 submitted to a health plan company on or after January 1, 2025.

1025.1 Sec. 33. Minnesota Statutes 2022, section 62Q.14, is amended to read:

1025.2 **62Q.14 RESTRICTIONS ON ENROLLEE SERVICES.**

1025.3 No health plan company may restrict the choice of an enrollee as to where the enrollee
1025.4 receives services related to:

1025.5 (1) the voluntary planning of the conception and bearing of children, ~~provided that this~~
1025.6 ~~clause does not refer to abortion services;~~

1025.7 (2) the diagnosis of infertility;

1025.8 (3) the testing and treatment of a sexually transmitted disease; and

1025.9 (4) the testing for AIDS or other HIV-related conditions.

1025.10 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1025.11 plans offered, sold, issued, or renewed on or after that date.

1025.12 Sec. 34. Minnesota Statutes 2022, section 62Q.19, subdivision 3, is amended to read:

1025.13 Subd. 3. **Health plan company affiliation.** A health plan company must offer a provider
1025.14 contract to ~~any~~ all designated essential community ~~provider~~ providers located within the
1025.15 area served by the health plan company. A health plan company must include all essential
1025.16 community providers that have accepted a contract in each of the company's provider
1025.17 networks. A health plan company shall not restrict enrollee access to services designated
1025.18 to be provided by the essential community provider for the population that the essential
1025.19 community provider is certified to serve. A health plan company may also make other
1025.20 providers available for these services. A health plan company may require an essential
1025.21 community provider to meet all data requirements, utilization review, and quality assurance
1025.22 requirements on the same basis as other health plan providers.

1025.23 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1025.24 plans offered, issued, or renewed on or after that date.

1025.25 Sec. 35. Minnesota Statutes 2022, section 62Q.19, is amended by adding a subdivision to
1025.26 read:

1025.27 Subd. 4a. **Contract payment rates; private.** An essential community provider and a
1025.28 health plan company may negotiate the payment rate for covered services provided by the
1025.29 essential community provider. This rate must be at least the same rate per unit of service
1025.30 as is paid by the health plan company to the essential community provider under the provider
1025.31 contract between the two with the highest number of enrollees receiving health care services

1026.1 from the provider or, if there is no provider contract between the health plan company and
1026.2 the essential community provider, the rate must be at least the same rate per unit of service
1026.3 as is paid to other plan providers for the same or similar services. The provider contract
1026.4 used to set the rate under this subdivision must be in relation to an individual, small group,
1026.5 or large group health plan. This subdivision applies only to provider contracts in relation
1026.6 to individual, small employer, and large group health plans.

1026.7 Sec. 36. Minnesota Statutes 2022, section 62Q.19, subdivision 5, is amended to read:

1026.8 Subd. 5. **Contract payment rates; public.** An essential community provider and a
1026.9 health plan company may negotiate the payment rate for covered services provided by the
1026.10 essential community provider. This rate must be at least the same rate per unit of service
1026.11 as is paid to other health plan providers for the same or similar services. This subdivision
1026.12 applies only to provider contracts in relation to health plans offered through the State
1026.13 Employee Group Insurance Program, medical assistance, and MinnesotaCare.

1026.14 Sec. 37. Minnesota Statutes 2023 Supplement, section 62Q.473, is amended by adding a
1026.15 subdivision to read:

1026.16 Subd. 3. **Reimbursement.** (a) The commissioner of commerce must reimburse health
1026.17 plan companies for coverage under this section. Reimbursement is available only for coverage
1026.18 that would not have been provided by the health plan without the requirements of this
1026.19 section. Treatments and services covered by the health plan as of January 1, 2023, are
1026.20 ineligible for payment under this subdivision by the commissioner of commerce.

1026.21 (b) Health plan companies must report to the commissioner of commerce quantified
1026.22 costs attributable to the additional benefit under this section in a format developed by the
1026.23 commissioner. A health plan's coverage as of January 1, 2023, must be used by the health
1026.24 plan company as the basis for determining whether coverage would not have been provided
1026.25 by the health plan for purposes of this subdivision.

1026.26 (c) The commissioner of commerce must evaluate submissions and make payments to
1026.27 health plan companies as provided in Code of Federal Regulations, title 45, section 155.170.

1026.28 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1026.29 plans offered, issued, or renewed on or after that date.

1027.1 Sec. 38. Minnesota Statutes 2023 Supplement, section 62Q.473, is amended by adding a
1027.2 subdivision to read:

1027.3 Subd. 4. **Appropriation.** Each fiscal year, an amount necessary to make payments to
1027.4 health plan companies to defray the cost of providing coverage under this section is
1027.5 appropriated to the commissioner of commerce.

1027.6 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1027.7 plans offered, issued, or renewed on or after that date.

1027.8 Sec. 39. **[62Q.524] COVERAGE OF ABORTIONS AND ABORTION-RELATED**
1027.9 **SERVICES.**

1027.10 Subdivision 1. **Definition.** For purposes of this section, "abortion" means any medical
1027.11 treatment intended to induce the termination of a pregnancy with a purpose other than
1027.12 producing a live birth.

1027.13 Subd. 2. **Required coverage.** (a) A health plan must provide coverage for abortions and
1027.14 abortion-related services, including preabortion services and follow-up services.

1027.15 (b) A health plan must not impose on the coverage under this section any co-payment,
1027.16 coinsurance, deductible, or other enrollee cost-sharing that is greater than the cost-sharing
1027.17 that applies to similar services covered under the health plan.

1027.18 (c) A health plan must not impose any limitation on the coverage under this section,
1027.19 including but not limited to any utilization review, prior authorization, referral requirements,
1027.20 restrictions, or delays, that is not generally applicable to other coverages under the plan.

1027.21 Subd. 3. **Exclusion.** This section does not apply to managed care organizations or
1027.22 county-based purchasing plans when the plan provides coverage to public health care
1027.23 program enrollees under chapter 256B or 256L.

1027.24 Subd. 4. **Reimbursement.** (a) The commissioner of commerce must reimburse health
1027.25 plan companies for coverage under this section. Reimbursement is available only for coverage
1027.26 that would not have been provided by the health plan without the requirements of this
1027.27 section. Treatments and services covered by the health plan as of January 1, 2024, are
1027.28 ineligible for payment under this subdivision by the commissioner of commerce.

1027.29 (b) Health plan companies must report to the commissioner of commerce quantified
1027.30 costs attributable to the additional benefit under this section in a format developed by the
1027.31 commissioner. A health plan's coverage as of January 1, 2024, must be used by the health

1028.1 plan company as the basis for determining whether coverage would not have been provided
1028.2 by the health plan for purposes of this subdivision.

1028.3 (c) The commissioner of commerce must evaluate submissions and make payments to
1028.4 health plan companies as provided in Code of Federal Regulations, title 45, section 155.170.

1028.5 Subd. 5. **Appropriation.** Each fiscal year, an amount necessary to make payments to
1028.6 health plan companies to defray the cost of providing coverage under this section is
1028.7 appropriated to the commissioner of commerce.

1028.8 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1028.9 plans offered, sold, issued, or renewed on or after that date.

1028.10 Sec. 40. **[62Q.531] AMINO ACID-BASED FORMULA COVERAGE.**

1028.11 Subdivision 1. **Definition.** (a) For purposes of this section, the following term has the
1028.12 meaning given.

1028.13 (b) "Formula" means an amino acid-based elemental formula.

1028.14 Subd. 2. **Required coverage.** A health plan company must provide coverage for formula
1028.15 when formula is medically necessary.

1028.16 Subd. 3. **Covered conditions.** Conditions for which formula is medically necessary
1028.17 include but are not limited to:

1028.18 (1) cystic fibrosis;

1028.19 (2) amino acid, organic acid, and fatty acid metabolic and malabsorption disorders;

1028.20 (3) IgE mediated allergies to food proteins;

1028.21 (4) food protein-induced enterocolitis syndrome;

1028.22 (5) eosinophilic esophagitis;

1028.23 (6) eosinophilic gastroenteritis;

1028.24 (7) eosinophilic colitis; and

1028.25 (8) mast cell activation syndrome.

1028.26 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1028.27 plans offered, issued, or sold on or after that date.

1029.1 Sec. 41. [62Q.665] COVERAGE FOR ORTHOTIC AND PROSTHETIC DEVICES.

1029.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1029.3 the meanings given.

1029.4 (b) "Accredited facility" means any entity that is accredited to provide comprehensive
1029.5 orthotic or prosthetic devices or services by a Centers for Medicare and Medicaid Services
1029.6 approved accrediting agency.

1029.7 (c) "Orthosis" means:

1029.8 (1) an external medical device that is:

1029.9 (i) custom-fabricated or custom-fitted to a specific patient based on the patient's unique
1029.10 physical condition;

1029.11 (ii) applied to a part of the body to correct a deformity, provide support and protection,
1029.12 restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or
1029.13 postoperative condition; and

1029.14 (iii) deemed medically necessary by a prescribing physician or licensed health care
1029.15 provider who has authority in Minnesota to prescribe orthotic and prosthetic devices, supplies,
1029.16 and services; and

1029.17 (2) any provision, repair, or replacement of a device that is furnished or performed by:

1029.18 (i) an accredited facility in comprehensive orthotic services; or

1029.19 (ii) a health care provider licensed in Minnesota and operating within the provider's
1029.20 scope of practice which allows the provider to provide orthotic or prosthetic devices, supplies,
1029.21 or services.

1029.22 (d) "Orthotics" means:

1029.23 (1) the science and practice of evaluating, measuring, designing, fabricating, assembling,
1029.24 fitting, adjusting, or servicing and providing the initial training necessary to accomplish the
1029.25 fitting of an orthotic device for the support, correction, or alleviation of a neuromuscular
1029.26 or musculoskeletal dysfunction, disease, injury, or deformity;

1029.27 (2) evaluation, treatment, and consultation related to an orthotic device;

1029.28 (3) basic observation of gait and postural analysis;

1029.29 (4) assessing and designing orthosis to maximize function and provide support and
1029.30 alignment necessary to prevent or correct a deformity or to improve the safety and efficiency
1029.31 of mobility and locomotion;

1030.1 (5) continuing patient care to assess the effect of an orthotic device on the patient's
1030.2 tissues; and

1030.3 (6) proper fit and function of the orthotic device by periodic evaluation.

1030.4 (e) "Prosthesis" means:

1030.5 (1) an external medical device that is:

1030.6 (i) used to replace or restore a missing limb, appendage, or other external human body
1030.7 part; and

1030.8 (ii) deemed medically necessary by a prescribing physician or licensed health care
1030.9 provider who has authority in Minnesota to prescribe orthotic and prosthetic devices, supplies,
1030.10 and services; and

1030.11 (2) any provision, repair, or replacement of a device that is furnished or performed by:

1030.12 (i) an accredited facility in comprehensive prosthetic services; or

1030.13 (ii) a health care provider licensed in Minnesota and operating within the provider's
1030.14 scope of practice which allows the provider to provide orthotic or prosthetic devices, supplies,
1030.15 or services.

1030.16 (f) "Prosthetics" means:

1030.17 (1) the science and practice of evaluating, measuring, designing, fabricating, assembling,
1030.18 fitting, aligning, adjusting, or servicing, as well as providing the initial training necessary
1030.19 to accomplish the fitting of, a prosthesis through the replacement of external parts of a
1030.20 human body lost due to amputation or congenital deformities or absences;

1030.21 (2) the generation of an image, form, or mold that replicates the patient's body segment
1030.22 and that requires rectification of dimensions, contours, and volumes for use in the design
1030.23 and fabrication of a socket to accept a residual anatomic limb to, in turn, create an artificial
1030.24 appendage that is designed either to support body weight or to improve or restore function
1030.25 or anatomical appearance, or both;

1030.26 (3) observational gait analysis and clinical assessment of the requirements necessary to
1030.27 refine and mechanically fix the relative position of various parts of the prosthesis to maximize
1030.28 function, stability, and safety of the patient;

1030.29 (4) providing and continuing patient care in order to assess the prosthetic device's effect
1030.30 on the patient's tissues; and

1030.31 (5) assuring proper fit and function of the prosthetic device by periodic evaluation.

1031.1 Subd. 2. Coverage. (a) A health plan must provide coverage for orthotic and prosthetic
1031.2 devices, supplies, and services, including repair and replacement, at least equal to the
1031.3 coverage provided under federal law for health insurance for the aged and disabled under
1031.4 sections 1832, 1833, and 1834 of the Social Security Act, United States Code, title 42,
1031.5 sections 1395k, 1395l, and 1395m, but only to the extent consistent with this section.

1031.6 (b) A health plan must not subject orthotic and prosthetic benefits to separate financial
1031.7 requirements that apply only with respect to those benefits. A health plan may impose
1031.8 co-payment and coinsurance amounts on those benefits, except that any financial
1031.9 requirements that apply to such benefits must not be more restrictive than the financial
1031.10 requirements that apply to the health plan's medical and surgical benefits, including those
1031.11 for internal restorative devices.

1031.12 (c) A health plan may limit the benefits for, or alter the financial requirements for,
1031.13 out-of-network coverage of prosthetic and orthotic devices, except that the restrictions and
1031.14 requirements that apply to those benefits must not be more restrictive than the financial
1031.15 requirements that apply to the out-of-network coverage for the health plan's medical and
1031.16 surgical benefits.

1031.17 (d) A health plan must cover orthoses and prostheses when furnished under an order by
1031.18 a prescribing physician or licensed health care prescriber who has authority in Minnesota
1031.19 to prescribe orthoses and prostheses, and that coverage for orthotic and prosthetic devices,
1031.20 supplies, accessories, and services must include those devices or device systems, supplies,
1031.21 accessories, and services that are customized to the covered individual's needs.

1031.22 (e) A health plan must cover orthoses and prostheses determined by the enrollee's provider
1031.23 to be the most appropriate model that meets the medical needs of the enrollee for purposes
1031.24 of performing physical activities, as applicable, including but not limited to running, biking,
1031.25 and swimming, and maximizing the enrollee's limb function.

1031.26 (f) A health plan must cover orthoses and prostheses for showering or bathing.

1031.27 Subd. 3. Prior authorization. A health plan may require prior authorization for orthotic
1031.28 and prosthetic devices, supplies, and services in the same manner and to the same extent as
1031.29 prior authorization is required for any other covered benefit.

1031.30 Subd. 4. Reimbursement. (a) The commissioner of commerce must reimburse health
1031.31 plan companies for coverage under this section. Reimbursement is available only for coverage
1031.32 that would not have been provided by the health plan without the requirements of this
1031.33 section. Treatments and services covered by the health plan as of January 1, 2024, are
1031.34 ineligible for payment under this subdivision by the commissioner of commerce.

1032.1 (b) Health plan companies must report to the commissioner of commerce quantified
1032.2 costs attributable to the additional benefit under this section in a format developed by the
1032.3 commissioner. A health plan's coverage as of January 1, 2024, must be used by the health
1032.4 plan company as the basis for determining whether coverage would not have been provided
1032.5 by the health plan for purposes of this subdivision.

1032.6 (c) The commissioner of commerce must evaluate submissions and make payments to
1032.7 health plan companies as provided in Code of Federal Regulations, title 45, section 155.170.

1032.8 Subd. 5. **Appropriation.** Each fiscal year, an amount necessary to make payments to
1032.9 health plan companies to defray the cost of providing coverage under this section is
1032.10 appropriated to the commissioner of commerce.

1032.11 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to all health
1032.12 plans offered, issued, or renewed on or after that date.

1032.13 Sec. 42. **[62Q.6651] MEDICAL NECESSITY AND NONDISCRIMINATION**
1032.14 **STANDARDS FOR COVERAGE OF PROSTHETICS OR ORTHOTICS.**

1032.15 (a) When performing a utilization review for a request for coverage of prosthetic or
1032.16 orthotic benefits, a health plan company shall apply the most recent version of evidence-based
1032.17 treatment and fit criteria as recognized by relevant clinical specialists.

1032.18 (b) A health plan company shall render utilization review determinations in a
1032.19 nondiscriminatory manner and shall not deny coverage for habilitative or rehabilitative
1032.20 benefits, including prosthetics or orthotics, solely on the basis of an enrollee's actual or
1032.21 perceived disability.

1032.22 (c) A health plan company shall not deny a prosthetic or orthotic benefit for an individual
1032.23 with limb loss or absence that would otherwise be covered for a nondisabled person seeking
1032.24 medical or surgical intervention to restore or maintain the ability to perform the same
1032.25 physical activity.

1032.26 (d) A health plan offered, issued, or renewed in Minnesota that offers coverage for
1032.27 prosthetics and custom orthotic devices shall include language describing an enrollee's rights
1032.28 pursuant to paragraphs (b) and (c) in its evidence of coverage and any benefit denial letters.

1032.29 (e) A health plan that provides coverage for prosthetic or orthotic services shall ensure
1032.30 access to medically necessary clinical care and to prosthetic and custom orthotic devices
1032.31 and technology from not less than two distinct prosthetic and custom orthotic providers in
1032.32 the plan's provider network located in Minnesota. In the event that medically necessary
1032.33 covered orthotics and prosthetics are not available from an in-network provider, the health

1033.1 plan company shall provide processes to refer a member to an out-of-network provider and
1033.2 shall fully reimburse the out-of-network provider at a mutually agreed upon rate less member
1033.3 cost sharing determined on an in-network basis.

1033.4 (f) If coverage for prosthetic or custom orthotic devices is provided, payment shall be
1033.5 made for the replacement of a prosthetic or custom orthotic device or for the replacement
1033.6 of any part of the devices, without regard to continuous use or useful lifetime restrictions,
1033.7 if an ordering health care provider determines that the provision of a replacement device,
1033.8 or a replacement part of a device, is necessary because:

1033.9 (1) of a change in the physiological condition of the patient;

1033.10 (2) of an irreparable change in the condition of the device or in a part of the device; or

1033.11 (3) the condition of the device, or the part of the device, requires repairs and the cost of
1033.12 the repairs would be more than 60 percent of the cost of a replacement device or of the part
1033.13 being replaced.

1033.14 (g) Confirmation from a prescribing health care provider may be required if the prosthetic
1033.15 or custom orthotic device or part being replaced is less than three years old.

1033.16 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to all health
1033.17 plans offered, issued, or renewed on or after that date.

1033.18 Sec. 43. **[62Q.666] INTERMITTENT CATHETERS.**

1033.19 Subdivision 1. **Required coverage.** A health plan must provide coverage for intermittent
1033.20 urinary catheters and insertion supplies if intermittent catheterization is recommended by
1033.21 the enrollee's health care provider. At least 180 intermittent catheters per month with insertion
1033.22 supplies must be covered unless a lesser amount is prescribed by the enrollee's health care
1033.23 provider. A health plan providing coverage under the medical assistance program may be
1033.24 required to provide coverage for more than 180 intermittent catheters per month with
1033.25 insertion supplies.

1033.26 Subd. 2. **Cost-sharing requirements.** A health plan is prohibited from imposing a
1033.27 deductible, co-payment, coinsurance, or other restriction on intermittent catheters and
1033.28 insertion supplies that the health plan does not apply to durable medical equipment in general.

1033.29 **EFFECTIVE DATE.** This section is effective for any health plan issued or renewed
1033.30 on or after January 1, 2025.

1034.1 Sec. 44. [62Q.679] RELIGIOUS OBJECTIONS.

1034.2 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

1034.3 (b) "Closely held for-profit entity" means an entity that is not a nonprofit entity, has
1034.4 more than 50 percent of the value of its ownership interest owned directly or indirectly by
1034.5 five or fewer owners, and has no publicly traded ownership interest. For purposes of this
1034.6 paragraph:

1034.7 (1) ownership interests owned by a corporation, partnership, limited liability company,
1034.8 estate, trust, or similar entity are considered owned by that entity's shareholders, partners,
1034.9 members, or beneficiaries in proportion to their interest held in the corporation, partnership,
1034.10 limited liability company, estate, trust, or similar entity;

1034.11 (2) ownership interests owned by a nonprofit entity are considered owned by a single
1034.12 owner;

1034.13 (3) ownership interests owned by all individuals in a family are considered held by a
1034.14 single owner. For purposes of this clause, "family" means brothers and sisters, including
1034.15 half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

1034.16 (4) if an individual or entity holds an option, warrant, or similar right to purchase an
1034.17 ownership interest, the individual or entity is considered to be the owner of those ownership
1034.18 interests.

1034.19 (c) "Eligible organization" means an organization that opposes covering some or all
1034.20 health benefits under section 62Q.522, 62Q.524, or 62Q.585 on account of religious
1034.21 objections and that is:

1034.22 (1) organized as a nonprofit entity and holds itself out to be religious; or

1034.23 (2) organized and operates as a closely held for-profit entity, and the organization's
1034.24 owners or highest governing body has adopted, under the organization's applicable rules of
1034.25 governance and consistent with state law, a resolution or similar action establishing that the
1034.26 organization objects to covering some or all health benefits under section 62Q.522, 62Q.524,
1034.27 or 62Q.585 on account of the owners' sincerely held religious beliefs.

1034.28 (d) "Exempt organization" means an organization that is organized and operates as a
1034.29 nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal
1034.30 Revenue Code of 1986, as amended.

1034.31 Subd. 2. Exemption. (a) An exempt organization is not required to provide coverage
1034.32 under section 62Q.522, 62Q.524, or 62Q.585 if the exempt organization has religious

1035.1 objections to the coverage. An exempt organization that chooses to not provide coverage
1035.2 pursuant to this paragraph must notify employees as part of the hiring process and must
1035.3 notify all employees at least 30 days before:

1035.4 (1) an employee enrolls in the health plan; or

1035.5 (2) the effective date of the health plan, whichever occurs first.

1035.6 (b) If the exempt organization provides partial coverage under section 62Q.522, 62Q.524,
1035.7 or 62Q.585, the notice required under paragraph (a) must provide a list of the portions of
1035.8 such coverage which the organization refuses to cover.

1035.9 Subd. 3. **Accommodation for eligible organizations.** (a) A health plan established or
1035.10 maintained by an eligible organization complies with the coverage requirements of section
1035.11 62Q.522, 62Q.524, or 62Q.585, with respect to the health benefits identified in the notice
1035.12 under this paragraph, if the eligible organization provides notice to any health plan company
1035.13 with which the eligible organization contracts that it is an eligible organization and that the
1035.14 eligible organization has a religious objection to coverage for all or a subset of the health
1035.15 benefits under section 62Q.522, 62Q.524, or 62Q.585.

1035.16 (b) The notice from an eligible organization to a health plan company under paragraph
1035.17 (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to
1035.18 coverage for some or all of the health benefits under section 62Q.522, 62Q.524, or 62Q.585,
1035.19 including a list of the health benefits to which the eligible organization objects, if applicable;
1035.20 and (3) the health plan name. The notice must be executed by a person authorized to provide
1035.21 notice on behalf of the eligible organization.

1035.22 (c) An eligible organization must provide a copy of the notice under paragraph (a) to
1035.23 prospective employees as part of the hiring process and to all employees at least 30 days
1035.24 before:

1035.25 (1) an employee enrolls in the health plan; or

1035.26 (2) the effective date of the health plan, whichever occurs first.

1035.27 (d) A health plan company that receives a copy of the notice under paragraph (a) with
1035.28 respect to a health plan established or maintained by an eligible organization must, for all
1035.29 future enrollments in the health plan:

1035.30 (1) expressly exclude coverage for those health benefits identified in the notice under
1035.31 paragraph (a) from the health plan; and

1036.1 (2) provide separate payments for any health benefits required to be covered under
1036.2 section 62Q.522, 62Q.524, or 62Q.585 for enrollees as long as the enrollee remains enrolled
1036.3 in the health plan.

1036.4 (e) The health plan company must not impose any cost-sharing requirements, including
1036.5 co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or
1036.6 other charge for the health benefits under section 62Q.522 on the enrollee. The health plan
1036.7 company must not directly or indirectly impose any premium, fee, or other charge for the
1036.8 health benefits under section 62Q.522, 62Q.524, or 62Q.585 on the eligible organization
1036.9 or health plan.

1036.10 (f) On January 1, 2025, and every year thereafter a health plan company must notify the
1036.11 commissioner, in a manner determined by the commissioner, of the number of eligible
1036.12 organizations granted an accommodation under this subdivision.

1036.13 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1036.14 plans offered, sold, issued, or renewed on or after that date.

1036.15 Sec. 45. Minnesota Statutes 2022, section 62Q.73, subdivision 2, is amended to read:

1036.16 Subd. 2. **Exception.** (a) This section does not apply to governmental programs except
1036.17 as permitted under paragraph (b). For purposes of this subdivision, "governmental programs"
1036.18 means the prepaid medical assistance program; effective January 1, 2026, the medical
1036.19 assistance fee-for-service program; the MinnesotaCare program; the demonstration project
1036.20 for people with disabilities; and the federal Medicare program.

1036.21 (b) In the course of a recipient's appeal of a medical determination to the commissioner
1036.22 of human services under section 256.045, the recipient may request an expert medical
1036.23 opinion be arranged by the external review entity under contract to provide independent
1036.24 external reviews under this section. If such a request is made, the cost of the review shall
1036.25 be paid by the commissioner of human services. Any medical opinion obtained under this
1036.26 paragraph shall only be used by a state human services judge as evidence in the recipient's
1036.27 appeal to the commissioner of human services under section 256.045.

1036.28 (c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights
1036.29 provided in section 256.045 for governmental program recipients.

1037.1 Sec. 46. Minnesota Statutes 2023 Supplement, section 145D.01, subdivision 1, is amended
1037.2 to read:

1037.3 Subdivision 1. **Definitions.** (a) For purposes of this ~~chapter~~ section and section 145D.02,
1037.4 the following terms have the meanings given.

1037.5 (b) "Captive professional entity" means a professional corporation, limited liability
1037.6 company, or other entity formed to render professional services in which a beneficial owner
1037.7 is a health care provider employed by, controlled by, or subject to the direction of a hospital
1037.8 or hospital system.

1037.9 (c) "Commissioner" means the commissioner of health.

1037.10 (d) "Control," including the terms "controlling," "controlled by," and "under common
1037.11 control with," means the possession, direct or indirect, of the power to direct or cause the
1037.12 direction of the management and policies of a health care entity, whether through the
1037.13 ownership of voting securities, membership in an entity formed under chapter 317A, by
1037.14 contract other than a commercial contract for goods or nonmanagement services, or otherwise,
1037.15 unless the power is the result of an official position with, corporate office held by, or court
1037.16 appointment of, the person. Control is presumed to exist if any person, directly or indirectly,
1037.17 owns, controls, holds with the power to vote, or holds proxies representing 40 percent or
1037.18 more of the voting securities of any other person, or if any person, directly or indirectly,
1037.19 constitutes 40 percent or more of the membership of an entity formed under chapter 317A.
1037.20 The attorney general may determine that control exists in fact, notwithstanding the absence
1037.21 of a presumption to that effect.

1037.22 (e) "Health care entity" means:

1037.23 (1) a hospital;

1037.24 (2) a hospital system;

1037.25 (3) a captive professional entity;

1037.26 (4) a medical foundation;

1037.27 (5) a health care provider group practice;

1037.28 (6) an entity organized or controlled by an entity listed in clauses (1) to (5); or

1037.29 (7) an entity that owns or exercises control over an entity listed in clauses (1) to (5).

1037.30 (f) "Health care provider" means a physician licensed under chapter 147, a physician
1037.31 assistant licensed under chapter 147A, or an advanced practice registered nurse as defined

1038.1 in section 148.171, subdivision 3, who provides health care services, including but not
1038.2 limited to medical care, consultation, diagnosis, or treatment.

1038.3 (g) "Health care provider group practice" means two or more health care providers legally
1038.4 organized in a partnership, professional corporation, limited liability company, medical
1038.5 foundation, nonprofit corporation, faculty practice plan, or other similar entity:

1038.6 (1) in which each health care provider who is a member of the group provides services
1038.7 that a health care provider routinely provides, including but not limited to medical care,
1038.8 consultation, diagnosis, and treatment, through the joint use of shared office space, facilities,
1038.9 equipment, or personnel;

1038.10 (2) for which substantially all services of the health care providers who are group
1038.11 members are provided through the group and are billed in the name of the group practice
1038.12 and amounts so received are treated as receipts of the group; or

1038.13 (3) in which the overhead expenses of, and the income from, the group are distributed
1038.14 in accordance with methods previously determined by members of the group.

1038.15 An entity that otherwise meets the definition of health care provider group practice in this
1038.16 paragraph shall be considered a health care provider group practice even if its shareholders,
1038.17 partners, members, or owners include a professional corporation, limited liability company,
1038.18 or other entity in which any beneficial owner is a health care provider and that is formed to
1038.19 render professional services.

1038.20 (h) "Hospital" means a health care facility licensed as a hospital under sections 144.50
1038.21 to 144.56.

1038.22 (i) "Medical foundation" means a nonprofit legal entity through which health care
1038.23 providers perform research or provide medical services.

1038.24 (j) "Transaction" means a single action, or a series of actions within a five-year period,
1038.25 which occurs in part within the state of Minnesota or involves a health care entity formed
1038.26 or licensed in Minnesota, that constitutes:

1038.27 (1) a merger or exchange of a health care entity with another entity;

1038.28 (2) the sale, lease, or transfer of 40 percent or more of the assets of a health care entity
1038.29 to another entity;

1038.30 (3) the granting of a security interest of 40 percent or more of the property and assets
1038.31 of a health care entity to another entity;

- 1039.1 (4) the transfer of 40 percent or more of the shares or other ownership of a health care
1039.2 entity to another entity;
- 1039.3 (5) an addition, removal, withdrawal, substitution, or other modification of one or more
1039.4 members of the health care entity's governing body that transfers control, responsibility for,
1039.5 or governance of the health care entity to another entity;
- 1039.6 (6) the creation of a new health care entity;
- 1039.7 (7) an agreement or series of agreements that results in the sharing of 40 percent or more
1039.8 of the health care entity's revenues with another entity, including affiliates of such other
1039.9 entity;
- 1039.10 (8) an addition, removal, withdrawal, substitution, or other modification of the members
1039.11 of a health care entity formed under chapter 317A that results in a change of 40 percent or
1039.12 more of the membership of the health care entity; or
- 1039.13 (9) any other transfer of control of a health care entity to, or acquisition of control of a
1039.14 health care entity by, another entity.
- 1039.15 (k) A transaction as defined in paragraph (j) does not include:
- 1039.16 (1) an action or series of actions that meets one or more of the criteria set forth in
1039.17 paragraph (j), clauses (1) to (9), if, immediately prior to all such actions, the health care
1039.18 entity directly, or indirectly through one or more intermediaries, controls, is controlled by,
1039.19 or is under common control with, all other parties to the action or series of actions;
- 1039.20 (2) a mortgage or other secured loan for business improvement purposes entered into
1039.21 by a health care entity that does not directly affect delivery of health care or governance of
1039.22 the health care entity;
- 1039.23 (3) a clinical affiliation of health care entities formed solely for the purpose of
1039.24 collaborating on clinical trials or providing graduate medical education;
- 1039.25 (4) the mere offer of employment to, or hiring of, a health care provider by a health care
1039.26 entity;
- 1039.27 (5) contracts between a health care entity and a health care provider primarily for clinical
1039.28 services; or
- 1039.29 (6) a single action or series of actions within a five-year period involving only entities
1039.30 that operate solely as a nursing home licensed under chapter 144A; a boarding care home
1039.31 licensed under sections 144.50 to 144.56; a supervised living facility licensed under sections
1039.32 144.50 to 144.56; an assisted living facility licensed under chapter 144G; a foster care setting

1040.1 licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, for a physical location that
1040.2 is not the primary residence of the license holder; a community residential setting as defined
1040.3 in section 245D.02, subdivision 4a; or a home care provider licensed under sections 144A.471
1040.4 to 144A.483.

1040.5 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1040.6 Sec. 47. **[145D.30] DEFINITIONS.**

1040.7 Subdivision 1. **Application.** For purposes of sections 145D.30 to 145D.37, the following
1040.8 terms have the meanings given unless the context clearly indicates otherwise.

1040.9 Subd. 2. **Commissioner** "Commissioner" means the commissioner of commerce for a
1040.10 nonprofit health coverage entity that is a nonprofit health service plan corporation operating
1040.11 under chapter 62C or the commissioner of health for a nonprofit health coverage entity that
1040.12 is a nonprofit health maintenance organization operating under chapter 62D.

1040.13 Subd. 3. **Control.** "Control," including the terms "controlling," "controlled by," and
1040.14 "under common control with," means the possession, direct or indirect, of the power to
1040.15 direct or cause the direction of the management and policies of a nonprofit health coverage
1040.16 entity, whether through the ownership of voting securities, through membership in an entity
1040.17 formed under chapter 317A, by contract other than a commercial contract for goods or
1040.18 nonmanagement services, or otherwise, unless the power is the result of an official position
1040.19 with, corporate office held by, or court appointment of the person. Control is presumed to
1040.20 exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or
1040.21 holds proxies representing 40 percent or more of the voting securities of any other person
1040.22 or if any person, directly or indirectly, constitutes 40 percent or more of the membership
1040.23 of an entity formed under chapter 317A. The attorney general may determine that control
1040.24 exists in fact, notwithstanding the absence of a presumption to that effect.

1040.25 Subd. 4. **Conversion transaction.** "Conversion transaction" means a transaction otherwise
1040.26 permitted under applicable law in which a nonprofit health coverage entity:

1040.27 (1) merges, consolidates, converts, or transfers all or substantially all of its assets to any
1040.28 entity except a corporation that is exempt under United States Code, title 26, section
1040.29 501(c)(3);

1040.30 (2) makes a series of separate transfers within a 60-month period that in the aggregate
1040.31 constitute a transfer of all or substantially all of the nonprofit health coverage entity's assets
1040.32 to any entity except a corporation that is exempt under United States Code, title 26, section
1040.33 501(c)(3); or

1041.1 (3) adds or substitutes one or more directors or officers that effectively transfer the
1041.2 control of, responsibility for, or governance of the nonprofit health coverage entity to any
1041.3 entity except a corporation that is exempt under United States Code, title 26, section
1041.4 501(c)(3).

1041.5 Subd. 5. **Corporation.** "Corporation" has the meaning given in section 317A.011,
1041.6 subdivision 6, and also includes a nonprofit limited liability company organized under
1041.7 section 322C.1101.

1041.8 Subd. 6. **Director.** "Director" has the meaning given in section 317A.011, subdivision
1041.9 7.

1041.10 Subd. 7. **Family member.** "Family member" means a spouse, parent, child, spouse of
1041.11 a child, brother, sister, or spouse of a brother or sister.

1041.12 Subd. 8. **Full and fair value.** "Full and fair value" means at least the amount that the
1041.13 public benefit assets of the nonprofit health coverage entity would be worth if the assets
1041.14 were equal to stock in the nonprofit health coverage entity, if the nonprofit health coverage
1041.15 entity was a for-profit corporation and if the nonprofit health coverage entity had 100 percent
1041.16 of its stock authorized by the corporation and available for purchase without transfer
1041.17 restrictions. The valuation shall consider market value, investment or earning value, net
1041.18 asset value, goodwill, amount of donations received, and control premium, if any.

1041.19 Subd. 9. **Nonprofit health coverage entity.** "Nonprofit health coverage entity" means
1041.20 a domestic nonprofit health service plan corporation operating under chapter 62C or a
1041.21 domestic nonprofit health maintenance organization operating under chapter 62D.

1041.22 Subd. 10. **Officer.** "Officer" has the meaning given in section 317A.011, subdivision
1041.23 15.

1041.24 Subd. 11. **Public benefit assets.** "Public benefit assets" means the entirety of a nonprofit
1041.25 health coverage entity's assets, whether tangible or intangible, including but not limited to
1041.26 its goodwill and anticipated future revenue.

1041.27 Subd. 12. **Related organization.** "Related organization" has the meaning given in section
1041.28 317A.011, subdivision 18.

1041.29 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1041.30 Sec. 48. **[145D.31] CERTAIN CONVERSION TRANSACTIONS PROHIBITED.**

1041.31 A nonprofit health coverage entity must not enter into a conversion transaction if:

1042.1 (1) doing so would result in less than the full and fair value of all public benefit assets
1042.2 remaining dedicated to the public benefit; or

1042.3 (2) an individual who has been an officer, director, or other executive of the nonprofit
1042.4 health coverage entity or of a related organization, or a family member of such an individual:

1042.5 (i) has held or will hold, whether guaranteed or contingent, an ownership stake, stock,
1042.6 securities, investment, or other financial interest in an entity to which the nonprofit health
1042.7 coverage entity transfers public benefit assets in connection with the conversion transaction;

1042.8 (ii) has received or will receive any type of compensation or other financial benefit,
1042.9 except for salary or wages paid for employment, from an entity to which the nonprofit health
1042.10 coverage entity transfers public benefit assets in connection with the conversion transaction;

1042.11 (iii) has held or will hold, whether guaranteed or contingent, an ownership stake, stock,
1042.12 securities, investment, or other financial interest in an entity that has or will have a business
1042.13 relationship with an entity to which the nonprofit health coverage entity transfers public
1042.14 benefit assets in connection with the conversion transaction; or

1042.15 (iv) has received or will receive any type of compensation or other financial benefit,
1042.16 except for salary or wages paid for employment, from an entity that has or will have a
1042.17 business relationship with an entity to which the nonprofit health coverage entity transfers
1042.18 public benefit assets in connection with the conversion transaction.

1042.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1042.20 Sec. 49. **[145D.32] REQUIREMENTS FOR NONPROFIT HEALTH COVERAGE**
1042.21 **ENTITY CONVERSION TRANSACTIONS.**

1042.22 Subdivision 1. **Notice.** (a) Before entering into a conversion transaction, a nonprofit
1042.23 health coverage entity must notify the attorney general according to section 317A.811. In
1042.24 addition to the elements listed in section 317A.811, subdivision 1, the notice required by
1042.25 this subdivision must also include: (1) an itemization of the nonprofit health coverage entity's
1042.26 public benefit assets and an independent third-party valuation of the nonprofit health coverage
1042.27 entity's public benefit assets; and (2) other information contained in forms provided by the
1042.28 attorney general.

1042.29 (b) When the nonprofit health coverage entity provides the attorney general with the
1042.30 notice and other information required under paragraph (a), the nonprofit health coverage
1042.31 entity must also provide a copy of this notice and other information to the applicable
1042.32 commissioner.

1043.1 Subd. 2. **Nonprofit health coverage entity requirements.** Before entering into a
1043.2 conversion transaction, a nonprofit health coverage entity must ensure that:

1043.3 (1) the proposed conversion transaction complies with chapters 317A and 501B and
1043.4 other applicable laws;

1043.5 (2) the proposed conversion transaction does not involve or constitute a breach of
1043.6 charitable trust;

1043.7 (3) the nonprofit health coverage entity shall receive full and fair value for its public
1043.8 benefit assets;

1043.9 (4) the value of the public benefit assets to be transferred has not been manipulated in
1043.10 a manner that causes or caused the value of the assets to decrease;

1043.11 (5) the proceeds of the proposed conversion transaction shall be used in a manner
1043.12 consistent with the public benefit for which the assets are held by the nonprofit health
1043.13 coverage entity; and

1043.14 (6) the proposed conversion transaction shall not result in a breach of fiduciary duty.

1043.15 Subd. 3. **Listening sessions and public comment.** The attorney general or the
1043.16 commissioner may hold public listening sessions or forums and may solicit public comments
1043.17 regarding the proposed conversion transaction.

1043.18 Subd. 4. **Waiting period.** (a) Subject to paragraphs (b) and (c), a nonprofit health
1043.19 coverage entity must not enter into a conversion transaction until 60 days after the nonprofit
1043.20 health coverage entity has given written notice as required in subdivision 1.

1043.21 (b) The attorney general may waive all or part of the waiting period or may extend the
1043.22 waiting period for an additional 60 days by notifying the nonprofit health coverage entity
1043.23 of the extension in writing.

1043.24 (c) The time periods specified in this subdivision shall be suspended while an
1043.25 investigation into the conversion transaction is pending or while a request from the attorney
1043.26 general for additional information is outstanding.

1043.27 Subd. 5. **Funds restricted for a particular purpose.** Nothing in this section relieves a
1043.28 nonprofit health coverage entity from complying with requirements for funds that are
1043.29 restricted for a particular purpose. Funds restricted for a particular purpose must continue
1043.30 to be used in accordance with the purpose for which they were restricted under sections
1043.31 317A.671 and 501B.31. A nonprofit health coverage entity may not convert, transfer, or

1044.1 sell assets if the transaction would result in the use of the assets conflicting with their
1044.2 restricted purpose.

1044.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1044.4 Sec. 50. **[145D.34] ENFORCEMENT AND REMEDIES.**

1044.5 Subdivision 1. **Investigation.** The attorney general has the powers in section 8.31.

1044.6 Nothing in this subdivision limits the powers, remedies, or responsibilities of the attorney
1044.7 general under this chapter; chapter 8, 309, 317A, or 501B; or any other chapter. For purposes
1044.8 of this section, an approval by the commissioner for regulatory purposes does not impair
1044.9 or inform the attorney general's authority.

1044.10 Subd. 2. **Enforcement and penalties.** (a) The attorney general may bring an action in
1044.11 district court to enjoin or unwind a conversion transaction or seek other equitable relief
1044.12 necessary to protect the public interest if:

1044.13 (1) a nonprofit health coverage entity or conversion transaction violates sections 145D.30
1044.14 to 145D.32; or

1044.15 (2) the conversion transaction is contrary to the public interest.

1044.16 In seeking injunctive relief, the attorney general must not be required to establish irreparable
1044.17 harm but must instead establish that a violation of sections 145D.30 to 145D.32 occurred
1044.18 or that the requested order promotes the public interest.

1044.19 (b) Factors informing whether a conversion transaction is contrary to the public interest
1044.20 include but are not limited to whether:

1044.21 (1) the conversion transaction shall result in increased health care costs for patients; and

1044.22 (2) the conversion transaction shall adversely impact provider cost trends and containment
1044.23 of total health care spending.

1044.24 (c) The attorney general may enforce sections 145D.30 to 145D.32 under section 8.31.

1044.25 (d) Failure of the entities involved in a conversion transaction to provide timely
1044.26 information as required by the attorney general or the commissioner shall be an independent
1044.27 and sufficient ground for a court to enjoin or unwind the transaction or provide other equitable
1044.28 relief, provided the attorney general notifies the entities of the inadequacy of the information
1044.29 provided and provides the entities with a reasonable opportunity to remedy the inadequacy.

1044.30 (e) An officer, director, or other executive found to have violated sections 145D.30 to
1044.31 145D.32 shall be subject to a civil penalty of up to \$100,000 for each violation. A corporation

1045.1 or other entity which is a party to or materially participated in a conversion transaction
1045.2 found to have violated sections 145D.30 to 145D.32 shall be subject to a civil penalty of
1045.3 up to \$1,000,000. A court may also award reasonable attorney fees and costs of investigation
1045.4 and litigation.

1045.5 Subd. 3. **Commissioner of health; data and research.** The commissioner of health
1045.6 must provide the attorney general, upon request, with data and research on broader market
1045.7 trends, impacts on prices and outcomes, public health and population health considerations,
1045.8 and health care access, for the attorney general to use when evaluating whether a conversion
1045.9 transaction is contrary to public interest. The commissioner of health may share with the
1045.10 attorney general, according to section 13.05, subdivision 9, any not public data, as defined
1045.11 in section 13.02, subdivision 8a, held by the commissioner to aid in the investigation and
1045.12 review of the conversion transaction, and the attorney general must maintain this data with
1045.13 the same classification according to section 13.03, subdivision 4, paragraph (c).

1045.14 Subd. 4. **Failure to take action.** Failure by the attorney general to take action with
1045.15 respect to a conversion transaction under this section does not constitute approval of the
1045.16 conversion transaction or waiver, nor shall failure prevent the attorney general from taking
1045.17 action in the same, similar, or subsequent circumstances.

1045.18 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1045.19 Sec. 51. **[145D.35] DATA PRACTICES.**

1045.20 Data provided by a nonprofit health coverage entity to the commissioner or the attorney
1045.21 general under sections 145D.30 to 145D.32 are, for data on individuals, confidential data
1045.22 on individuals as defined under section 13.02, subdivision 3, and, for data not on individuals,
1045.23 protected nonpublic data as defined under section 13.02, subdivision 13. The provided data
1045.24 are not subject to subpoena and shall not be subject to discovery or admissible in evidence
1045.25 in any private civil action. The attorney general or the commissioner may provide access
1045.26 to any data classified as confidential or protected nonpublic under this section to any law
1045.27 enforcement agency if the attorney general or commissioner determines that the access aids
1045.28 the law enforcement process. This section shall not be construed to limit the attorney general's
1045.29 authority to use the data in furtherance of any legal action brought according to section
1045.30 145D.34.

1045.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1046.1 **Sec. 52. [145D.36] COMMISSIONER OF HEALTH; REPORTS AND ANALYSIS.**

1046.2 Notwithstanding any law to the contrary, the commissioner of health may use data or
1046.3 information submitted under sections 60A.135 to 60A.137, 60A.17, 60D.18, 60D.20,
1046.4 62D.221, and 145D.32 to conduct analyses of the aggregate impact of transactions within
1046.5 nonprofit health coverage entities and organizations which include nonprofit health coverage
1046.6 entities or their affiliates on access to or the cost of health care services, health care market
1046.7 consolidation, and health care quality. The commissioner of health must issue periodic
1046.8 public reports on the number and types of conversion transactions subject to sections 145D.30
1046.9 to 145D.35 and on the aggregate impact of conversion transactions on health care costs,
1046.10 quality, and competition in Minnesota.

1046.11 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1046.12 **Sec. 53. [145D.37] RELATION TO OTHER LAW.**

1046.13 (a) Sections 145D.30 to 145D.36 are in addition to and do not affect or limit any power,
1046.14 remedy, or responsibility of a health maintenance organization, a service plan corporation,
1046.15 the attorney general, the commissioner of health, or the commissioner of commerce under
1046.16 this chapter; chapter 8, 62C, 62D, 309, 317A, or 501B; or other law.

1046.17 (b) Nothing in sections 145D.03 to 145D.36 authorizes a nonprofit health coverage entity
1046.18 to enter into a conversion transaction not otherwise permitted under chapter 317A or 501B
1046.19 or other law.

1046.20 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1046.21 **Sec. 54. [214.41] PHYSICIAN WELLNESS PROGRAM.**

1046.22 Subdivision 1. **Definition.** For the purposes of this section, "physician wellness program"
1046.23 means a program of evaluation, counseling, or other modality to address an issue related to
1046.24 career fatigue or wellness related to work stress for physicians licensed under chapter 147
1046.25 that is administered by a statewide association that is exempt from taxation under United
1046.26 States Code, title 26, section 501(c)(6), and that primarily represents physicians and
1046.27 osteopaths of multiple specialties. Physician wellness program does not include the provision
1046.28 of services intended to monitor for impairment under the authority of section 214.31.

1046.29 Subd. 2. **Confidentiality.** Any record of a person's participation in a physician wellness
1046.30 program is confidential and not subject to discovery, subpoena, or a reporting requirement
1046.31 to the applicable board, unless the person voluntarily provides for written release of the

1047.1 information or the disclosure is required to meet the licensee's obligation to report according
1047.2 to section 147.111.

1047.3 Subd. 3. **Civil liability.** Any person, agency, institution, facility, or organization employed
1047.4 by, contracting with, or operating a physician wellness program is immune from civil liability
1047.5 for any action related to their duties in connection with a physician wellness program when
1047.6 acting in good faith.

1047.7 Sec. 55. Minnesota Statutes 2022, section 256B.035, is amended to read:

1047.8 **256B.035 MANAGED CARE.**

1047.9 The commissioner of human services may contract with public or private entities or
1047.10 operate a preferred provider program to deliver health care services to medical assistance
1047.11 and MinnesotaCare program recipients. The commissioner may enter into risk-based and
1047.12 non-risk-based contracts. The commissioner must not enter into a contract with a health
1047.13 maintenance organization, as defined in section 62D.02, which is not a nonprofit corporation
1047.14 organized under chapter 317A or a local governmental unit, as defined in section 62D.02.
1047.15 Contracts may be for the full range of health services, or a portion thereof, for medical
1047.16 assistance populations to determine the effectiveness of various provider reimbursement
1047.17 and care delivery mechanisms. The commissioner may seek necessary federal waivers and
1047.18 implement projects when approval of the waivers is obtained from the Centers for Medicare
1047.19 and Medicaid Services of the United States Department of Health and Human Services.

1047.20 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to managed
1047.21 care contracts under medical assistance and MinnesotaCare that take effect on or after that
1047.22 date.

1047.23 Sec. 56. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 3a, is
1047.24 amended to read:

1047.25 Subd. 3a. **Gender-affirming services care.** Medical assistance covers gender-affirming
1047.26 ~~services~~ care, as defined in section 62Q.585.

1047.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1047.28 Sec. 57. Minnesota Statutes 2022, section 256B.0625, subdivision 12, is amended to read:

1047.29 Subd. 12. **Eyeglasses, dentures, and prosthetic and orthotic devices.** (a) Medical
1047.30 assistance covers eyeglasses, ~~dentures, and prosthetic and orthotic devices~~ if prescribed by
1047.31 a licensed practitioner.

1048.1 ~~(b) For purposes of prescribing prosthetic and orthotic devices, "licensed practitioner"~~
1048.2 ~~includes a physician, an advanced practice registered nurse, a physician assistant, or a~~
1048.3 ~~podiatrist.~~

1048.4 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1048.5 whichever is later. The commissioner of human services shall notify the revisor of statutes
1048.6 when federal approval is obtained.

1048.7 Sec. 58. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 16, is
1048.8 amended to read:

1048.9 Subd. 16. **Abortion services.** Medical assistance covers ~~abortion services determined~~
1048.10 ~~to be medically necessary by the treating provider and delivered in accordance with all~~
1048.11 ~~applicable Minnesota laws~~ abortion and abortion-related services, including preabortion
1048.12 services and follow-up services.

1048.13 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1048.14 whichever is later. The commissioner of human services shall notify the revisor of statutes
1048.15 when federal approval is obtained.

1048.16 Sec. 59. Minnesota Statutes 2022, section 256B.0625, subdivision 32, is amended to read:

1048.17 Subd. 32. **Nutritional products.** Medical assistance covers nutritional products needed
1048.18 for nutritional supplementation because solid food or nutrients thereof cannot be properly
1048.19 absorbed by the body or needed for treatment of phenylketonuria, hyperlysinemia, maple
1048.20 syrup urine disease, a combined allergy to human milk, cow's milk, and soy formula, or
1048.21 any other childhood or adult diseases, conditions, or disorders identified by the commissioner
1048.22 as requiring a similarly necessary nutritional product. Medical assistance covers amino
1048.23 acid-based elemental formulas in the same manner as is required under section 62Q.531.
1048.24 Nutritional products needed for the treatment of a combined allergy to human milk, cow's
1048.25 milk, and soy formula require prior authorization. Separate payment shall not be made for
1048.26 nutritional products for residents of long-term care facilities. Payment for dietary
1048.27 requirements is a component of the per diem rate paid to these facilities.

1048.28 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1048.29 Sec. 60. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
1048.30 to read:

1048.31 Subd. 72. **Orthotic and prosthetic devices.** Medical assistance covers orthotic and
1048.32 prosthetic devices, supplies, and services according to section 256B.066.

1049.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1049.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
1049.3 when federal approval is obtained.

1049.4 Sec. 61. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
1049.5 to read:

1049.6 Subd. 73. **Rapid whole genome sequencing.** Medical assistance covers rapid whole
1049.7 genome sequencing (rWGS) testing. Coverage and eligibility for rWGS testing, and the use
1049.8 of genetic data, must meet the requirements specified in section 62A.3098, subdivisions 1
1049.9 to 3 and 6.

1049.10 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1049.11 Sec. 62. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
1049.12 to read:

1049.13 Subd. 74. **Intermittent catheters.** Medical assistance covers intermittent urinary catheters
1049.14 and insertion supplies if intermittent catheterization is recommended by the enrollee's health
1049.15 care provider. Medical assistance must meet the requirements that would otherwise apply
1049.16 to a health plan under section 62Q.666.

1049.17 Sec. 63. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
1049.18 to read:

1049.19 Subd. 75. **Scalp hair prostheses.** Medical assistance covers scalp hair prostheses and
1049.20 all equipment and accessories necessary for their regular use under the conditions and in
1049.21 compliance with the requirements specified in section 62A.28, except that the limitation on
1049.22 coverage required per benefit year set forth in section 62A.28, subdivision 2, paragraph (c),
1049.23 does not apply.

1049.24 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1049.25 Sec. 64. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
1049.26 to read:

1049.27 Subd. 76. **Transfer of mothers and newborns.** Medical assistance covers the transfer
1049.28 of mothers or newborns between medical facilities. Medical assistance must meet the same
1049.29 requirements that would otherwise apply to a health plan under section 62A.0411.

1049.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1050.1 Sec. 65. [256B.066] ORTHOTIC AND PROSTHETIC DEVICES, SUPPLIES, AND
1050.2 SERVICES.

1050.3 Subdivision 1. Definitions. All terms used in this section have the meanings given them
1050.4 in section 62Q.665, subdivision 1.

1050.5 Subd. 2. Coverage requirements. (a) Medical assistance covers orthotic and prosthetic
1050.6 devices, supplies, and services:

1050.7 (1) furnished under an order by a prescribing physician or licensed health care prescriber
1050.8 who has authority in Minnesota to prescribe orthoses and prostheses. Coverage for orthotic
1050.9 and prosthetic devices, supplies, accessories, and services under this clause includes those
1050.10 devices or device systems, supplies, accessories, and services that are customized to the
1050.11 enrollee's needs;

1050.12 (2) determined by the enrollee's provider to be the most appropriate model that meets
1050.13 the medical needs of the enrollee for purposes of performing physical activities, as applicable,
1050.14 including but not limited to running, biking, and swimming, and maximizing the enrollee's
1050.15 limb function; or

1050.16 (3) for showering or bathing.

1050.17 (b) The coverage set forth in paragraph (a) includes the repair and replacement of those
1050.18 orthotic and prosthetic devices, supplies, and services described therein.

1050.19 (c) Coverage of a prosthetic or orthotic benefit must not be denied for an individual with
1050.20 limb loss or absence that would otherwise be covered for a nondisabled person seeking
1050.21 medical or surgical intervention to restore or maintain the ability to perform the same
1050.22 physical activity.

1050.23 (d) If coverage for prosthetic or custom orthotic devices is provided, payment must be
1050.24 made for the replacement of a prosthetic or custom orthotic device or for the replacement
1050.25 of any part of the devices, without regard to useful lifetime restrictions, if an ordering health
1050.26 care provider determines that the provision of a replacement device, or a replacement part
1050.27 of a device, is necessary because:

1050.28 (1) of a change in the physiological condition of the enrollee;

1050.29 (2) of an irreparable change in the condition of the device or in a part of the device; or

1050.30 (3) the condition of the device, or the part of the device, requires repairs and the cost of
1050.31 the repairs would be more than 60 percent of the cost of a replacement device or of the part
1050.32 being replaced.

1051.1 Subd. 3. **Restrictions on coverage.** (a) Prior authorization may be required for orthotic
1051.2 and prosthetic devices, supplies, and services.

1051.3 (b) A utilization review for a request for coverage of prosthetic or orthotic benefits must
1051.4 apply the most recent version of evidence-based treatment and fit criteria as recognized by
1051.5 relevant clinical specialists.

1051.6 (c) Utilization review determinations must be rendered in a nondiscriminatory manner
1051.7 and must not deny coverage for habilitative or rehabilitative benefits, including prosthetics
1051.8 or orthotics, solely on the basis of an enrollee's actual or perceived disability.

1051.9 (d) Evidence of coverage and any benefit denial letters must include language describing
1051.10 an enrollee's rights pursuant to paragraphs (b) and (c).

1051.11 (e) Confirmation from a prescribing health care provider may be required if the prosthetic
1051.12 or custom orthotic device or part being replaced is less than three years old.

1051.13 Subd. 4. **Managed care plan access to care.** (a) Managed care plans and county-based
1051.14 purchasing plans subject to this section must ensure access to medically necessary clinical
1051.15 care and to prosthetic and custom orthotic devices and technology from at least two distinct
1051.16 prosthetic and custom orthotic providers in the plan's provider network located in Minnesota.

1051.17 (b) In the event that medically necessary covered orthotics and prosthetics are not
1051.18 available from an in-network provider, the plan must provide processes to refer an enrollee
1051.19 to an out-of-network provider and must fully reimburse the out-of-network provider at a
1051.20 mutually agreed upon rate less enrollee cost sharing determined on an in-network basis.

1051.21 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1051.22 whichever is later. The commissioner of human services shall notify the revisor of statutes
1051.23 when federal approval is obtained.

1051.24 Sec. 66. Minnesota Statutes 2022, section 256B.69, subdivision 2, is amended to read:

1051.25 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
1051.26 meanings given.

1051.27 (a) "Commissioner" means the commissioner of human services. For the remainder of
1051.28 this section, the commissioner's responsibilities for methods and policies for implementing
1051.29 the project will be proposed by the project advisory committees and approved by the
1051.30 commissioner.

1051.31 (b) "Demonstration provider" means a nonprofit health maintenance organization,
1051.32 community integrated service network, or accountable provider network authorized and

1052.1 operating under chapter 62D, 62N, or 62T that participates in the demonstration project
1052.2 according to criteria, standards, methods, and other requirements established for the project
1052.3 and approved by the commissioner. For purposes of this section, a county board, or group
1052.4 of county boards operating under a joint powers agreement, is considered a demonstration
1052.5 provider if the county or group of county boards meets the requirements of section 256B.692.

1052.6 (c) "Eligible individuals" means those persons eligible for medical assistance benefits
1052.7 as defined in sections 256B.055, 256B.056, and 256B.06.

1052.8 (d) "Limitation of choice" means suspending freedom of choice while allowing eligible
1052.9 individuals to choose among the demonstration providers.

1052.10 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1052.11 Sec. 67. Minnesota Statutes 2022, section 256L.12, subdivision 7, is amended to read:

1052.12 Subd. 7. **Managed care plan vendor requirements.** (a) The following requirements
1052.13 apply to all counties or vendors who contract with the Department of Human Services to
1052.14 serve MinnesotaCare recipients. Managed care plan contractors:

1052.15 (1) shall authorize and arrange for the provision of the full range of services listed in
1052.16 section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

1052.17 (2) shall accept the prospective, per capita payment or other contractually defined payment
1052.18 from the commissioner in return for the provision and coordination of covered health care
1052.19 services for eligible individuals enrolled in the program;

1052.20 (3) may contract with other health care and social service practitioners to provide services
1052.21 to enrollees;

1052.22 (4) shall provide for an enrollee grievance process as required by the commissioner and
1052.23 set forth in the contract with the department;

1052.24 (5) shall retain all revenue from enrollee co-payments;

1052.25 (6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or
1052.26 previous utilization of health services;

1052.27 (7) shall demonstrate capacity to accept financial risk according to requirements specified
1052.28 in the contract with the department. A health maintenance organization licensed under
1052.29 chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to
1052.30 demonstrate financial risk capacity, beyond that which is required to comply with chapters
1052.31 62C and 62D; and

1053.1 (8) shall submit information as required by the commissioner, including data required
1053.2 for assessing enrollee satisfaction, quality of care, cost, and utilization of services.

1053.3 (b) A health maintenance organization must be a nonprofit corporation organized under
1053.4 chapter 317A to serve as a managed care contractor under this section and section 256L.121.

1053.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1053.6 Sec. 68. Minnesota Statutes 2022, section 317A.811, subdivision 1, is amended to read:

1053.7 Subdivision 1. **When required.** (a) Except as provided in subdivision 6, the following
1053.8 corporations shall notify the attorney general of their intent to dissolve, merge, consolidate,
1053.9 or convert, or to transfer all or substantially all of their assets:

1053.10 (1) a corporation that holds assets for a charitable purpose as defined in section 501B.35,
1053.11 subdivision 2; ~~or~~

1053.12 (2) a corporation that is exempt under section 501(c)(3) of the Internal Revenue Code
1053.13 of 1986, or any successor section; or

1053.14 (3) effective July 1, 2025, a nonprofit health coverage entity as defined in section
1053.15 145D.30.

1053.16 (b) The notice must include:

1053.17 (1) the purpose of the corporation that is giving the notice;

1053.18 (2) a list of assets owned or held by the corporation for charitable purposes;

1053.19 (3) a description of restricted assets and purposes for which the assets were received;

1053.20 (4) a description of debts, obligations, and liabilities of the corporation;

1053.21 (5) a description of tangible assets being converted to cash and the manner in which
1053.22 they will be sold;

1053.23 (6) anticipated expenses of the transaction, including attorney fees;

1053.24 (7) a list of persons to whom assets will be transferred, if known, or the name of the
1053.25 converted organization;

1053.26 (8) the purposes of persons receiving the assets or of the converted organization; and

1053.27 (9) the terms, conditions, or restrictions, if any, to be imposed on the transferred or
1053.28 converted assets.

1053.29 The notice must be signed on behalf of the corporation by an authorized person.

1054.1 Sec. 69. **SUPERSEDING EFFECT.**

1054.2 Minnesota Statutes, section 62Q.679, in this article shall supersede Minnesota Statutes,
1054.3 section 62Q.679, in 2024 S.F. No. 4097, article 1, section 8, if enacted.

1054.4 Sec. 70. **INITIAL REPORTS TO COMMISSIONER OF HEALTH; PRIOR**
1054.5 **AUTHORIZATIONS.**

1054.6 Utilization review organizations must submit initial reports to the commissioner of health
1054.7 under Minnesota Statutes, section 62M.19, by September 1, 2025.

1054.8 Sec. 71. **REPEALER.**

1054.9 (a) Minnesota Statutes 2022, section 62A.041, subdivision 3, is repealed.

1054.10 (b) Minnesota Statutes 2023 Supplement, section 62Q.522, subdivisions 3 and 4, are
1054.11 repealed.

1054.12 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
1054.13 plans offered, sold, issued, or renewed on or after that date.

1054.14 **ARTICLE 58**1054.15 **DEPARTMENT OF HEALTH FINANCE**

1054.16 Section 1. Minnesota Statutes 2022, section 103I.621, subdivision 1, is amended to read:

1054.17 Subdivision 1. **Permit.** (a) Notwithstanding any department or agency rule to the contrary,
1054.18 the commissioner shall issue, on request by the owner of the property and payment of the
1054.19 permit fee, permits for the reinjection of water by a properly constructed well into the same
1054.20 aquifer from which the water was drawn for the operation of a groundwater thermal exchange
1054.21 device.

1054.22 (b) As a condition of the permit, an applicant must agree to allow inspection by the
1054.23 commissioner during regular working hours for department inspectors.

1054.24 (c) Not more than 200 permits may be issued for small systems having maximum
1054.25 capacities of 20 gallons per minute or less and that are compliant with the natural resource
1054.26 water-use requirements under subdivision 2. ~~The small systems are subject to inspection~~
1054.27 ~~twice a year.~~

1054.28 (d) Not more than ~~ten~~ 100 permits may be issued for larger systems having maximum
1054.29 capacities ~~from over 20 to 50~~ gallons per minute and that are compliant with the natural

1055.1 resource water-use requirements under subdivision 2. The larger systems are subject to
1055.2 inspection four times a year.

1055.3 (e) A person issued a permit must comply with this section and permit conditions deemed
1055.4 necessary to protect public health and safety of the groundwater for the permit to be valid.

1055.5 The permit conditions may include but are not limited to requirements for:

1055.6 (1) notification to the commissioner at intervals specified in the permit conditions;

1055.7 (2) system operation and maintenance;

1055.8 (3) system location and construction;

1055.9 (4) well location and construction;

1055.10 (5) signage;

1055.11 (6) reports of system construction, performance, operation, and maintenance;

1055.12 (7) removal of the system upon termination of its use or system failure;

1055.13 (8) disclosure of the system at the time of property transfer;

1055.14 (9) obtaining approval from the commissioner prior to deviation from the approval plan

1055.15 and conditions;

1055.16 (10) groundwater level monitoring; and

1055.17 (11) groundwater quality monitoring.

1055.18 (f) The property owner or the property owner's agent must submit to the commissioner

1055.19 a permit application on a form provided by the commissioner, or in a format approved by

1055.20 the commissioner, that provides any information necessary to protect public health and

1055.21 safety of the groundwater.

1055.22 (g) A permit granted under this section is not valid if a water-use permit is required for

1055.23 the project and is not approved by the commissioner of natural resources.

1055.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1055.25 Sec. 2. Minnesota Statutes 2022, section 103I.621, subdivision 2, is amended to read:

1055.26 Subd. 2. **Water-use requirements apply.** Water-use permit requirements and penalties

1055.27 under chapter ~~103F~~ 103G and related rules adopted and enforced by the commissioner of

1055.28 natural resources apply to groundwater thermal exchange permit recipients. A person who

1055.29 violates a provision of this section is subject to enforcement or penalties for the noncomplying

1055.30 activity that are available to the commissioner and the Pollution Control Agency.

1056.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1056.2 Sec. 3. Minnesota Statutes 2023 Supplement, section 144.1501, subdivision 2, is amended
1056.3 to read:

1056.4 Subd. 2. ~~Creation of account~~ **Availability.** (a) ~~A health professional education loan~~
1056.5 ~~forgiveness program account is established.~~ The commissioner of health shall use money
1056.6 ~~from the account to establish a~~ appropriated for health professional education loan forgiveness
1056.7 program in this section:

1056.8 (1) for medical residents, physicians, mental health professionals, and alcohol and drug
1056.9 counselors agreeing to practice in designated rural areas or underserved urban communities
1056.10 or specializing in the area of pediatric psychiatry;

1056.11 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach
1056.12 at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program
1056.13 at the undergraduate level or the equivalent at the graduate level;

1056.14 (3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate
1056.15 care facility for persons with developmental disability; in a hospital if the hospital owns
1056.16 and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked
1056.17 by the nurse is in the nursing home; in an assisted living facility as defined in section
1056.18 144G.08, subdivision 7; or for a home care provider as defined in section 144A.43,
1056.19 subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing
1056.20 field in a postsecondary program at the undergraduate level or the equivalent at the graduate
1056.21 level;

1056.22 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720
1056.23 hours per year in their designated field in a postsecondary program at the undergraduate
1056.24 level or the equivalent at the graduate level. The commissioner, in consultation with the
1056.25 Healthcare Education-Industry Partnership, shall determine the health care fields where the
1056.26 need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory
1056.27 technology, radiologic technology, and surgical technology;

1056.28 (5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses
1056.29 who agree to practice in designated rural areas;

1056.30 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient
1056.31 encounters to state public program enrollees or patients receiving sliding fee schedule
1056.32 discounts through a formal sliding fee schedule meeting the standards established by the

1057.1 United States Department of Health and Human Services under Code of Federal Regulations,
1057.2 title 42, section ~~51, chapter 303~~ 51c.303; and

1057.3 (7) for nurses employed as a hospital nurse by a nonprofit hospital and providing direct
1057.4 care to patients at the nonprofit hospital.

1057.5 (b) Appropriations made ~~to the account~~ for health professional education loan forgiveness
1057.6 in this section do not cancel and are available until expended, except that at the end of each
1057.7 biennium, any remaining balance in the account that is not committed by contract and not
1057.8 needed to fulfill existing commitments shall cancel to the fund.

1057.9 Sec. 4. Minnesota Statutes 2022, section 144.1501, subdivision 5, is amended to read:

1057.10 Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required
1057.11 minimum commitment of service according to subdivision 3, the commissioner of health
1057.12 shall collect from the participant the total amount paid to the participant under the loan
1057.13 forgiveness program plus interest at a rate established according to section 270C.40. The
1057.14 commissioner shall deposit the money collected in ~~the health care access fund to be credited~~
1057.15 ~~to a dedicated account in the special revenue fund. The balance of the account is appropriated~~
1057.16 annually to the commissioner for the health professional education loan forgiveness program
1057.17 ~~account~~ established in subdivision 2. The commissioner shall allow waivers of all or part
1057.18 of the money owed the commissioner as a result of a nonfulfillment penalty if emergency
1057.19 circumstances prevented fulfillment of the minimum service commitment.

1057.20 Sec. 5. Minnesota Statutes 2022, section 144.555, subdivision 1a, is amended to read:

1057.21 Subd. 1a. **Notice of closing, curtailing operations, relocating services, or ceasing to**
1057.22 **offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under
1057.23 sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health ~~and,~~
1057.24 ~~the public, and others~~ at least ~~120~~ 182 days before the hospital or hospital campus voluntarily
1057.25 plans to implement one of the following scheduled actions listed in paragraph (b), unless
1057.26 the controlling persons can demonstrate to the commissioner that meeting the advanced
1057.27 notice requirement is not feasible and the commissioner approves a shorter advanced notice.

1057.28 (b) The following scheduled actions require advanced notice under paragraph (a):

1057.29 (1) ~~cease~~ ceasing operations;

1057.30 (2) ~~curtail~~ curtailing operations to the extent that patients must be relocated;

1057.31 (3) ~~relocate~~ relocating the provision of health services to another hospital or another
1057.32 hospital campus; or

1058.1 (4) ~~cease offering~~ ceasing to offer maternity care and newborn care services, intensive
1058.2 care unit services, inpatient mental health services, or inpatient substance use disorder
1058.3 treatment services.

1058.4 (c) A notice required under this subdivision must comply with the requirements in
1058.5 subdivision 1d.

1058.6 ~~(b)~~ (d) The commissioner shall cooperate with the controlling persons and advise them
1058.7 about relocating the patients.

1058.8 Sec. 6. Minnesota Statutes 2022, section 144.555, subdivision 1b, is amended to read:

1058.9 Subd. 1b. **Public hearing.** Within ~~45~~ 30 days after receiving notice under subdivision
1058.10 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations,
1058.11 curtailment of operations, relocation of health services, or cessation in offering health
1058.12 services. The commissioner must provide adequate public notice of the hearing in a time
1058.13 and manner determined by the commissioner. The controlling persons of the hospital or
1058.14 hospital campus must participate in the public hearing. The public hearing must be held at
1058.15 a location that is within ten miles of the hospital or hospital campus or with the
1058.16 commissioner's approval as close as is practicable, and that is provided or arranged by the
1058.17 hospital or hospital campus. Video conferencing technology must be used to allow members
1058.18 of the public to view and participate in the hearing. The public hearing must include:

1058.19 (1) an explanation by the controlling persons of the reasons for ceasing or curtailing
1058.20 operations, relocating health services, or ceasing to offer any of the listed health services;

1058.21 (2) a description of the actions that controlling persons will take to ensure that residents
1058.22 in the hospital's or campus's service area have continued access to the health services being
1058.23 eliminated, curtailed, or relocated;

1058.24 (3) an opportunity for public testimony on the scheduled cessation or curtailment of
1058.25 operations, relocation of health services, or cessation in offering any of the listed health
1058.26 services, and on the hospital's or campus's plan to ensure continued access to those health
1058.27 services being eliminated, curtailed, or relocated; and

1058.28 (4) an opportunity for the controlling persons to respond to questions from interested
1058.29 persons.

1059.1 Sec. 7. Minnesota Statutes 2022, section 144.555, is amended by adding a subdivision to
1059.2 read:

1059.3 Subd. 1d. **Methods of providing notice; content of notice.** (a) A notice required under
1059.4 subdivision 1a must be provided to patients, hospital personnel, the public, local units of
1059.5 government, and the commissioner of health using at least the following methods:

1059.6 (1) posting a notice of the proposed cessation of operations, curtailment, relocation of
1059.7 health services, or cessation in offering health services at the main public entrance of the
1059.8 hospital or hospital campus;

1059.9 (2) providing written notice to the commissioner of health, to the city council in the city
1059.10 where the hospital or hospital campus is located, and to the county board in the county
1059.11 where the hospital or hospital campus is located;

1059.12 (3) providing written notice to the local health department as defined in section 145A.02,
1059.13 subdivision 8b, for the community where the hospital or hospital campus is located;

1059.14 (4) providing notice to the public through a written public announcement which must
1059.15 be distributed to local media outlets;

1059.16 (5) providing written notice to existing patients of the hospital or hospital campus; and

1059.17 (6) notifying all personnel currently employed in the unit, hospital, or hospital campus
1059.18 impacted by the proposed cessation, curtailment, or relocation.

1059.19 (b) A notice required under subdivision 1a must include:

1059.20 (1) a description of the proposed cessation of operations, curtailment, relocation of health
1059.21 services, or cessation in offering health services. The description must include:

1059.22 (i) the number of beds, if any, that will be eliminated, repurposed, reassigned, or otherwise
1059.23 reconfigured to serve populations or patients other than those currently served;

1059.24 (ii) the current number of beds in the impacted unit, hospital, or hospital campus, and
1059.25 the number of beds in the impacted unit, hospital, or hospital campus after the proposed
1059.26 cessation, curtailment, or relocation takes place;

1059.27 (iii) the number of existing patients who will be impacted by the proposed cessation,
1059.28 curtailment, or relocation;

1059.29 (iv) any decrease in personnel, or relocation of personnel to a different unit, hospital, or
1059.30 hospital campus, caused by the proposed cessation, curtailment, or relocation;

1060.1 (v) a description of the health services provided by the unit, hospital, or hospital campus
1060.2 impacted by the proposed cessation, curtailment, or relocation; and

1060.3 (vi) identification of the three nearest available health care facilities where patients may
1060.4 obtain the health services provided by the unit, hospital, or hospital campus impacted by
1060.5 the proposed cessation, curtailment, or relocation, and any potential barriers to seamlessly
1060.6 transition patients to receive services at one of these facilities. If the unit, hospital, or hospital
1060.7 campus impacted by the proposed cessation, curtailment, or relocation serves medical
1060.8 assistance or Medicare enrollees, the information required under this item must specify
1060.9 whether any of the three nearest available facilities serves medical assistance or Medicare
1060.10 enrollees; and

1060.11 (2) a telephone number, email address, and address for each of the following, to which
1060.12 interested parties may offer comments on the proposed cessation, curtailment, or relocation:

1060.13 (i) the hospital or hospital campus; and

1060.14 (ii) the parent entity, if any, or the entity under contract, if any, that acts as the corporate
1060.15 administrator of the hospital or hospital campus.

1060.16 Sec. 8. Minnesota Statutes 2022, section 144.555, subdivision 2, is amended to read:

1060.17 Subd. 2. **Penalty; facilities other than hospitals.** Failure to notify the commissioner
1060.18 under subdivision 1, ~~1a, or 1c or failure to participate in a public hearing under subdivision~~
1060.19 ~~H~~ may result in issuance of a correction order under section 144.653, subdivision 5.

1060.20 Sec. 9. Minnesota Statutes 2022, section 144.555, is amended by adding a subdivision to
1060.21 read:

1060.22 Subd. 3. **Penalties; hospitals.** (a) Failure to participate in a public hearing under
1060.23 subdivision 1b or failure to notify the commissioner under subdivision 1c may result in
1060.24 issuance of a correction order under section 144.653, subdivision 5.

1060.25 (b) Notwithstanding any law to the contrary, the commissioner must impose on the
1060.26 controlling persons of a hospital or hospital campus a fine of \$20,000 for each failure to
1060.27 provide notice to an individual or entity or at a location required under subdivision 1d,
1060.28 paragraph (a). The cumulative fines imposed under this paragraph must not exceed \$60,000
1060.29 for any scheduled action requiring notice under subdivision 1a. The commissioner is not
1060.30 required to issue a correction order before imposing a fine under this paragraph. Section
1060.31 144.653, subdivision 8, applies to fines imposed under this paragraph.

1061.1 Sec. 10. [144.556] RIGHT OF FIRST REFUSAL; SALE OF HOSPITAL OR
1061.2 HOSPITAL CAMPUS.

1061.3 (a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 or a
1061.4 hospital campus must not sell or convey the hospital or hospital campus, offer to sell or
1061.5 convey the hospital or hospital campus to a person other than a local unit of government
1061.6 listed in this paragraph, or voluntarily cease operations of the hospital or hospital campus
1061.7 unless the controlling persons have first made a good faith offer to sell or convey the hospital
1061.8 or hospital campus to the home rule charter or statutory city, county, town, or hospital
1061.9 district in which the hospital or hospital campus is located.

1061.10 (b) The offer to sell or convey the hospital or hospital campus to a local unit of
1061.11 government under paragraph (a) must be at a price that does not exceed the current fair
1061.12 market value of the hospital or hospital campus. A party to whom an offer is made under
1061.13 paragraph (a) must accept or decline the offer within 60 days of receipt. If the party to whom
1061.14 the offer is made fails to respond within 60 days of receipt, the offer is deemed declined.

1061.15 Sec. 11. Minnesota Statutes 2022, section 144A.61, subdivision 3a, is amended to read:

1061.16 Subd. 3a. **Competency evaluation program.** (a) The commissioner of health shall
1061.17 approve the competency evaluation program.

1061.18 (b) A competency evaluation must be administered to persons who desire to be listed
1061.19 in the nursing assistant registry. The tests may only be administered by technical colleges,
1061.20 community colleges, or other organizations approved by the ~~Department of Health~~
1061.21 commissioner of health. The commissioner must ensure any written portions of the
1061.22 competency evaluation are available in languages other than English that are commonly
1061.23 spoken by persons who desire to be listed in the nursing assistant registry. The commissioner
1061.24 may consult with the state demographer or the commissioner of employment and economic
1061.25 development when identifying languages that are commonly spoken by persons who desire
1061.26 to be listed in the nursing assistant registry.

1061.27 (c) The commissioner of health shall approve a nursing assistant for the registry without
1061.28 requiring a competency evaluation if the nursing assistant is in good standing on a nursing
1061.29 assistant registry in another state.

1061.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1062.1 Sec. 12. Minnesota Statutes 2022, section 144A.70, subdivision 3, is amended to read:

1062.2 Subd. 3. **Controlling person.** "Controlling person" means a business entity or entities,
1062.3 officer, program administrator, or director, whose responsibilities include ~~the direction of~~
1062.4 ~~the management or policies of a supplemental nursing services agency~~ the management and
1062.5 decision-making authority to establish or control business policy and all other policies of a
1062.6 supplemental nursing services agency. Controlling person also means an individual who,
1062.7 directly or indirectly, beneficially owns an interest in a corporation, partnership, or other
1062.8 business association that is a controlling person.

1062.9 Sec. 13. Minnesota Statutes 2022, section 144A.70, subdivision 5, is amended to read:

1062.10 Subd. 5. **Person.** "Person" includes an individual, ~~firm,~~ corporation, partnership, limited
1062.11 liability company, or association.

1062.12 Sec. 14. Minnesota Statutes 2022, section 144A.70, subdivision 6, is amended to read:

1062.13 Subd. 6. **Supplemental nursing services agency.** "Supplemental nursing services
1062.14 agency" means a person, ~~firm,~~ corporation, partnership, limited liability company, or
1062.15 association engaged for hire in the business of providing or procuring temporary employment
1062.16 in health care facilities for nurses, nursing assistants, nurse aides, and orderlies. Supplemental
1062.17 nursing services agency does not include an individual who only engages in providing the
1062.18 individual's services on a temporary basis to health care facilities. Supplemental nursing
1062.19 services agency does not include a professional home care agency licensed under section
1062.20 144A.471 that only provides staff to other home care providers.

1062.21 Sec. 15. Minnesota Statutes 2022, section 144A.70, subdivision 7, is amended to read:

1062.22 Subd. 7. **Oversight.** The commissioner is responsible for the oversight of supplemental
1062.23 nursing services agencies through ~~annual~~ semiannual unannounced surveys and follow-up
1062.24 surveys, complaint investigations under sections 144A.51 to 144A.53, and other actions
1062.25 necessary to ensure compliance with sections 144A.70 to 144A.74.

1062.26 Sec. 16. Minnesota Statutes 2022, section 144A.71, subdivision 2, is amended to read:

1062.27 Subd. 2. **Application information and fee.** The commissioner shall establish forms and
1062.28 procedures for processing each supplemental nursing services agency registration application.
1062.29 An application for a supplemental nursing services agency registration must include at least
1062.30 the following:

1063.1 (1) the names and addresses of ~~the owner or owners~~ all owners and controlling persons
1063.2 of the supplemental nursing services agency;

1063.3 (2) if the owner is a corporation, copies of its articles of incorporation and current bylaws,
1063.4 together with the names and addresses of its officers and directors;

1063.5 (3) ~~satisfactory proof of compliance with section 144A.72, subdivision 1, clauses (5) to~~
1063.6 ~~(7)~~ if the owner is a limited liability company, copies of its articles of organization and
1063.7 operating agreement, together with the names and addresses of its officers and directors;

1063.8 (4) documentation that the supplemental nursing services agency has medical malpractice
1063.9 insurance to insure against the loss, damage, or expense of a claim arising out of the death
1063.10 or injury of any person as the result of negligence or malpractice in the provision of health
1063.11 care services by the supplemental nursing services agency or by any employee of the agency;

1063.12 (5) documentation that the supplemental nursing services agency has an employee
1063.13 dishonesty bond in the amount of \$10,000;

1063.14 (6) documentation that the supplemental nursing services agency has insurance coverage
1063.15 for workers' compensation for all nurses, nursing assistants, nurse aides, and orderlies
1063.16 provided or procured by the agency;

1063.17 (7) documentation that the supplemental nursing services agency filed with the
1063.18 commissioner of revenue: (i) the name and address of the bank, savings bank, or savings
1063.19 association in which the supplemental nursing services agency deposits all employee income
1063.20 tax withholdings; and (ii) the name and address of any nurse, nursing assistant, nurse aide,
1063.21 or orderly whose income is derived from placement by the agency, if the agency purports
1063.22 the income is not subject to withholding;

1063.23 ~~(4)~~ (8) any other relevant information that the commissioner determines is necessary to
1063.24 properly evaluate an application for registration;

1063.25 ~~(5)~~ (9) a policy and procedure that describes how the supplemental nursing services
1063.26 agency's records will be immediately available at all times to the commissioner and facility;
1063.27 and

1063.28 ~~(6)~~ (10) a nonrefundable registration fee of \$2,035.

1063.29 If a supplemental nursing services agency fails to provide the items in this subdivision
1063.30 to the department, the commissioner shall immediately suspend or refuse to issue the
1063.31 supplemental nursing services agency registration. The supplemental nursing services agency
1063.32 may appeal the commissioner's findings according to section 144A.475, subdivisions 3a

1064.1 and 7, except that the hearing must be conducted by an administrative law judge within 60
1064.2 calendar days of the request for hearing assignment.

1064.3 Sec. 17. Minnesota Statutes 2022, section 144A.71, is amended by adding a subdivision
1064.4 to read:

1064.5 Subd. 2a. **Renewal applications.** An applicant for registration renewal must complete
1064.6 the registration application form supplied by the department. An application must be
1064.7 submitted at least 60 days before the expiration of the current registration.

1064.8 Sec. 18. **[144A.715] PENALTIES.**

1064.9 Subdivision 1. **Authority.** The fines imposed under this section are in accordance with
1064.10 section 144.653, subdivision 6.

1064.11 Subd. 2. **Fines.** Each violation of sections 144A.70 to 144A.74, not corrected at the time
1064.12 of a follow-up survey, is subject to a fine. A fine must be assessed according to the schedules
1064.13 established in the sections violated.

1064.14 Subd. 3. **Failure to correct.** If, upon a subsequent follow-up survey after a fine has been
1064.15 imposed under subdivision 2, a violation is still not corrected, another fine shall be assessed.
1064.16 The fine shall be double the amount of the previous fine.

1064.17 Subd. 4. **Payment of fines.** Payment of fines is due 15 business days from the registrant's
1064.18 receipt of notice of the fine from the department.

1064.19 Sec. 19. Minnesota Statutes 2022, section 144A.72, subdivision 1, is amended to read:

1064.20 Subdivision 1. **Minimum criteria.** (a) The commissioner shall require that, as a condition
1064.21 of registration:

1064.22 (1) all owners and controlling persons must complete a background study under section
1064.23 144.057 and receive a clearance or set aside of any disqualification;

1064.24 ~~(1)~~ (2) the supplemental nursing services agency shall document that each temporary
1064.25 employee provided to health care facilities currently meets the minimum licensing, training,
1064.26 and continuing education standards for the position in which the employee will be working
1064.27 and verifies competency for the position. A supplemental nursing services agency that
1064.28 violates this clause may be subject to a fine of \$3,000;

1064.29 ~~(2)~~ (3) the supplemental nursing services agency shall comply with all pertinent
1064.30 requirements relating to the health and other qualifications of personnel employed in health
1064.31 care facilities;

1065.1 ~~(3)~~ (4) the supplemental nursing services agency must not restrict in any manner the
1065.2 employment opportunities of its employees; A supplemental nursing services agency that
1065.3 violates this clause may be subject to a fine of \$3,000;

1065.4 ~~(4)~~ the supplemental nursing services agency shall carry medical malpractice insurance
1065.5 to insure against the loss, damage, or expense incident to a claim arising out of the death
1065.6 or injury of any person as the result of negligence or malpractice in the provision of health
1065.7 care services by the supplemental nursing services agency or by any employee of the agency;

1065.8 ~~(5)~~ the supplemental nursing services agency shall carry an employee dishonesty bond
1065.9 in the amount of \$10,000;

1065.10 ~~(6)~~ the supplemental nursing services agency shall maintain insurance coverage for
1065.11 workers' compensation for all nurses, nursing assistants, nurse aides, and orderlies provided
1065.12 or procured by the agency;

1065.13 ~~(7)~~ the supplemental nursing services agency shall file with the commissioner of revenue:
1065.14 ~~(i)~~ the name and address of the bank, savings bank, or savings association in which the
1065.15 supplemental nursing services agency deposits all employee income tax withholdings; and
1065.16 ~~(ii)~~ the name and address of any nurse, nursing assistant, nurse aide, or orderly whose income
1065.17 is derived from placement by the agency, if the agency purports the income is not subject
1065.18 to withholding;

1065.19 ~~(8)~~ (5) the supplemental nursing services agency must not, in any contract with any
1065.20 employee or health care facility, require the payment of liquidated damages, employment
1065.21 fees, or other compensation should the employee be hired as a permanent employee of a
1065.22 health care facility; A supplemental nursing services agency that violates this clause may
1065.23 be subject to a fine of \$3,000;

1065.24 ~~(9)~~ (6) the supplemental nursing services agency shall document that each temporary
1065.25 employee provided to health care facilities is an employee of the agency and is not an
1065.26 independent contractor; and

1065.27 ~~(10)~~ (7) the supplemental nursing services agency shall retain all records for five calendar
1065.28 years. All records of the supplemental nursing services agency must be immediately available
1065.29 to the department.

1065.30 (b) In order to retain registration, the supplemental nursing services agency must provide
1065.31 services to a health care facility during the year in Minnesota within the past 12 months
1065.32 preceding the supplemental nursing services agency's registration renewal date.

1066.1 Sec. 20. Minnesota Statutes 2022, section 144A.73, is amended to read:

1066.2 **144A.73 COMPLAINT SYSTEM.**

1066.3 The commissioner shall establish a system for reporting complaints against a supplemental
1066.4 nursing services agency or its employees. Complaints may be made by any member of the
1066.5 public. Complaints against a supplemental nursing services agency shall be investigated by
1066.6 the ~~Office of Health Facility Complaints~~ commissioner of health under sections 144A.51
1066.7 to 144A.53.

1066.8 Sec. 21. Minnesota Statutes 2022, section 149A.02, subdivision 3, is amended to read:

1066.9 Subd. 3. **Arrangements for disposition.** "Arrangements for disposition" means any
1066.10 action normally taken by a funeral provider in anticipation of or preparation for the
1066.11 entombment, burial in a cemetery, alkaline hydrolysis, ~~or cremation,~~ or, effective July 1,
1066.12 2025, natural organic reduction of a dead human body.

1066.13 Sec. 22. Minnesota Statutes 2022, section 149A.02, subdivision 16, is amended to read:

1066.14 Subd. 16. **Final disposition.** "Final disposition" means the acts leading to and the
1066.15 entombment, burial in a cemetery, alkaline hydrolysis, ~~or cremation,~~ or, effective July 1,
1066.16 2025, natural organic reduction of a dead human body.

1066.17 Sec. 23. Minnesota Statutes 2022, section 149A.02, subdivision 26a, is amended to read:

1066.18 Subd. 26a. **Inurnment.** "Inurnment" means placing hydrolyzed or cremated remains in
1066.19 a hydrolyzed or cremated remains container suitable for placement, burial, or shipment.
1066.20 Effective July 1, 2025, inurnment also includes placing naturally reduced remains in a
1066.21 naturally reduced remains container suitable for placement, burial, or shipment.

1066.22 Sec. 24. Minnesota Statutes 2022, section 149A.02, subdivision 27, is amended to read:

1066.23 Subd. 27. **Licensee.** "Licensee" means any person or entity that has been issued a license
1066.24 to practice mortuary science, to operate a funeral establishment, to operate an alkaline
1066.25 hydrolysis facility, ~~or to operate a crematory,~~ or, effective July 1, 2025, to operate a natural
1066.26 organic reduction facility by the Minnesota commissioner of health.

1067.1 Sec. 25. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision
1067.2 to read:

1067.3 Subd. 30b. **Natural organic reduction or naturally reduce.** "Natural organic reduction"
1067.4 or "naturally reduce" means the contained, accelerated conversion of a dead human body
1067.5 to soil. This subdivision is effective July 1, 2025.

1067.6 Sec. 26. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision
1067.7 to read:

1067.8 Subd. 30c. **Natural organic reduction facility.** "Natural organic reduction facility"
1067.9 means a structure, room, or other space in a building or real property where natural organic
1067.10 reduction of a dead human body occurs. This subdivision is effective July 1, 2025.

1067.11 Sec. 27. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision
1067.12 to read:

1067.13 Subd. 30d. **Natural organic reduction vessel.** "Natural organic reduction vessel" means
1067.14 the enclosed container in which natural organic reduction takes place. This subdivision is
1067.15 effective July 1, 2025.

1067.16 Sec. 28. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision
1067.17 to read:

1067.18 Subd. 30e. **Naturally reduced remains.** "Naturally reduced remains" means the soil
1067.19 remains following the natural organic reduction of a dead human body and the accompanying
1067.20 plant material. This subdivision is effective July 1, 2025.

1067.21 Sec. 29. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision
1067.22 to read:

1067.23 Subd. 30f. **Naturally reduced remains container.** "Naturally reduced remains container"
1067.24 means a receptacle in which naturally reduced remains are placed. This subdivision is
1067.25 effective July 1, 2025.

1067.26 Sec. 30. Minnesota Statutes 2022, section 149A.02, subdivision 35, is amended to read:

1067.27 Subd. 35. **Processing.** "Processing" means the removal of foreign objects, drying or
1067.28 cooling, and the reduction of the hydrolyzed ~~or~~ remains, cremated remains, or, effective
1067.29 July 1, 2025, naturally reduced remains by mechanical means including, but not limited to,

1068.1 grinding, crushing, or pulverizing, to a granulated appearance appropriate for final disposition
1068.2 or the final reduction to naturally reduced remains.

1068.3 Sec. 31. Minnesota Statutes 2022, section 149A.02, subdivision 37c, is amended to read:

1068.4 Subd. 37c. **Scattering.** "Scattering" means the authorized dispersal of hydrolyzed ~~or~~
1068.5 remains, cremated remains, or, effective July 1, 2025, naturally reduced remains in a defined
1068.6 area of a dedicated cemetery or in areas where no local prohibition exists provided that the
1068.7 hydrolyzed ~~or~~, cremated, or naturally reduced remains are not distinguishable to the public,
1068.8 are not in a container, and that the person who has control over disposition of the hydrolyzed
1068.9 ~~or~~, cremated, or naturally reduced remains has obtained written permission of the property
1068.10 owner or governing agency to scatter on the property.

1068.11 Sec. 32. Minnesota Statutes 2022, section 149A.03, is amended to read:

1068.12 **149A.03 DUTIES OF COMMISSIONER.**

1068.13 The commissioner shall:

1068.14 (1) enforce all laws and adopt and enforce rules relating to the:

1068.15 (i) removal, preparation, transportation, arrangements for disposition, and final disposition
1068.16 of dead human bodies;

1068.17 (ii) licensure and professional conduct of funeral directors, morticians, interns, practicum
1068.18 students, and clinical students;

1068.19 (iii) licensing and operation of a funeral establishment;

1068.20 (iv) licensing and operation of an alkaline hydrolysis facility; ~~and~~

1068.21 (v) licensing and operation of a crematory; and

1068.22 (vi) effective July 1, 2025, licensing and operation of a natural organic reduction facility;

1068.23 (2) provide copies of the requirements for licensure and permits to all applicants;

1068.24 (3) administer examinations and issue licenses and permits to qualified persons and other
1068.25 legal entities;

1068.26 (4) maintain a record of the name and location of all current licensees and interns;

1068.27 (5) perform periodic compliance reviews and premise inspections of licensees;

1068.28 (6) accept and investigate complaints relating to conduct governed by this chapter;

1068.29 (7) maintain a record of all current preneed arrangement trust accounts;

1069.1 (8) maintain a schedule of application, examination, permit, and licensure fees, initial
1069.2 and renewal, sufficient to cover all necessary operating expenses;

1069.3 (9) educate the public about the existence and content of the laws and rules for mortuary
1069.4 science licensing and the removal, preparation, transportation, arrangements for disposition,
1069.5 and final disposition of dead human bodies to enable consumers to file complaints against
1069.6 licensees and others who may have violated those laws or rules;

1069.7 (10) evaluate the laws, rules, and procedures regulating the practice of mortuary science
1069.8 in order to refine the standards for licensing and to improve the regulatory and enforcement
1069.9 methods used; and

1069.10 (11) initiate proceedings to address and remedy deficiencies and inconsistencies in the
1069.11 laws, rules, or procedures governing the practice of mortuary science and the removal,
1069.12 preparation, transportation, arrangements for disposition, and final disposition of dead
1069.13 human bodies.

1069.14 Sec. 33. **[149A.56] LICENSE TO OPERATE A NATURAL ORGANIC REDUCTION**
1069.15 **FACILITY.**

1069.16 Subdivision 1. License requirement. This section is effective July 1, 2025. Except as
1069.17 provided in section 149A.01, subdivision 3, no person shall maintain, manage, or operate
1069.18 a place or premises devoted to or used in the holding and natural organic reduction of a
1069.19 dead human body without possessing a valid license to operate a natural organic reduction
1069.20 facility issued by the commissioner of health.

1069.21 Subd. 2. Requirements for natural organic reduction facility. (a) A natural organic
1069.22 reduction facility licensed under this section must consist of:

1069.23 (1) a building or structure that complies with applicable local and state building codes,
1069.24 zoning laws and ordinances, and environmental standards, and that contains one or more
1069.25 natural organic reduction vessels for the natural organic reduction of dead human bodies;

1069.26 (2) a motorized mechanical device for processing the remains in natural reduction; and

1069.27 (3) an appropriate refrigerated holding facility for dead human bodies awaiting natural
1069.28 organic reduction.

1069.29 (b) A natural organic reduction facility licensed under this section may also contain a
1069.30 display room for funeral goods.

1070.1 Subd. 3. **Application procedure; documentation; initial inspection.** (a) An applicant
1070.2 for a license to operate a natural organic reduction facility shall submit a completed
1070.3 application to the commissioner. A completed application includes:

1070.4 (1) a completed application form, as provided by the commissioner;

1070.5 (2) proof of business form and ownership; and

1070.6 (3) proof of liability insurance coverage or other financial documentation, as determined
1070.7 by the commissioner, that demonstrates the applicant's ability to respond in damages for
1070.8 liability arising from the ownership, maintenance, management, or operation of a natural
1070.9 organic reduction facility.

1070.10 (b) Upon receipt of the application and appropriate fee, the commissioner shall review
1070.11 and verify all information. Upon completion of the verification process and resolution of
1070.12 any deficiencies in the application information, the commissioner shall conduct an initial
1070.13 inspection of the premises to be licensed. After the inspection and resolution of any
1070.14 deficiencies found and any reinspections as may be necessary, the commissioner shall make
1070.15 a determination, based on all the information available, to grant or deny licensure. If the
1070.16 commissioner's determination is to grant the license, the applicant shall be notified and the
1070.17 license shall issue and remain valid for a period prescribed on the license, but not to exceed
1070.18 one calendar year from the date of issuance of the license. If the commissioner's determination
1070.19 is to deny the license, the commissioner must notify the applicant, in writing, of the denial
1070.20 and provide the specific reason for denial.

1070.21 Subd. 4. **Nontransferability of license.** A license to operate a natural organic reduction
1070.22 facility is not assignable or transferable and shall not be valid for any entity other than the
1070.23 one named. Each license issued to operate a natural organic reduction facility is valid only
1070.24 for the location identified on the license. A 50 percent or more change in ownership or
1070.25 location of the natural organic reduction facility automatically terminates the license. Separate
1070.26 licenses shall be required of two or more persons or other legal entities operating from the
1070.27 same location.

1070.28 Subd. 5. **Display of license.** Each license to operate a natural organic reduction facility
1070.29 must be conspicuously displayed in the natural organic reduction facility at all times.
1070.30 "Conspicuous display" means in a location where a member of the general public within
1070.31 the natural organic reduction facility is able to observe and read the license.

1070.32 Subd. 6. **Period of licensure.** All licenses to operate a natural organic reduction facility
1070.33 issued by the commissioner are valid for a period of one calendar year beginning on July 1
1070.34 and ending on June 30, regardless of the date of issuance.

1071.1 Subd. 7. **Reporting changes in license information.** Any change of license information
1071.2 must be reported to the commissioner, on forms provided by the commissioner, no later
1071.3 than 30 calendar days after the change occurs. Failure to report changes is grounds for
1071.4 disciplinary action.

1071.5 Subd. 8. **Licensing information.** Section 13.41 applies to data collected and maintained
1071.6 by the commissioner pursuant to this section.

1071.7 Sec. 34. **[149A.57] RENEWAL OF LICENSE TO OPERATE A NATURAL**
1071.8 **ORGANIC REDUCTION FACILITY.**

1071.9 Subdivision 1. **Renewal required.** This section is effective July 1, 2025. All licenses
1071.10 to operate a natural organic reduction facility issued by the commissioner expire on June
1071.11 30 following the date of issuance of the license and must be renewed to remain valid.

1071.12 Subd. 2. **Renewal procedure and documentation.** (a) Licensees who wish to renew
1071.13 their licenses must submit to the commissioner a completed renewal application no later
1071.14 than June 30 following the date the license was issued. A completed renewal application
1071.15 includes:

1071.16 (1) a completed renewal application form, as provided by the commissioner; and

1071.17 (2) proof of liability insurance coverage or other financial documentation, as determined
1071.18 by the commissioner, that demonstrates the applicant's ability to respond in damages for
1071.19 liability arising from the ownership, maintenance, management, or operation of a natural
1071.20 organic reduction facility.

1071.21 (b) Upon receipt of the completed renewal application, the commissioner shall review
1071.22 and verify the information. Upon completion of the verification process and resolution of
1071.23 any deficiencies in the renewal application information, the commissioner shall make a
1071.24 determination, based on all the information available, to reissue or refuse to reissue the
1071.25 license. If the commissioner's determination is to reissue the license, the applicant shall be
1071.26 notified and the license shall issue and remain valid for a period prescribed on the license,
1071.27 but not to exceed one calendar year from the date of issuance of the license. If the
1071.28 commissioner's determination is to refuse to reissue the license, section 149A.09, subdivision
1071.29 2, applies.

1071.30 Subd. 3. **Penalty for late filing.** Renewal applications received after the expiration date
1071.31 of a license will result in the assessment of a late filing penalty. The late filing penalty must
1071.32 be paid before the reissuance of the license and received by the commissioner no later than
1071.33 31 calendar days after the expiration date of the license.

1072.1 Subd. 4. **Lapse of license.** A license to operate a natural organic reduction facility shall
1072.2 automatically lapse when a completed renewal application is not received by the
1072.3 commissioner within 31 calendar days after the expiration date of a license, or a late filing
1072.4 penalty assessed under subdivision 3 is not received by the commissioner within 31 calendar
1072.5 days after the expiration of a license.

1072.6 Subd. 5. **Effect of lapse of license.** Upon the lapse of a license, the person to whom the
1072.7 license was issued is no longer licensed to operate a natural organic reduction facility in
1072.8 Minnesota. The commissioner shall issue a cease and desist order to prevent the lapsed
1072.9 license holder from operating a natural organic reduction facility in Minnesota and may
1072.10 pursue any additional lawful remedies as justified by the case.

1072.11 Subd. 6. **Restoration of lapsed license.** The commissioner may restore a lapsed license
1072.12 upon receipt and review of a completed renewal application, receipt of the late filing penalty,
1072.13 and reinspection of the premises, provided that the receipt is made within one calendar year
1072.14 from the expiration date of the lapsed license and the cease and desist order issued by the
1072.15 commissioner has not been violated. If a lapsed license is not restored within one calendar
1072.16 year from the expiration date of the lapsed license, the holder of the lapsed license cannot
1072.17 be relicensed until the requirements in section 149A.56 are met.

1072.18 Subd. 7. **Reporting changes in license information.** Any change of license information
1072.19 must be reported to the commissioner, on forms provided by the commissioner, no later
1072.20 than 30 calendar days after the change occurs. Failure to report changes is grounds for
1072.21 disciplinary action.

1072.22 Subd. 8. **Licensing information.** Section 13.41 applies to data collected and maintained
1072.23 by the commissioner pursuant to this section.

1072.24 Sec. 35. Minnesota Statutes 2022, section 149A.65, is amended by adding a subdivision
1072.25 to read:

1072.26 Subd. 6a. **Natural organic reduction facilities.** This subdivision is effective July 1,
1072.27 2025. The initial and renewal fee for a natural organic reduction facility is \$425. The late
1072.28 fee charge for a license renewal is \$100.

1072.29 Sec. 36. Minnesota Statutes 2022, section 149A.70, subdivision 1, is amended to read:

1072.30 Subdivision 1. **Use of titles.** Only a person holding a valid license to practice mortuary
1072.31 science issued by the commissioner may use the title of mortician, funeral director, or any
1072.32 other title implying that the licensee is engaged in the business or practice of mortuary

1073.1 science. Only the holder of a valid license to operate an alkaline hydrolysis facility issued
1073.2 by the commissioner may use the title of alkaline hydrolysis facility, water cremation,
1073.3 water-reduction, biocremation, green-cremation, resomation, dissolution, or any other title,
1073.4 word, or term implying that the licensee operates an alkaline hydrolysis facility. Only the
1073.5 holder of a valid license to operate a funeral establishment issued by the commissioner may
1073.6 use the title of funeral home, funeral chapel, funeral service, or any other title, word, or
1073.7 term implying that the licensee is engaged in the business or practice of mortuary science.
1073.8 Only the holder of a valid license to operate a crematory issued by the commissioner may
1073.9 use the title of crematory, crematorium, green-cremation, or any other title, word, or term
1073.10 implying that the licensee operates a crematory or crematorium. Effective July 1, 2025,
1073.11 only the holder of a valid license to operate a natural organic reduction facility issued by
1073.12 the commissioner may use the title of natural organic reduction facility, human composting,
1073.13 or any other title, word, or term implying that the licensee operates a natural organic reduction
1073.14 facility.

1073.15 Sec. 37. Minnesota Statutes 2022, section 149A.70, subdivision 2, is amended to read:

1073.16 Subd. 2. **Business location.** A funeral establishment, alkaline hydrolysis facility, ~~or~~
1073.17 crematory, or, effective July 1, 2025, natural organic reduction facility shall not do business
1073.18 in a location that is not licensed as a funeral establishment, alkaline hydrolysis facility, ~~or~~
1073.19 crematory, or natural organic reduction facility and shall not advertise a service that is
1073.20 available from an unlicensed location.

1073.21 Sec. 38. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

1073.22 Subd. 3. **Advertising.** No licensee, clinical student, practicum student, or intern shall
1073.23 publish or disseminate false, misleading, or deceptive advertising. False, misleading, or
1073.24 deceptive advertising includes, but is not limited to:

1073.25 (1) identifying, by using the names or pictures of, persons who are not licensed to practice
1073.26 mortuary science in a way that leads the public to believe that those persons will provide
1073.27 mortuary science services;

1073.28 (2) using any name other than the names under which the funeral establishment, alkaline
1073.29 hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural organic reduction facility
1073.30 is known to or licensed by the commissioner;

1073.31 (3) using a surname not directly, actively, or presently associated with a licensed funeral
1073.32 establishment, alkaline hydrolysis facility, ~~or~~ crematory, or, effective July 1, 2025, natural
1073.33 organic reduction facility, unless the surname had been previously and continuously used

1074.1 by the licensed funeral establishment, alkaline hydrolysis facility, ~~or crematory~~, or natural
1074.2 organic reduction facility; and

1074.3 (4) using a founding or establishing date or total years of service not directly or
1074.4 continuously related to a name under which the funeral establishment, alkaline hydrolysis
1074.5 facility, ~~or crematory~~, or, effective July 1, 2025, natural organic reduction facility is currently
1074.6 or was previously licensed.

1074.7 Any advertising or other printed material that contains the names or pictures of persons
1074.8 affiliated with a funeral establishment, alkaline hydrolysis facility, ~~or crematory~~, or, effective
1074.9 July 1, 2025, natural organic reduction facility shall state the position held by the persons
1074.10 and shall identify each person who is licensed or unlicensed under this chapter.

1074.11 Sec. 39. Minnesota Statutes 2022, section 149A.70, subdivision 5, is amended to read:

1074.12 Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student,
1074.13 or intern shall offer, solicit, or accept a commission, fee, bonus, rebate, or other
1074.14 reimbursement in consideration for recommending or causing a dead human body to be
1074.15 disposed of by a specific body donation program, funeral establishment, alkaline hydrolysis
1074.16 facility, crematory, mausoleum, ~~or cemetery~~, or, effective July 1, 2025, natural organic
1074.17 reduction facility.

1074.18 Sec. 40. Minnesota Statutes 2022, section 149A.71, subdivision 2, is amended to read:

1074.19 Subd. 2. **Preventive requirements.** (a) To prevent unfair or deceptive acts or practices,
1074.20 the requirements of this subdivision must be met. This subdivision applies to natural organic
1074.21 reduction and naturally reduced remains goods and services effective July 1, 2025.

1074.22 (b) Funeral providers must tell persons who ask by telephone about the funeral provider's
1074.23 offerings or prices any accurate information from the price lists described in paragraphs (c)
1074.24 to (e) and any other readily available information that reasonably answers the questions
1074.25 asked.

1074.26 (c) Funeral providers must make available for viewing to people who inquire in person
1074.27 about the offerings or prices of funeral goods or burial site goods, separate printed or
1074.28 typewritten price lists using a ten-point font or larger. Each funeral provider must have a
1074.29 separate price list for each of the following types of goods that are sold or offered for sale:

1074.30 (1) caskets;

1074.31 (2) alternative containers;

- 1075.1 (3) outer burial containers;
- 1075.2 (4) alkaline hydrolysis containers;
- 1075.3 (5) cremation containers;
- 1075.4 (6) hydrolyzed remains containers;
- 1075.5 (7) cremated remains containers;
- 1075.6 (8) markers; ~~and~~
- 1075.7 (9) headstones; and
- 1075.8 (10) naturally reduced remains containers.

1075.9 (d) Each separate price list must contain the name of the funeral provider's place of
1075.10 business, address, and telephone number and a caption describing the list as a price list for
1075.11 one of the types of funeral goods or burial site goods described in paragraph (c), clauses
1075.12 (1) to ~~(9)~~ (10). The funeral provider must offer the list upon beginning discussion of, but
1075.13 in any event before showing, the specific funeral goods or burial site goods and must provide
1075.14 a photocopy of the price list, for retention, if so asked by the consumer. The list must contain,
1075.15 at least, the retail prices of all the specific funeral goods and burial site goods offered which
1075.16 do not require special ordering, enough information to identify each, and the effective date
1075.17 for the price list. However, funeral providers are not required to make a specific price list
1075.18 available if the funeral providers place the information required by this paragraph on the
1075.19 general price list described in paragraph (e).

1075.20 (e) Funeral providers must give a printed price list, for retention, to persons who inquire
1075.21 in person about the funeral goods, funeral services, burial site goods, or burial site services
1075.22 or prices offered by the funeral provider. The funeral provider must give the list upon
1075.23 beginning discussion of either the prices of or the overall type of funeral service or disposition
1075.24 or specific funeral goods, funeral services, burial site goods, or burial site services offered
1075.25 by the provider. This requirement applies whether the discussion takes place in the funeral
1075.26 establishment or elsewhere. However, when the deceased is removed for transportation to
1075.27 the funeral establishment, an in-person request for authorization to embalm does not, by
1075.28 itself, trigger the requirement to offer the general price list. If the provider, in making an
1075.29 in-person request for authorization to embalm, discloses that embalming is not required by
1075.30 law except in certain special cases, the provider is not required to offer the general price
1075.31 list. Any other discussion during that time about prices or the selection of funeral goods,
1075.32 funeral services, burial site goods, or burial site services triggers the requirement to give

1076.1 the consumer a general price list. The general price list must contain the following
1076.2 information:

1076.3 (1) the name, address, and telephone number of the funeral provider's place of business;

1076.4 (2) a caption describing the list as a "general price list";

1076.5 (3) the effective date for the price list;

1076.6 (4) the retail prices, in any order, expressed either as a flat fee or as the prices per hour,
1076.7 mile, or other unit of computation, and other information described as follows:

1076.8 (i) forwarding of remains to another funeral establishment, together with a list of the
1076.9 services provided for any quoted price;

1076.10 (ii) receiving remains from another funeral establishment, together with a list of the
1076.11 services provided for any quoted price;

1076.12 (iii) separate prices for each alkaline hydrolysis, natural organic reduction, or cremation
1076.13 offered by the funeral provider, with the price including an alternative container or alkaline
1076.14 hydrolysis facility or cremation container; any alkaline hydrolysis, natural organic reduction
1076.15 facility, or crematory charges; and a description of the services and container included in
1076.16 the price, where applicable, and the price of alkaline hydrolysis or cremation where the
1076.17 purchaser provides the container;

1076.18 (iv) separate prices for each immediate burial offered by the funeral provider, including
1076.19 a casket or alternative container, and a description of the services and container included
1076.20 in that price, and the price of immediate burial where the purchaser provides the casket or
1076.21 alternative container;

1076.22 (v) transfer of remains to the funeral establishment or other location;

1076.23 (vi) embalming;

1076.24 (vii) other preparation of the body;

1076.25 (viii) use of facilities, equipment, or staff for viewing;

1076.26 (ix) use of facilities, equipment, or staff for funeral ceremony;

1076.27 (x) use of facilities, equipment, or staff for memorial service;

1076.28 (xi) use of equipment or staff for graveside service;

1076.29 (xii) hearse or funeral coach;

1076.30 (xiii) limousine; and

1077.1 (xiv) separate prices for all cemetery-specific goods and services, including all goods
1077.2 and services associated with interment and burial site goods and services and excluding
1077.3 markers and headstones;

1077.4 (5) the price range for the caskets offered by the funeral provider, together with the
1077.5 statement "A complete price list will be provided at the funeral establishment or casket sale
1077.6 location." or the prices of individual caskets, as disclosed in the manner described in
1077.7 paragraphs (c) and (d);

1077.8 (6) the price range for the alternative containers or shrouds offered by the funeral provider,
1077.9 together with the statement "A complete price list will be provided at the funeral
1077.10 establishment or alternative container sale location." or the prices of individual alternative
1077.11 containers, as disclosed in the manner described in paragraphs (c) and (d);

1077.12 (7) the price range for the outer burial containers offered by the funeral provider, together
1077.13 with the statement "A complete price list will be provided at the funeral establishment or
1077.14 outer burial container sale location." or the prices of individual outer burial containers, as
1077.15 disclosed in the manner described in paragraphs (c) and (d);

1077.16 (8) the price range for the alkaline hydrolysis container offered by the funeral provider,
1077.17 together with the statement "A complete price list will be provided at the funeral
1077.18 establishment or alkaline hydrolysis container sale location." or the prices of individual
1077.19 alkaline hydrolysis containers, as disclosed in the manner described in paragraphs (c) and
1077.20 (d);

1077.21 (9) the price range for the hydrolyzed remains container offered by the funeral provider,
1077.22 together with the statement "A complete price list will be provided at the funeral
1077.23 establishment or hydrolyzed remains container sale location." or the prices of individual
1077.24 hydrolyzed remains container, as disclosed in the manner described in paragraphs (c) and
1077.25 (d);

1077.26 (10) the price range for the cremation containers offered by the funeral provider, together
1077.27 with the statement "A complete price list will be provided at the funeral establishment or
1077.28 cremation container sale location." or the prices of individual cremation containers, as
1077.29 disclosed in the manner described in paragraphs (c) and (d);

1077.30 (11) the price range for the cremated remains containers offered by the funeral provider,
1077.31 together with the statement, "A complete price list will be provided at the funeral
1077.32 establishment or cremated remains container sale location," or the prices of individual
1077.33 cremation containers as disclosed in the manner described in paragraphs (c) and (d);

1078.1 (12) the price range for the naturally reduced remains containers offered by the funeral
1078.2 provider, together with the statement, "A complete price list will be provided at the funeral
1078.3 establishment or naturally reduced remains container sale location," or the prices of individual
1078.4 naturally reduced remains containers as disclosed in the manner described in paragraphs
1078.5 (c) and (d);

1078.6 ~~(12)~~ (13) the price for the basic services of funeral provider and staff, together with a
1078.7 list of the principal basic services provided for any quoted price and, if the charge cannot
1078.8 be declined by the purchaser, the statement "This fee for our basic services will be added
1078.9 to the total cost of the funeral arrangements you select. (This fee is already included in our
1078.10 charges for alkaline hydrolysis, natural organic reduction, direct cremations, immediate
1078.11 burials, and forwarding or receiving remains.)" If the charge cannot be declined by the
1078.12 purchaser, the quoted price shall include all charges for the recovery of unallocated funeral
1078.13 provider overhead, and funeral providers may include in the required disclosure the phrase
1078.14 "and overhead" after the word "services." This services fee is the only funeral provider fee
1078.15 for services, facilities, or unallocated overhead permitted by this subdivision to be
1078.16 nondeclinable, unless otherwise required by law;

1078.17 ~~(13)~~ (14) the price range for the markers and headstones offered by the funeral provider,
1078.18 together with the statement "A complete price list will be provided at the funeral
1078.19 establishment or marker or headstone sale location." or the prices of individual markers and
1078.20 headstones, as disclosed in the manner described in paragraphs (c) and (d); and

1078.21 ~~(14)~~ (15) any package priced funerals offered must be listed in addition to and following
1078.22 the information required in paragraph (e) and must clearly state the funeral goods and
1078.23 services being offered, the price being charged for those goods and services, and the
1078.24 discounted savings.

1078.25 (f) Funeral providers must give an itemized written statement, for retention, to each
1078.26 consumer who arranges an at-need funeral or other disposition of human remains at the
1078.27 conclusion of the discussion of the arrangements. The itemized written statement must be
1078.28 signed by the consumer selecting the goods and services as required in section 149A.80. If
1078.29 the statement is provided by a funeral establishment, the statement must be signed by the
1078.30 licensed funeral director or mortician planning the arrangements. If the statement is provided
1078.31 by any other funeral provider, the statement must be signed by an authorized agent of the
1078.32 funeral provider. The statement must list the funeral goods, funeral services, burial site
1078.33 goods, or burial site services selected by that consumer and the prices to be paid for each
1078.34 item, specifically itemized cash advance items (these prices must be given to the extent then
1078.35 known or reasonably ascertainable if the prices are not known or reasonably ascertainable,

1079.1 a good faith estimate shall be given and a written statement of the actual charges shall be
1079.2 provided before the final bill is paid), and the total cost of goods and services selected. At
1079.3 the conclusion of an at-need arrangement, the funeral provider is required to give the
1079.4 consumer a copy of the signed itemized written contract that must contain the information
1079.5 required in this paragraph.

1079.6 (g) Upon receiving actual notice of the death of an individual with whom a funeral
1079.7 provider has entered a preneed funeral agreement, the funeral provider must provide a copy
1079.8 of all preneed funeral agreement documents to the person who controls final disposition of
1079.9 the human remains or to the designee of the person controlling disposition. The person
1079.10 controlling final disposition shall be provided with these documents at the time of the
1079.11 person's first in-person contact with the funeral provider, if the first contact occurs in person
1079.12 at a funeral establishment, alkaline hydrolysis facility, crematory, natural organic reduction
1079.13 facility, or other place of business of the funeral provider. If the contact occurs by other
1079.14 means or at another location, the documents must be provided within 24 hours of the first
1079.15 contact.

1079.16 Sec. 41. Minnesota Statutes 2022, section 149A.71, subdivision 4, is amended to read:

1079.17 Subd. 4. **Casket, alternate container, alkaline hydrolysis container, naturally reduced**
1079.18 **remains container, and cremation container sales; records; required disclosures.** Any
1079.19 funeral provider who sells or offers to sell a casket, alternate container, alkaline hydrolysis
1079.20 container, hydrolyzed remains container, cremation container, ~~or~~ cremated remains container,
1079.21 or, effective July 1, 2025, naturally reduced remains container to the public must maintain
1079.22 a record of each sale that includes the name of the purchaser, the purchaser's mailing address,
1079.23 the name of the decedent, the date of the decedent's death, and the place of death. These
1079.24 records shall be open to inspection by the regulatory agency. Any funeral provider selling
1079.25 a casket, alternate container, or cremation container to the public, and not having charge of
1079.26 the final disposition of the dead human body, shall provide a copy of the statutes and rules
1079.27 controlling the removal, preparation, transportation, arrangements for disposition, and final
1079.28 disposition of a dead human body. This subdivision does not apply to morticians, funeral
1079.29 directors, funeral establishments, crematories, or wholesale distributors of caskets, alternate
1079.30 containers, alkaline hydrolysis containers, or cremation containers.

1079.31 Sec. 42. Minnesota Statutes 2022, section 149A.72, subdivision 3, is amended to read:

1079.32 Subd. 3. **Casket for alkaline hydrolysis, natural organic reduction, or cremation**
1079.33 **provisions; deceptive acts or practices.** In selling or offering to sell funeral goods or

1080.1 funeral services to the public, it is a deceptive act or practice for a funeral provider to
1080.2 represent that a casket is required for alkaline hydrolysis ~~or~~, cremations, or, effective July
1080.3 1, 2025, natural organic reduction by state or local law or otherwise.

1080.4 Sec. 43. Minnesota Statutes 2022, section 149A.72, subdivision 9, is amended to read:

1080.5 Subd. 9. **Deceptive acts or practices.** In selling or offering to sell funeral goods, funeral
1080.6 services, burial site goods, or burial site services to the public, it is a deceptive act or practice
1080.7 for a funeral provider to represent that federal, state, or local laws, or particular cemeteries,
1080.8 alkaline hydrolysis facilities, ~~or~~ crematories, or, effective July 1, 2025, natural organic
1080.9 reduction facilities require the purchase of any funeral goods, funeral services, burial site
1080.10 goods, or burial site services when that is not the case.

1080.11 Sec. 44. Minnesota Statutes 2022, section 149A.73, subdivision 1, is amended to read:

1080.12 Subdivision 1. **Casket for alkaline hydrolysis, natural organic reduction, or cremation**
1080.13 **provisions; deceptive acts or practices.** In selling or offering to sell funeral goods, funeral
1080.14 services, burial site goods, or burial site services to the public, it is a deceptive act or practice
1080.15 for a funeral provider to require that a casket be purchased for alkaline hydrolysis ~~or~~,
1080.16 cremation, or, effective July 1, 2025, natural organic reduction.

1080.17 Sec. 45. Minnesota Statutes 2022, section 149A.74, subdivision 1, is amended to read:

1080.18 Subdivision 1. **Services provided without prior approval; deceptive acts or**
1080.19 **practices.** In selling or offering to sell funeral goods or funeral services to the public, it is
1080.20 a deceptive act or practice for any funeral provider to embalm a dead human body unless
1080.21 state or local law or regulation requires embalming in the particular circumstances regardless
1080.22 of any funeral choice which might be made, or prior approval for embalming has been
1080.23 obtained from an individual legally authorized to make such a decision. In seeking approval
1080.24 to embalm, the funeral provider must disclose that embalming is not required by law except
1080.25 in certain circumstances; that a fee will be charged if a funeral is selected which requires
1080.26 embalming, such as a funeral with viewing; and that no embalming fee will be charged if
1080.27 the family selects a service which does not require embalming, such as direct alkaline
1080.28 hydrolysis, direct cremation, ~~or~~ immediate burial, or, effective July 1, 2025, natural organic
1080.29 reduction.

1081.1 Sec. 46. Minnesota Statutes 2022, section 149A.93, subdivision 3, is amended to read:

1081.2 Subd. 3. **Disposition permit.** A disposition permit is required before a body can be
1081.3 buried, entombed, alkaline hydrolyzed, ~~or cremated~~, or, effective July 1, 2025, naturally
1081.4 reduced. No disposition permit shall be issued until a fact of death record has been completed
1081.5 and filed with the state registrar of vital records.

1081.6 Sec. 47. Minnesota Statutes 2022, section 149A.94, subdivision 1, is amended to read:

1081.7 Subdivision 1. **Generally.** Every dead human body lying within the state, except
1081.8 unclaimed bodies delivered for dissection by the medical examiner, those delivered for
1081.9 anatomical study pursuant to section 149A.81, subdivision 2, or lawfully carried through
1081.10 the state for the purpose of disposition elsewhere; and the remains of any dead human body
1081.11 after dissection or anatomical study, shall be decently buried or entombed in a public or
1081.12 private cemetery, alkaline hydrolyzed, ~~or cremated~~, or, effective July 1, 2025, naturally
1081.13 reduced within a reasonable time after death. Where final disposition of a body will not be
1081.14 accomplished, or, effective July 1, 2025, when natural organic reduction will not be initiated,
1081.15 within 72 hours following death or release of the body by a competent authority with
1081.16 jurisdiction over the body, the body must be properly embalmed, refrigerated, or packed
1081.17 with dry ice. A body may not be kept in refrigeration for a period exceeding six calendar
1081.18 days, or packed in dry ice for a period that exceeds four calendar days, from the time of
1081.19 death or release of the body from the coroner or medical examiner.

1081.20 Sec. 48. Minnesota Statutes 2022, section 149A.94, subdivision 3, is amended to read:

1081.21 Subd. 3. **Permit required.** No dead human body shall be buried, entombed, ~~or cremated~~,
1081.22 alkaline hydrolyzed, or, effective July 1, 2025, naturally reduced without a disposition
1081.23 permit. The disposition permit must be filed with the person in charge of the place of final
1081.24 disposition. Where a dead human body will be transported out of this state for final
1081.25 disposition, the body must be accompanied by a certificate of removal.

1081.26 Sec. 49. Minnesota Statutes 2022, section 149A.94, subdivision 4, is amended to read:

1081.27 Subd. 4. **Alkaline hydrolysis ~~or~~, cremation, or natural organic reduction.** Inurnment
1081.28 of alkaline hydrolyzed ~~or remains~~, cremated remains, or, effective July 1, 2025, naturally
1081.29 reduced remains and release to an appropriate party is considered final disposition and no
1081.30 further permits or authorizations are required for transportation, interment, entombment, or
1081.31 placement of the ~~cremated~~ remains, except as provided in section 149A.95, subdivision 16.

1082.1 Sec. 50. [149A.955] NATURAL ORGANIC REDUCTION FACILITIES AND
1082.2 NATURAL ORGANIC REDUCTION.

1082.3 Subdivision 1. License required. This section is effective July 1, 2025. A dead human
1082.4 body may only undergo natural organic reduction in this state at a natural organic reduction
1082.5 facility licensed by the commissioner of health.

1082.6 Subd. 2. General requirements. Any building to be used as a natural organic reduction
1082.7 facility must comply with all applicable local and state building codes, zoning laws and
1082.8 ordinances, and environmental standards. A natural organic reduction facility must have on
1082.9 site a natural organic reduction system approved by the commissioner and a motorized
1082.10 mechanical device for processing the remains in natural reduction and must have in the
1082.11 building a refrigerated holding facility for the retention of dead human bodies awaiting
1082.12 natural organic reduction. The holding facility must be secure from access by anyone except
1082.13 the authorized personnel of the natural organic reduction facility, preserve the dignity of
1082.14 the remains, and protect the health and safety of the natural organic reduction facility
1082.15 personnel.

1082.16 Subd. 3. Aerobic reduction vessel. A natural organic reduction facility must use as a
1082.17 natural organic reduction vessel a contained reduction vessel that is designed to promote
1082.18 aerobic reduction and that minimizes odors.

1082.19 Subd. 4. Any room where body is prepared. Any room where the deceased will be
1082.20 prepared for natural organic reduction must be properly lit and ventilated with an exhaust
1082.21 fan. It must be equipped with a functional sink with hot and cold running water. It must
1082.22 have nonporous flooring, such that a sanitary condition is provided. The walls and ceiling
1082.23 of the room must run from floor to ceiling and be covered with tile, or by plaster or sheetrock
1082.24 painted with washable paint or other appropriate material, such that a sanitary condition is
1082.25 provided. The doors, walls, ceiling, and windows must be constructed to prevent odors from
1082.26 entering any other part of the building.

1082.27 Subd. 5. Access and privacy. (a) The room where a licensed mortician prepares a body
1082.28 must be private and must not have a general passageway through it. All windows or other
1082.29 openings to the outside must be treated in a manner that prevents viewing into the room
1082.30 where the deceased will be prepared for natural organic reduction. A viewing window for
1082.31 authorized family members or their designees is not a violation of this subdivision.

1082.32 (b) The room must, at all times, be secure from the entrance of unauthorized persons.

1082.33 (c) For purposes of this section, "authorized persons" are:

- 1083.1 (1) licensed morticians;
1083.2 (2) registered interns or students as described in section 149A.91, subdivision 6;
1083.3 (3) public officials or representatives in the discharge of their official duties;
1083.4 (4) trained natural organic reduction facility operators; and
1083.5 (5) the person or persons with the right to control the dead human body as defined in
1083.6 section 149A.80, subdivision 2, and their designees.

1083.7 (d) Each door allowing ingress or egress must carry a sign that indicates that the room
1083.8 is private and access is limited. All authorized persons who are present in or enter the room
1083.9 while a body is being prepared for final disposition must be attired according to all applicable
1083.10 state and federal regulations regarding the control of infectious disease and occupational
1083.11 and workplace health and safety.

1083.12 Subd. 6. **Areas for vessels or naturally organic reduction operations.** Any rooms or
1083.13 areas where the vessels reside or where any operation takes place involving the handling
1083.14 of the vessels or the remains must be ventilated with exhaust fans. The doors, walls, ceiling,
1083.15 and windows shall be constructed to prevent odors from entering any other part of the
1083.16 building. All windows must be treated in a manner that maintains privacy when the remains
1083.17 are handled. A sanitary condition must be provided. Any area where human remains are
1083.18 transferred, prepared, or processed must have nonpourous flooring, and the walls and ceiling
1083.19 of the rooms must run from floor to ceiling and be covered with tile, or by plaster, sheetrock,
1083.20 or concrete painted with washable paint or other appropriate material, such that a sanitary
1083.21 condition is provided. Access to the vessel holding area must only be granted to individuals
1083.22 outlined in subdivision 5 and to authorized visitors at the discretion of the licensed facility
1083.23 under the direct supervision of trained facility staff, provided that such access does not
1083.24 violate subdivision 18.

1083.25 Subd. 7. **Equipment and supplies.** The natural organic reduction facility must have a
1083.26 functional emergency eye wash and quick drench shower.

1083.27 Subd. 8. **Sanitary conditions and permitted use.** The room where the deceased will
1083.28 be prepared for natural organic reduction, the area where the natural organic reduction
1083.29 vessels are located or where the natural organic reduction operations are undertaken, and
1083.30 all fixtures, equipment, instruments, receptacles, clothing, and other appliances or supplies
1083.31 stored or used in these operations must be maintained in a clean and sanitary condition at
1083.32 all times.

1084.1 Subd. 9. **Occupational and workplace safety.** All applicable provisions of state and
1084.2 federal regulations regarding exposure to workplace hazards and accidents must be followed
1084.3 to protect the health and safety of all authorized persons at the natural organic reduction
1084.4 facility.

1084.5 Subd. 10. **Unlicensed personnel.** A licensed natural organic reduction facility may
1084.6 employ unlicensed personnel, provided that all applicable provisions of this chapter are
1084.7 followed. It is the duty of the licensed natural organic reduction facility to provide proper
1084.8 training for all unlicensed personnel, and the licensed natural organic reduction facility shall
1084.9 be strictly accountable for compliance with this chapter and other applicable state and federal
1084.10 regulations regarding occupational and workplace health and safety.

1084.11 Subd. 11. **Authorization to naturally reduce.** No natural organic reduction facility
1084.12 shall naturally reduce or cause to be naturally reduced any dead human body or identifiable
1084.13 body part without receiving written authorization to do so from the person or persons who
1084.14 have the legal right to control disposition as described in section 149A.80 or the person's
1084.15 legal designee. The written authorization must include:

1084.16 (1) the name of the deceased and the date of death of the deceased;

1084.17 (2) a statement authorizing the natural organic reduction facility to naturally reduce the
1084.18 body;

1084.19 (3) the name, address, phone number, relationship to the deceased, and signature of the
1084.20 person or persons with the legal right to control final disposition or a legal designee;

1084.21 (4) directions for the disposition of any non-naturally reduced materials or items recovered
1084.22 from the natural organic reduction vessel;

1084.23 (5) acknowledgment that some of the remains will be mechanically reduced to a
1084.24 granulated appearance and returned to the natural reduction vessel with the remains for final
1084.25 reduction; and

1084.26 (6) directions for the ultimate disposition of the naturally reduced remains.

1084.27 Subd. 12. **Limitation of liability.** The limitations in section 149A.95, subdivision 5,
1084.28 apply to natural organic reduction facilities.

1084.29 Subd. 13. **Acceptance of delivery of body.** (a) No dead human body shall be accepted
1084.30 for final disposition by natural organic reduction unless the body is:

1084.31 (1) wrapped in a container, such as a pouch, that is impermeable or leak-resistant;

1085.1 (2) accompanied by a disposition permit issued pursuant to section 149A.93, subdivision
1085.2 3, including a photocopy of the complete death record or a signed release authorizing natural
1085.3 organic reduction received from a coroner or medical examiner; and

1085.4 (3) accompanied by a natural organic reduction authorization that complies with
1085.5 subdivision 5.

1085.6 (b) A natural organic reduction facility shall refuse to accept delivery of the dead human
1085.7 body:

1085.8 (1) where there is a known dispute concerning natural organic reduction of the body
1085.9 delivered;

1085.10 (2) where there is a reasonable basis for questioning any of the representations made on
1085.11 the written authorization to naturally reduce; or

1085.12 (3) for any other lawful reason.

1085.13 (c) When a container or pouch containing a dead human body shows evidence of leaking
1085.14 bodily fluid, the container or pouch and the body must be returned to the contracting funeral
1085.15 establishment, or the body must be transferred to a new container or pouch by a licensed
1085.16 mortician.

1085.17 (d) If a dead human body is delivered to a natural organic reduction facility in a container
1085.18 or pouch that is not suitable for placement in a natural organic reduction vessel, the transfer
1085.19 of the body to the vessel must be performed by a licensed mortician.

1085.20 Subd. 14. **Bodies awaiting natural organic reduction.** A dead human body must be
1085.21 placed in the natural organic reduction vessel to initiate the natural reduction process within
1085.22 24 hours after the natural organic reduction facility accepts legal and physical custody of
1085.23 the body.

1085.24 Subd. 15. **Handling of dead human bodies.** All natural organic reduction facility
1085.25 employees handling the containers or pouches for dead human bodies shall use universal
1085.26 precautions and otherwise exercise all reasonable precautions to minimize the risk of
1085.27 transmitting any communicable disease from the body. No dead human body shall be
1085.28 removed from the container or pouch in which it is delivered to the natural organic reduction
1085.29 facility without express written authorization of the person or persons with legal right to
1085.30 control the disposition and only by a licensed mortician. The remains shall be considered
1085.31 a dead human body until after the final reduction. The person or persons with the legal right
1085.32 to control the body may be involved with preparation of the body pursuant to section
1085.33 149A.01, subdivision 3, paragraph (c).

1086.1 Subd. 16. **Identification of the body.** All licensed natural organic reduction facilities
1086.2 shall develop, implement, and maintain an identification procedure whereby dead human
1086.3 bodies can be identified from the time the natural organic reduction facility accepts delivery
1086.4 of the body until the naturally reduced remains are released to an authorized party. After
1086.5 natural organic reduction, an identifying disk, tab, or other permanent label shall be placed
1086.6 within the naturally reduced remains container or containers before the remains are released
1086.7 from the natural organic reduction facility. Each identification disk, tab, or label shall have
1086.8 a number that shall be recorded on all paperwork regarding the decedent. This procedure
1086.9 shall be designed to reasonably ensure that the proper body is naturally reduced and that
1086.10 the remains are returned to the appropriate party. Loss of all or part of the remains or the
1086.11 inability to individually identify the remains is a violation of this subdivision.

1086.12 Subd. 17. **Natural organic reduction vessel for human remains.** A licensed natural
1086.13 organic reduction facility shall knowingly naturally reduce only dead human bodies or
1086.14 human remains in a natural organic reduction vessel.

1086.15 Subd. 18. **Natural organic reduction procedures; privacy.** The final disposition of
1086.16 dead human bodies by natural organic reduction shall be done in privacy. Unless there is
1086.17 written authorization from the person with the legal right to control the final disposition,
1086.18 only authorized natural organic reduction facility personnel shall be permitted in the natural
1086.19 organic reduction area while any human body is awaiting placement or being placed in a
1086.20 natural organic reduction vessel, being removed from the vessel, or being processed for
1086.21 placement for final reduction. This does not prohibit an in-person laying-in ceremony to
1086.22 honor the deceased and the transition prior to the placement.

1086.23 Subd. 19. **Natural organic reduction procedures; commingling of bodies**
1086.24 **prohibited.** Except with the express written permission of the person with the legal right
1086.25 to control the final disposition, no natural organic reduction facility shall naturally reduce
1086.26 more than one dead human body at the same time and in the same natural organic reduction
1086.27 vessel or introduce a second dead human body into same natural organic reduction vessel
1086.28 until reasonable efforts have been employed to remove all fragments of remains from the
1086.29 preceding natural organic reduction. This subdivision does not apply where commingling
1086.30 of human remains during natural organic reduction is otherwise provided by law. The fact
1086.31 that there is incidental and unavoidable residue in the natural organic reduction vessel used
1086.32 in a prior natural organic reduction is not a violation of this subdivision.

1086.33 Subd. 20. **Natural organic reduction procedures; removal from natural organic**
1086.34 **reduction vessel.** Upon completion of the natural organic reduction process, reasonable
1086.35 efforts shall be made to remove from the natural organic reduction vessel all the recoverable

1087.1 remains. The remains shall be transported to the processing area, and any non-naturally
 1087.2 reducible materials or items shall be separated from the remains and disposed of, in any
 1087.3 lawful manner, by the natural organic reduction facility.

1087.4 Subd. 21. **Natural organic reduction procedures; processing remains.** The remains
 1087.5 that remain intact shall be reduced by a motorized mechanical processor to a granulated
 1087.6 appearance. The granulated remains and the rest of the naturally reduced remains shall be
 1087.7 returned to a natural organic reduction vessel for final reduction. The remains shall be
 1087.8 considered a dead human body until after the final reduction.

1087.9 Subd. 22. **Natural organic reduction procedures; commingling of remains**
 1087.10 **prohibited.** Except with the express written permission of the person with the legal right
 1087.11 to control the final deposition or otherwise provided by law, no natural organic reduction
 1087.12 facility shall mechanically process the remains of more than one body at a time in the same
 1087.13 mechanical processor or introduce the remains of a second body into a mechanical processor
 1087.14 until reasonable efforts have been employed to remove all fragments of remains already in
 1087.15 the processor. The fact that there is incidental and unavoidable residue in the mechanical
 1087.16 processor is not a violation of this subdivision.

1087.17 Subd. 23. **Natural organic reduction procedures; testing naturally reduced**
 1087.18 **remains.** A natural organic reduction facility must:

1087.19 (1) ensure that the material in the natural organic reduction vessel naturally reaches and
 1087.20 maintains a minimum temperature of 131 degrees Fahrenheit for a minimum of 72
 1087.21 consecutive hours during the process of natural organic reduction;

1087.22 (2) analyze each instance of the naturally reduced remains for physical contaminants,
 1087.23 including but not limited to intact bone, dental fillings, and medical implants, and ensure
 1087.24 naturally reduced remains have less than 0.01 mg/kg dry weight of any physical contaminants;

1087.25 (3) collect material samples for analysis that are representative of each instance of natural
 1087.26 organic reduction, using a sampling method such as those described in the U.S. Composting
 1087.27 Council 2002 Test Methods for the Examination of Composting and Compost, method
 1087.28 02.01-A through E;

1087.29 (4) develop and use a natural organic reduction process in which the naturally reduced
 1087.30 remains from the process do not exceed the following limits:

1087.31	<u>Metals and other testing</u>	<u>Limit (mg/kg dry weight), unless otherwise</u>
1087.32	<u>parameters</u>	<u>specified</u>
1087.33		<u>Less than 1,000 most probable number per gram</u>
1087.34	<u>Fecal coliform</u>	<u>of total solids (dry weight)</u>

1088.1		<u>Less than 3 most probable number per 4 grams</u>
1088.2	<u>Salmonella</u>	<u>of total solids (dry weight)</u>
1088.3	<u>Arsenic</u>	<u>Less than or equal to 11 ppm</u>
1088.4	<u>Cadmium</u>	<u>Less than or equal to 7.1 ppm</u>
1088.5	<u>Lead</u>	<u>Less than or equal to 150 ppm</u>
1088.6	<u>Mercury</u>	<u>Less than or equal to 5 ppm</u>
1088.7	<u>Selenium</u>	<u>Less than or equal to 18 ppm;</u>

1088.8 (5) analyze, using a third-party laboratory, the natural organic reduction facility's material
1088.9 samples of naturally reduced remains according to the following schedule:

1088.10 (i) the natural organic reduction facility must analyze each of the first 20 instances of
1088.11 naturally reduced remains for the parameters in clause (4);

1088.12 (ii) if any of the first 20 instances of naturally reduced remains yield results exceeding
1088.13 the limits in clause (4), the natural organic reduction facility must conduct appropriate
1088.14 processes to correct the levels of the substances in clause (4) and have the resultant remains
1088.15 tested to ensure they fall within the identified limits;

1088.16 (iii) if any of the first 20 instances of naturally reduced remains yield results exceeding
1088.17 the limits in clause (4), the natural organic reduction facility must analyze each additional
1088.18 instance of naturally reduced remains for the parameters in clause (4) until a total of 20
1088.19 samples, not including those from remains that were reprocessed as required in item (ii),
1088.20 have yielded results within the limits in clause (4) on initial testing;

1088.21 (iv) after 20 material samples of naturally reduced remains have met the limits in clause
1088.22 (4), the natural organic reduction facility must analyze at least 25 percent of the natural
1088.23 organic reduction facility's monthly instances of naturally reduced remains for the parameters
1088.24 in clause (4) until 80 total material samples of naturally reduced remains are found to meet
1088.25 the limits in clause (4), not including any samples that required reprocessing to meet those
1088.26 limits; and

1088.27 (v) after 80 material samples of naturally reduced remains are found to meet the limits
1088.28 in clause (4), the natural organic reduction facility must analyze at least one randomly chosen
1088.29 instance of naturally reduced remains each month for the parameters in clause (4). If fecal
1088.30 coliform or salmonella in the tested remains exceeds the limit for that substance in clause
1088.31 (4), the natural organic reduction facility must analyze each subsequent instance of naturally
1088.32 reduced remains for fecal coliform and salmonella until ten total material samples are found
1088.33 to meet the limits for those substances in clause (4) on initial testing, demonstrating the
1088.34 natural organic reduction process was effectively corrected;

1089.1 (6) comply with any testing requirements established by the commissioner for content
1089.2 parameters in addition to those specified in clause (4);

1089.3 (7) not release any naturally reduced remains that exceed the limits in clause (4); and

1089.4 (8) prepare, maintain, and provide to the commissioner upon request, a report for each
1089.5 calendar year detailing the natural organic reduction facility's activities during the previous
1089.6 calendar year. The report must include the following information:

1089.7 (i) the name and address of the natural organic reduction facility;

1089.8 (ii) the calendar year covered by the report;

1089.9 (iii) the annual quantity of naturally reduced remains;

1089.10 (iv) the results of any laboratory analyses of naturally reduced remains; and

1089.11 (v) any additional information required by the commissioner.

1089.12 **Subd. 24. Natural organic reduction procedures; use of more than one naturally**
1089.13 **reduced remains container.** If the naturally reduced remains are to be separated into two
1089.14 or more naturally reduced remains containers according to the directives provided in the
1089.15 written authorization for natural organic reduction, all of the containers shall contain duplicate
1089.16 identification disks, tabs, or permanent labels and all paperwork regarding the given body
1089.17 shall include a notation of the number of and disposition of each container, as provided in
1089.18 the written authorization.

1089.19 **Subd. 25. Natural organic reduction procedures; disposition of accumulated**
1089.20 **residue.** Every natural organic reduction facility shall provide for the removal and disposition
1089.21 of any accumulated residue from any natural organic reduction vessel, mechanical processor,
1089.22 or other equipment used in natural organic reduction. Disposition of accumulated residue
1089.23 shall be by any lawful manner deemed appropriate.

1089.24 **Subd. 26. Natural organic reduction procedures; release of naturally reduced**
1089.25 **remains.** Following completion of the natural organic reduction process, the inurned naturally
1089.26 reduced remains shall be released according to the instructions given on the written
1089.27 authorization for natural organic reduction. If the remains are to be shipped, they must be
1089.28 securely packaged and transported by a method that has an internal tracing system available
1089.29 and which provides a receipt signed by the person accepting delivery. Where there is a
1089.30 dispute over release or disposition of the naturally reduced remains, a natural organic
1089.31 reduction facility may deposit the naturally reduced remains in accordance with the directives
1089.32 of a court of competent jurisdiction pending resolution of the dispute or retain the naturally
1089.33 reduced remains until the person with the legal right to control disposition presents

1090.1 satisfactory indication that the dispute is resolved. A natural organic reduction facility must
1090.2 make every effort to ensure naturally reduced remains are not sold or used for commercial
1090.3 purposes.

1090.4 Subd. 27. **Unclaimed naturally reduced remains.** If, after 30 calendar days following
1090.5 the inurnment, the naturally reduced remains are not claimed or disposed of according to
1090.6 the written authorization for natural organic reduction, the natural organic reduction facility
1090.7 shall give written notice, by certified mail, to the person with the legal right to control the
1090.8 final disposition or a legal designee, that the naturally reduced remains are unclaimed and
1090.9 requesting further release directions. Should the naturally reduced remains be unclaimed
1090.10 120 calendar days following the mailing of the written notification, the natural organic
1090.11 reduction facility may return the remains to the earth respectfully in any lawful manner
1090.12 deemed appropriate.

1090.13 Subd. 28. **Required records.** Every natural organic reduction facility shall create and
1090.14 maintain on its premises or other business location in Minnesota an accurate record of every
1090.15 natural organic reduction provided. The record shall include all of the following information
1090.16 for each natural organic reduction:

1090.17 (1) the name of the person or funeral establishment delivering the body for natural
1090.18 organic reduction;

1090.19 (2) the name of the deceased and the identification number assigned to the body;

1090.20 (3) the date of acceptance of delivery;

1090.21 (4) the names of the operator of the natural organic reduction process and mechanical
1090.22 processor operator;

1090.23 (5) the times and dates that the body was placed in and removed from the natural organic
1090.24 reduction vessel;

1090.25 (6) the time and date that processing and inurnment of the naturally reduced remains
1090.26 was completed;

1090.27 (7) the time, date, and manner of release of the naturally reduced remains;

1090.28 (8) the name and address of the person who signed the authorization for natural organic
1090.29 reduction;

1090.30 (9) all supporting documentation, including any transit or disposition permits, a photocopy
1090.31 of the death record, and the authorization for natural organic reduction; and

1090.32 (10) the type of natural organic reduction vessel.

1091.1 Subd. 29. **Retention of records.** Records required under subdivision 28 shall be
1091.2 maintained for a period of three calendar years after the release of the naturally reduced
1091.3 remains. Following this period and subject to any other laws requiring retention of records,
1091.4 the natural organic reduction facility may then place the records in storage or reduce them
1091.5 to microfilm, a digital format, or any other method that can produce an accurate reproduction
1091.6 of the original record, for retention for a period of ten calendar years from the date of release
1091.7 of the naturally reduced remains. At the end of this period and subject to any other laws
1091.8 requiring retention of records, the natural organic reduction facility may destroy the records
1091.9 by shredding, incineration, or any other manner that protects the privacy of the individuals
1091.10 identified.

1091.11 Sec. 51. **STILLBIRTH PREVENTION THROUGH TRACKING FETAL**
1091.12 **MOVEMENT PILOT PROGRAM.**

1091.13 Subdivision 1. **Grant.** The commissioner of health shall issue a grant to a grant recipient
1091.14 to support a stillbirth prevention through tracking fetal movement pilot program and to
1091.15 provide evidence of the efficacy of tracking fetal movements in preventing stillbirths in
1091.16 Minnesota. The pilot program shall operate in fiscal years 2025, 2026, and 2027.

1091.17 Subd. 2. **Use of grant funds.** The grant recipient must use grant funds:

1091.18 (1) for activities to ensure that expectant parents in Minnesota receive information about
1091.19 the importance of tracking fetal movement in the third trimester of pregnancy, by providing
1091.20 evidence-based information to organizations that include but are not limited to community
1091.21 organizations, hospitals, birth centers, maternal health providers, and higher education
1091.22 institutions that educate maternal health providers;

1091.23 (2) to provide maternal health providers and expectant parents in Minnesota with access
1091.24 to free, evidence-based educational materials on fetal movement tracking, including
1091.25 brochures, posters, reminder cards, continuing education materials, and digital resources;

1091.26 (3) to assist in raising awareness with health care providers about:

1091.27 (i) the availability of free fetal movement tracking education for providers through an
1091.28 initial education campaign;

1091.29 (ii) the importance of tracking fetal movement in the third trimester of pregnancy by
1091.30 offering at least three to five webinars and conferences per year; and

1091.31 (iii) the importance of tracking fetal movement in the third trimester of pregnancy through
1091.32 provider participation in a public relations campaign; and

1092.1 (4) to assist in raising public awareness about the availability of free fetal movement
1092.2 tracking resources through social media marketing and traditional marketing throughout
1092.3 Minnesota.

1092.4 Subd. 3. **Data-sharing and monitoring.** (a) During the operation of the pilot program,
1092.5 the grant recipient shall provide the following information to the commissioner on at least
1092.6 a quarterly basis:

1092.7 (1) the number of educational materials distributed under the pilot program, broken
1092.8 down by zip code and the type of facility or organization that ordered the materials, including
1092.9 hospitals, birth centers, maternal health clinics, WIC clinics, and community organizations;

1092.10 (2) the number of fetal movement tracking application downloads that may be attributed
1092.11 to the pilot program, broken down by zip code;

1092.12 (3) the reach of and engagement with marketing materials provided under the pilot
1092.13 program; and

1092.14 (4) provider attendance and participation in awareness-raising events under the pilot
1092.15 program, such as webinars and conferences.

1092.16 (b) Each year during the pilot program and at the conclusion of the pilot program, the
1092.17 grant recipient shall provide the commissioner with an annual report that includes information
1092.18 on how the pilot program has affected:

1092.19 (1) fetal death rates in Minnesota;

1092.20 (2) fetal death rates in Minnesota among American Indian, Black, Hispanic, and Asian
1092.21 Pacific Islander populations; and

1092.22 (3) fetal death rates by region in Minnesota.

1092.23 Subd. 4. **Reports.** The commissioner must submit to the legislative committees with
1092.24 jurisdiction over public health an interim report and a final report on the operation of the
1092.25 pilot program. The interim report must be submitted by December 1, 2025, and the final
1092.26 report must be submitted by December 1, 2027. Each report must at least describe the pilot
1092.27 program's operations and provide information, to the extent available, on the effectiveness
1092.28 of the pilot program in preventing stillbirths in Minnesota, including lessons learned in
1092.29 implementing the pilot program and recommendations for future action.

1093.1

ARTICLE 59

1093.2

DEPARTMENT OF HEALTH POLICY

1093.3 Section 1. Minnesota Statutes 2022, section 62D.14, subdivision 1, is amended to read:

1093.4 Subdivision 1. **Examination authority.** The commissioner of health may make an
1093.5 examination of the affairs of any health maintenance organization and its contracts,
1093.6 agreements, or other arrangements with any participating entity as often as the commissioner
1093.7 of health deems necessary for the protection of the interests of the people of this state, but
1093.8 not less frequently than once every ~~three~~ five years. Examinations of participating entities
1093.9 pursuant to this subdivision shall be limited to their dealings with the health maintenance
1093.10 organization and its enrollees, except that examinations of major participating entities may
1093.11 include inspection of the entity's financial statements kept in the ordinary course of business.
1093.12 The commissioner may require major participating entities to submit the financial statements
1093.13 directly to the commissioner. Financial statements of major participating entities are subject
1093.14 to the provisions of section 13.37, subdivision 1, clause (b), upon request of the major
1093.15 participating entity or the health maintenance organization with which it contracts.

1093.16 Sec. 2. [62J.461] 340B COVERED ENTITY REPORT.

1093.17 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions
1093.18 apply.

1093.19 (b) "340B covered entity" or "covered entity" means a covered entity as defined in United
1093.20 States Code, title 42, section 256b(a)(4), with a service address in Minnesota as of January
1093.21 1 of the reporting year. 340B covered entity includes all entity types and grantees. All
1093.22 facilities that are identified as child sites or grantee associated sites under the federal 340B
1093.23 Drug Pricing Program are considered part of the 340B covered entity.

1093.24 (c) "340B Drug Pricing Program" or "340B program" means the drug discount program
1093.25 established under United States Code, title 42, section 256b.

1093.26 (d) "340B entity type" is the designation of the 340B covered entity according to the
1093.27 entity types specified in United States Code, title 42, section 256b(a)(4).

1093.28 (e) "340B ID" is the unique identification number provided by the Health Resources
1093.29 and Services Administration to identify a 340B-eligible entity in the 340B Office of Pharmacy
1093.30 Affairs Information System.

1093.31 (f) "Contract pharmacy" means a pharmacy with which a 340B covered entity has an
1093.32 arrangement to dispense drugs purchased under the 340B Drug Pricing Program.

1094.1 (g) "Pricing unit" means the smallest dispensable amount of a prescription drug product
1094.2 that can be dispensed or administered.

1094.3 Subd. 2. **Current registration.** Beginning April 1, 2024, each 340B covered entity must
1094.4 maintain a current registration with the commissioner in a form and manner prescribed by
1094.5 the commissioner. The registration must include the following information:

1094.6 (1) the name of the 340B covered entity;

1094.7 (2) the 340B ID of the 340B covered entity;

1094.8 (3) the servicing address of the 340B covered entity; and

1094.9 (4) the 340B entity type of the 340B covered entity.

1094.10 Subd. 3. **Reporting by covered entities to the commissioner.** (a) Each 340B covered
1094.11 entity shall report to the commissioner by April 1 of each year the following information
1094.12 for transactions conducted by the 340B covered entity or on its behalf, and related to its
1094.13 participation in the federal 340B program for the previous calendar year:

1094.14 (1) the aggregated acquisition cost for prescription drugs obtained under the 340B
1094.15 program;

1094.16 (2) the aggregated payment amount received for drugs obtained under the 340B program
1094.17 and dispensed or administered to patients;

1094.18 (3) the number of pricing units dispensed or administered for prescription drugs described
1094.19 in clause (2); and

1094.20 (4) the aggregated payments made:

1094.21 (i) to contract pharmacies to dispense drugs obtained under the 340B program;

1094.22 (ii) to any other entity that is not the covered entity and is not a contract pharmacy for
1094.23 managing any aspect of the covered entity's 340B program; and

1094.24 (iii) for all other expenses related to administering the 340B program.

1094.25 The information under clauses (2) and (3) must be reported by payer type, including but
1094.26 not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in
1094.27 the form and manner prescribed by the commissioner.

1094.28 (b) For covered entities that are hospitals, the information required under paragraph (a),
1094.29 clauses (1) to (3), must also be reported at the national drug code level for the 50 most
1094.30 frequently dispensed or administered drugs by the facility under the 340B program.

1095.1 (c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as
1095.2 nonpublic data, as defined in section 13.02, subdivision 9.

1095.3 Subd. 4. **Enforcement and exceptions.** (a) Any health care entity subject to reporting
1095.4 under this section that fails to provide data in the form and manner prescribed by the
1095.5 commissioner is subject to a fine paid to the commissioner of up to \$500 for each day the
1095.6 data are past due. Any fine levied against the entity under this subdivision is subject to the
1095.7 contested case and judicial review provisions of sections 14.57 and 14.69.

1095.8 (b) The commissioner may grant an entity an extension of or exemption from the reporting
1095.9 obligations under this subdivision, upon a showing of good cause by the entity.

1095.10 Subd. 5. **Reports to the legislature.** By November 15, 2024, and by November 15 of
1095.11 each year thereafter, the commissioner shall submit to the chairs and ranking minority
1095.12 members of the legislative committees with jurisdiction over health care finance and policy,
1095.13 a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b). The
1095.14 following information must be included in the report for all 340B entities whose net 340B
1095.15 revenue constitutes a significant share, as determined by the commissioner, of all net 340B
1095.16 revenue across all 340B covered entities in Minnesota:

1095.17 (1) the information submitted under subdivision 2; and

1095.18 (2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as
1095.19 calculated using the data submitted under subdivision 3, paragraph (a), with net revenue
1095.20 being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a),
1095.21 clauses (1) and (4).

1095.22 For all other entities, the data in the report must be aggregated to the entity type or groupings
1095.23 of entity types in a manner that prevents the identification of an individual entity and any
1095.24 entity's specific data value reported for an individual data element.

1095.25 Sec. 3. Minnesota Statutes 2022, section 62J.61, subdivision 5, is amended to read:

1095.26 Subd. 5. ~~Biennial review of rulemaking procedures and rules~~ **Opportunity for**
1095.27 **comment.** The commissioner shall ~~biennially seek comments from affected parties~~ maintain
1095.28 an email address for submission of comments from interested parties to provide input about
1095.29 the effectiveness of and continued need for the rulemaking procedures set out in subdivision
1095.30 2 and about the quality and effectiveness of rules adopted using these procedures. The
1095.31 commissioner shall seek comments by holding a meeting and by publishing a notice in the
1095.32 State Register that contains the date, time, and location of the meeting and a statement that
1095.33 invites oral or written comments. The notice must be published at least 30 days before the

1096.1 ~~meeting date. The commissioner shall write a report summarizing the comments and shall~~
1096.2 ~~submit the report to the Minnesota Health Data Institute and to the Minnesota Administrative~~
1096.3 ~~Uniformity Committee by January 15 of every even-numbered year~~ may seek additional
1096.4 input and provide additional opportunities for input as needed.

1096.5 Sec. 4. Minnesota Statutes 2023 Supplement, section 62J.84, subdivision 10, is amended
1096.6 to read:

1096.7 Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than
1096.8 January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the
1096.9 department's website a list of prescription drugs that the commissioner determines to represent
1096.10 a substantial public interest and for which the commissioner intends to request data under
1096.11 subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion
1096.12 of prescription drugs on any information the commissioner determines is relevant to providing
1096.13 greater consumer awareness of the factors contributing to the cost of prescription drugs in
1096.14 the state, and the commissioner shall consider drug product families that include prescription
1096.15 drugs:

1096.16 (1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

1096.17 (2) for which average claims paid amounts exceeded 125 percent of the price as of the
1096.18 claim incurred date during the most recent calendar quarter for which claims paid amounts
1096.19 are available; or

1096.20 (3) that are identified by members of the public during a public comment process.

1096.21 (b) Not sooner than 30 days after publicly posting the list of prescription drugs under
1096.22 paragraph (a), the department shall notify, via email, reporting entities registered with the
1096.23 department of the requirement to report under subdivisions 11 to 14.

1096.24 (c) The commissioner must not designate more than 500 prescription drugs as having a
1096.25 substantial public interest in any one notice.

1096.26 (d) Notwithstanding subdivision 16, the commissioner is exempt from chapter 14,
1096.27 including section 14.386, in implementing this subdivision.

1096.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1096.29 Sec. 5. Minnesota Statutes 2022, section 144.05, subdivision 6, is amended to read:

1096.30 Subd. 6. **Reports on interagency agreements and intra-agency transfers.** The
1096.31 commissioner of health shall provide quarterly reports to the chairs and ranking minority

1097.1 members of the legislative committees with jurisdiction over health and human services
1097.2 policy and finance on:

1097.3 (1) interagency agreements or service-level agreements and any renewals or extensions
1097.4 of existing interagency or service-level agreements with a state department under section
1097.5 15.01, state agency under section 15.012, or the Department of Information Technology
1097.6 Services, with a value of more than \$100,000, or related agreements with the same department
1097.7 or agency with a cumulative value of more than \$100,000; and

1097.8 (2) transfers of appropriations of more than \$100,000 between accounts within or between
1097.9 agencies.

1097.10 The report must include the statutory citation authorizing the agreement, transfer or dollar
1097.11 amount, purpose, and effective date of the agreement, and duration of the agreement, ~~and~~
1097.12 ~~a copy of the agreement.~~

1097.13 Sec. 6. Minnesota Statutes 2022, section 144.05, subdivision 7, is amended to read:

1097.14 Subd. 7. **Expiration of report mandates.** (a) If the submission of a report by the
1097.15 commissioner of health to the legislature is mandated by statute and the enabling legislation
1097.16 does not include a date for the submission of a final report, the mandate to submit the report
1097.17 shall expire in accordance with this section.

1097.18 (b) If the mandate requires the submission of an annual report and the mandate was
1097.19 enacted before January 1, 2021, the mandate shall expire on January 1, 2023. If the mandate
1097.20 requires the submission of a biennial or less frequent report and the mandate was enacted
1097.21 before January 1, 2021, the mandate shall expire on January 1, 2024.

1097.22 (c) Any reporting mandate enacted on or after January 1, 2021, shall expire three years
1097.23 after the date of enactment if the mandate requires the submission of an annual report and
1097.24 shall expire five years after the date of enactment if the mandate requires the submission
1097.25 of a biennial or less frequent report, unless the enacting legislation provides for a different
1097.26 expiration date.

1097.27 (d) The commissioner shall submit a list to the chairs and ranking minority members of
1097.28 the legislative committees with jurisdiction over health by February 15 of each year,
1097.29 beginning February 15, 2022, of all reports set to expire during the following calendar year
1097.30 in accordance with this section. The mandate to submit a report to the legislature under this
1097.31 paragraph does not expire.

1097.32 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

1098.1 Sec. 7. Minnesota Statutes 2023 Supplement, section 144.0526, subdivision 1, is amended
1098.2 to read:

1098.3 Subdivision 1. **Establishment.** The commissioner of health shall establish the Minnesota
1098.4 One Health Antimicrobial Stewardship Collaborative. The commissioner shall ~~appoint~~ hire
1098.5 a director to execute operations, conduct health education, and provide technical assistance.

1098.6 Sec. 8. Minnesota Statutes 2022, section 144.058, is amended to read:

1098.7 **144.058 INTERPRETER SERVICES QUALITY INITIATIVE.**

1098.8 (a) The commissioner of health shall establish a voluntary statewide roster, and develop
1098.9 a plan for a registry and certification process for interpreters who provide high quality,
1098.10 spoken language health care interpreter services. The roster, registry, and certification
1098.11 process shall be based on the findings and recommendations set forth by the Interpreter
1098.12 Services Work Group required under Laws 2007, chapter 147, article 12, section 13.

1098.13 (b) By January 1, 2009, the commissioner shall establish a roster of all available
1098.14 interpreters to address access concerns, particularly in rural areas.

1098.15 (c) By January 15, 2010, the commissioner shall:

1098.16 (1) develop a plan for a registry of spoken language health care interpreters, including:

1098.17 (i) development of standards for registration that set forth educational requirements,
1098.18 training requirements, demonstration of language proficiency and interpreting skills,
1098.19 agreement to abide by a code of ethics, and a criminal background check;

1098.20 (ii) recommendations for appropriate alternate requirements in languages for which
1098.21 testing and training programs do not exist;

1098.22 (iii) recommendations for appropriate fees; and

1098.23 (iv) recommendations for establishing and maintaining the standards for inclusion in
1098.24 the registry; and

1098.25 (2) develop a plan for implementing a certification process based on national testing and
1098.26 certification processes for spoken language interpreters 12 months after the establishment
1098.27 of a national certification process.

1098.28 (d) The commissioner shall consult with the Interpreter Stakeholder Group of the Upper
1098.29 Midwest Translators and Interpreters Association for advice on the standards required to
1098.30 plan for the development of a registry and certification process.

1099.1 (e) The commissioner shall charge an annual fee of \$50 to include an interpreter in the
1099.2 roster. Fee revenue shall be deposited in the state government special revenue fund. All fees
1099.3 are nonrefundable.

1099.4 Sec. 9. Minnesota Statutes 2022, section 144.0724, subdivision 2, is amended to read:

1099.5 Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings
1099.6 given.

1099.7 (a) "Assessment reference date" or "ARD" means the specific end point for look-back
1099.8 periods in the MDS assessment process. This look-back period is also called the observation
1099.9 or assessment period.

1099.10 (b) "Case mix index" means the weighting factors assigned to the ~~RUG-IV~~ case mix
1099.11 reimbursement classifications determined by an assessment.

1099.12 (c) "Index maximization" means classifying a resident who could be assigned to more
1099.13 than one category, to the category with the highest case mix index.

1099.14 (d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment,
1099.15 and functional status elements, that include common definitions and coding categories
1099.16 specified by the Centers for Medicare and Medicaid Services and designated by the
1099.17 Department of Health.

1099.18 (e) "Representative" means a person who is the resident's guardian or conservator, the
1099.19 person authorized to pay the nursing home expenses of the resident, a representative of the
1099.20 Office of Ombudsman for Long-Term Care whose assistance has been requested, or any
1099.21 other individual designated by the resident.

1099.22 ~~(f) "Resource utilization groups" or "RUG" means the system for grouping a nursing~~
1099.23 ~~facility's residents according to their clinical and functional status identified in data supplied~~
1099.24 ~~by the facility's Minimum Data Set.~~

1099.25 ~~(g)~~ (f) "Activities of daily living" includes personal hygiene, dressing, bathing,
1099.26 transferring, bed mobility, locomotion, eating, and toileting.

1099.27 ~~(h)~~ (g) "Nursing facility level of care determination" means the assessment process that
1099.28 results in a determination of a resident's or prospective resident's need for nursing facility
1099.29 level of care as established in subdivision 11 for purposes of medical assistance payment
1099.30 of long-term care services for:

1099.31 (1) nursing facility services under ~~section 256B.434~~ or chapter 256R;

1099.32 (2) elderly waiver services under chapter 256S;

1100.1 (3) CADI and BI waiver services under section 256B.49; and

1100.2 (4) state payment of alternative care services under section 256B.0913.

1100.3 Sec. 10. Minnesota Statutes 2022, section 144.0724, subdivision 3a, is amended to read:

1100.4 Subd. 3a. **Resident reimbursement case mix reimbursement classifications beginning**

1100.5 **January 1, 2012.** (a) ~~Beginning January 1, 2012,~~ Resident reimbursement case mix

1100.6 reimbursement classifications shall be based on the Minimum Data Set, version 3.0

1100.7 assessment instrument, or its successor version mandated by the Centers for Medicare and

1100.8 Medicaid Services that nursing facilities are required to complete for all residents. ~~The~~

1100.9 ~~commissioner of health shall establish resident classifications according to the RUG-IV,~~

1100.10 ~~48 group, resource utilization groups. Resident classification must be established based on~~

1100.11 ~~the individual items on the Minimum Data Set, which must be completed according to the~~

1100.12 ~~Long Term Care Facility Resident Assessment Instrument User's Manual Version 3.0 or its~~

1100.13 ~~successor issued by the Centers for Medicare and Medicaid Services.~~ Case mix

1100.14 reimbursement classifications shall also be based on assessments required under subdivision

1100.15 4. Assessments must be completed according to the Long Term Care Facility Resident

1100.16 Assessment Instrument User's Manual Version 3.0 or a successor manual issued by the

1100.17 Centers for Medicare and Medicaid Services. The optional state assessment must be

1100.18 completed according to the OSA Manual Version 1.0 v.2.

1100.19 (b) Each resident must be classified based on the information from the Minimum Data

1100.20 Set according to the general categories issued by the Minnesota Department of Health,

1100.21 utilized for reimbursement purposes.

1100.22 Sec. 11. Minnesota Statutes 2022, section 144.0724, subdivision 4, is amended to read:

1100.23 Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and electronically

1100.24 submit to the federal database MDS assessments that conform with the assessment schedule

1100.25 defined by the Long Term Care Facility Resident Assessment Instrument User's Manual,

1100.26 version 3.0, or its successor issued by the Centers for Medicare and Medicaid Services. The

1100.27 commissioner of health may substitute successor manuals or question and answer documents

1100.28 published by the United States Department of Health and Human Services, Centers for

1100.29 Medicare and Medicaid Services, to replace or supplement the current version of the manual

1100.30 or document.

1100.31 (b) The assessments required under the Omnibus Budget Reconciliation Act of 1987

1100.32 (OBRA) used to determine a case mix reimbursement classification ~~for reimbursement~~

1100.33 include:

1101.1 (1) a new admission comprehensive assessment, which must have an assessment reference
1101.2 date (ARD) within 14 calendar days after admission, excluding readmissions;

1101.3 (2) an annual comprehensive assessment, which must have an ARD within 92 days of
1101.4 a previous quarterly review assessment or a previous comprehensive assessment, which
1101.5 must occur at least once every 366 days;

1101.6 (3) a significant change in status comprehensive assessment, which must have an ARD
1101.7 within 14 days after the facility determines, or should have determined, that there has been
1101.8 a significant change in the resident's physical or mental condition, whether an improvement
1101.9 or a decline, and regardless of the amount of time since the last comprehensive assessment
1101.10 or quarterly review assessment;

1101.11 (4) a quarterly review assessment must have an ARD within 92 days of the ARD of the
1101.12 previous quarterly review assessment or a previous comprehensive assessment;

1101.13 (5) any significant correction to a prior comprehensive assessment, if the assessment
1101.14 being corrected is the current one being used for RUG reimbursement classification;

1101.15 (6) any significant correction to a prior quarterly review assessment, if the assessment
1101.16 being corrected is the current one being used for RUG reimbursement classification; and

1101.17 ~~(7) a required significant change in status assessment when:~~

1101.18 ~~(i) all speech, occupational, and physical therapies have ended. If the most recent OBRA~~
1101.19 ~~comprehensive or quarterly assessment completed does not result in a rehabilitation case~~
1101.20 ~~mix classification, then the significant change in status assessment is not required. The ARD~~
1101.21 ~~of this assessment must be set on day eight after all therapy services have ended; and~~

1101.22 ~~(ii) isolation for an infectious disease has ended. If isolation was not coded on the most~~
1101.23 ~~recent OBRA comprehensive or quarterly assessment completed, then the significant change~~
1101.24 ~~in status assessment is not required. The ARD of this assessment must be set on day 15 after~~
1101.25 ~~isolation has ended; and~~

1101.26 (8) (7) any modifications to the most recent assessments under clauses (1) to ~~(7)~~ (6).

1101.27 (c) The optional state assessment must accompany all OBRA assessments. The optional
1101.28 state assessment is also required to determine reimbursement when:

1101.29 (i) all speech, occupational, and physical therapies have ended. If the most recent optional
1101.30 state assessment completed does not result in a rehabilitation case mix reimbursement
1101.31 classification, then the optional state assessment is not required. The ARD of this assessment
1101.32 must be set on day eight after all therapy services have ended; and

1102.1 (ii) isolation for an infectious disease has ended. If isolation was not coded on the most
1102.2 recent optional state assessment completed, then the optional state assessment is not required.
1102.3 The ARD of this assessment must be set on day 15 after isolation has ended.

1102.4 ~~(e)~~ (d) In addition to the assessments listed in ~~paragraph~~ paragraphs (b) and (c), the
1102.5 assessments used to determine nursing facility level of care include the following:

1102.6 (1) preadmission screening completed under section 256.975, subdivisions 7a to 7c, by
1102.7 the Senior LinkAge Line or other organization under contract with the Minnesota Board on
1102.8 Aging; and

1102.9 (2) a nursing facility level of care determination as provided for under section 256B.0911,
1102.10 subdivision 26, as part of a face-to-face long-term care consultation assessment completed
1102.11 under section 256B.0911, by a county, tribe, or managed care organization under contract
1102.12 with the Department of Human Services.

1102.13 Sec. 12. Minnesota Statutes 2022, section 144.0724, subdivision 6, is amended to read:

1102.14 Subd. 6. **Penalties for late or nonsubmission.** (a) A facility that fails to complete or
1102.15 submit an assessment according to subdivisions 4 and 5 for a ~~RUG-IV~~ case mix
1102.16 reimbursement classification ~~within seven days of the time requirements listed in the~~
1102.17 ~~Long-Term Care Facility Resident Assessment Instrument User's Manual~~ when the
1102.18 assessment is due is subject to a reduced rate for that resident. The reduced rate shall be the
1102.19 lowest rate for that facility. The reduced rate is effective on the day of admission for new
1102.20 admission assessments, on the ARD for significant change in status assessments, or on the
1102.21 day that the assessment was due for all other assessments and continues in effect until the
1102.22 first day of the month following the date of submission and acceptance of the resident's
1102.23 assessment.

1102.24 (b) If loss of revenue due to penalties incurred by a facility for any period of 92 days
1102.25 are equal to or greater than 0.1 percent of the total operating costs on the facility's most
1102.26 recent annual statistical and cost report, a facility may apply to the commissioner of human
1102.27 services for a reduction in the total penalty amount. The commissioner of human services,
1102.28 in consultation with the commissioner of health, may, at the sole discretion of the
1102.29 commissioner of human services, limit the penalty for residents covered by medical assistance
1102.30 to ten days.

1103.1 Sec. 13. Minnesota Statutes 2022, section 144.0724, subdivision 7, is amended to read:

1103.2 Subd. 7. **Notice of resident ~~reimbursement~~ case mix reimbursement classification.** (a)

1103.3 The commissioner of health shall provide to a nursing facility a notice for each resident of
1103.4 the classification established under subdivision 1. The notice must inform the resident of
1103.5 the case mix reimbursement classification assigned, the opportunity to review the
1103.6 documentation supporting the classification, the opportunity to obtain clarification from the
1103.7 commissioner, ~~and~~ the opportunity to request a reconsideration of the classification, and
1103.8 the address and telephone number of the Office of Ombudsman for Long-Term Care. The
1103.9 commissioner must transmit the notice of resident classification by electronic means to the
1103.10 nursing facility. The nursing facility is responsible for the distribution of the notice to each
1103.11 resident or the resident's representative. This notice must be distributed within three business
1103.12 days after the facility's receipt.

1103.13 (b) If a facility submits a ~~modifying~~ modified assessment resulting in a change in the
1103.14 case mix reimbursement classification, the facility must provide a written notice to the
1103.15 resident or the resident's representative regarding the item or items that were modified and
1103.16 the reason for the modifications. The written notice must be provided within three business
1103.17 days after distribution of the resident case mix reimbursement classification notice.

1103.18 Sec. 14. Minnesota Statutes 2022, section 144.0724, subdivision 8, is amended to read:

1103.19 Subd. 8. **Request for reconsideration of resident classifications.** (a) The resident, ~~or~~
1103.20 the resident's representative, ~~or~~ the nursing facility, or the boarding care home may request
1103.21 that the commissioner of health reconsider the assigned ~~reimbursement~~ case mix
1103.22 reimbursement classification and any item or items changed during the audit process. The
1103.23 request for reconsideration must be submitted in writing to the commissioner of health.

1103.24 (b) For reconsideration requests initiated by the resident or the resident's representative:

1103.25 (1) The resident or the resident's representative must submit in writing a reconsideration
1103.26 request to the facility administrator within 30 days of receipt of the resident classification
1103.27 notice. The written request must include the reasons for the reconsideration request.

1103.28 (2) Within three business days of receiving the reconsideration request, the nursing
1103.29 facility must submit to the commissioner of health a completed reconsideration request
1103.30 form, a copy of the resident's or resident's representative's written request, and all supporting
1103.31 documentation used to complete the assessment being ~~considered~~ reconsidered. If the facility
1103.32 fails to provide the required information, the reconsideration will be completed with the

1104.1 information submitted and the facility cannot make further reconsideration requests on this
1104.2 classification.

1104.3 (3) Upon written request and within three business days, the nursing facility must give
1104.4 the resident or the resident's representative a copy of the assessment being reconsidered and
1104.5 all supporting documentation used to complete the assessment. Notwithstanding any law
1104.6 to the contrary, the facility may not charge a fee for providing copies of the requested
1104.7 documentation. If a facility fails to provide the required documents within this time, it is
1104.8 subject to the issuance of a correction order and penalty assessment under sections 144.653
1104.9 and 144A.10. Notwithstanding those sections, any correction order issued under this
1104.10 subdivision must require that the nursing facility immediately comply with the request for
1104.11 information, and as of the date of the issuance of the correction order, the facility shall
1104.12 forfeit to the state a \$100 fine for the first day of noncompliance, and an increase in the
1104.13 \$100 fine by \$50 increments for each day the noncompliance continues.

1104.14 (c) For reconsideration requests initiated by the facility:

1104.15 (1) The facility is required to inform the resident or the resident's representative in writing
1104.16 that a reconsideration of the resident's case mix reimbursement classification is being
1104.17 requested. The notice must inform the resident or the resident's representative:

1104.18 (i) of the date and reason for the reconsideration request;

1104.19 (ii) of the potential for a case mix reimbursement classification change and subsequent
1104.20 rate change;

1104.21 (iii) of the extent of the potential rate change;

1104.22 (iv) that copies of the request and supporting documentation are available for review;
1104.23 and

1104.24 (v) that the resident or the resident's representative has the right to request a
1104.25 reconsideration also.

1104.26 (2) Within 30 days of receipt of the audit exit report or resident classification notice, the
1104.27 facility must submit to the commissioner of health a completed reconsideration request
1104.28 form, all supporting documentation used to complete the assessment being reconsidered,
1104.29 and a copy of the notice informing the resident or the resident's representative that a
1104.30 reconsideration of the resident's classification is being requested.

1104.31 (3) If the facility fails to provide the required information, the reconsideration request
1104.32 may be denied and the facility may not make further reconsideration requests on this
1104.33 classification.

1105.1 (d) Reconsideration by the commissioner must be made by individuals not involved in
1105.2 reviewing the assessment, audit, or reconsideration that established the disputed classification.
1105.3 The reconsideration must be based upon the assessment that determined the classification
1105.4 and upon the information provided to the commissioner of health under paragraphs (a) to
1105.5 (c). If necessary for evaluating the reconsideration request, the commissioner may conduct
1105.6 on-site reviews. Within 15 business days of receiving the request for reconsideration, the
1105.7 commissioner shall affirm or modify the original resident classification. The original
1105.8 classification must be modified if the commissioner determines that the assessment resulting
1105.9 in the classification did not accurately reflect characteristics of the resident at the time of
1105.10 the assessment. The commissioner must transmit the reconsideration classification notice
1105.11 by electronic means to the nursing facility. The nursing facility is responsible for the
1105.12 distribution of the notice to the resident or the resident's representative. The notice must be
1105.13 distributed by the nursing facility within three business days after receipt. A decision by
1105.14 the commissioner under this subdivision is the final administrative decision of the agency
1105.15 for the party requesting reconsideration.

1105.16 (e) The case mix reimbursement classification established by the commissioner shall be
1105.17 the classification which applies to the resident while the request for reconsideration is
1105.18 pending. If a request for reconsideration applies to an assessment used to determine nursing
1105.19 facility level of care under subdivision 4, paragraph ~~(e)~~ (d), the resident shall continue to
1105.20 be eligible for nursing facility level of care while the request for reconsideration is pending.

1105.21 (f) The commissioner may request additional documentation regarding a reconsideration
1105.22 necessary to make an accurate reconsideration determination.

1105.23 (g) Data collected as part of the reconsideration process under this section is classified
1105.24 as private data on individuals and nonpublic data pursuant to section 13.02. Notwithstanding
1105.25 the classification of these data as private or nonpublic, the commissioner is authorized to
1105.26 share these data with the U.S. Centers for Medicare and Medicaid Services and the
1105.27 commissioner of human services as necessary for reimbursement purposes.

1105.28 Sec. 15. Minnesota Statutes 2022, section 144.0724, subdivision 9, is amended to read:

1105.29 Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident
1105.30 assessments performed under section 256R.17 through any of the following: desk audits;
1105.31 on-site review of residents and their records; and interviews with staff, residents, or residents'
1105.32 families. The commissioner shall reclassify a resident if the commissioner determines that
1105.33 the resident was incorrectly classified.

1105.34 (b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

1106.1 (c) A facility must grant the commissioner access to examine the medical records relating
1106.2 to the resident assessments selected for audit under this subdivision. The commissioner may
1106.3 also observe and speak to facility staff and residents.

1106.4 (d) The commissioner shall consider documentation under the time frames for coding
1106.5 items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment
1106.6 Instrument User's Manual or OSA Manual version 1.0 v.2 published by the Centers for
1106.7 Medicare and Medicaid Services.

1106.8 (e) The commissioner shall develop an audit selection procedure that includes the
1106.9 following factors:

1106.10 (1) Each facility shall be audited annually. If a facility has two successive audits in which
1106.11 the percentage of change is five percent or less and the facility has not been the subject of
1106.12 a special audit in the past 36 months, the facility may be audited biannually. A stratified
1106.13 sample of 15 percent, with a minimum of ten assessments, of the most current assessments
1106.14 shall be selected for audit. If more than 20 percent of the ~~RUG-IV~~ case mix reimbursement
1106.15 classifications are changed as a result of the audit, the audit shall be expanded to a second
1106.16 15 percent sample, with a minimum of ten assessments. If the total change between the first
1106.17 and second samples is 35 percent or greater, the commissioner may expand the audit to all
1106.18 of the remaining assessments.

1106.19 (2) If a facility qualifies for an expanded audit, the commissioner may audit the facility
1106.20 again within six months. If a facility has two expanded audits within a 24-month period,
1106.21 that facility will be audited at least every six months for the next 18 months.

1106.22 (3) The commissioner may conduct special audits if the commissioner determines that
1106.23 circumstances exist that could alter or affect the validity of case mix reimbursement
1106.24 classifications of residents. These circumstances include, but are not limited to, the following:

1106.25 (i) frequent changes in the administration or management of the facility;

1106.26 (ii) an unusually high percentage of residents in a specific case mix reimbursement
1106.27 classification;

1106.28 (iii) a high frequency in the number of reconsideration requests received from a facility;

1106.29 (iv) frequent adjustments of case mix reimbursement classifications as the result of
1106.30 reconsiderations or audits;

1106.31 (v) a criminal indictment alleging provider fraud;

1106.32 (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;

1107.1 (vii) an atypical pattern of scoring minimum data set items;

1107.2 (viii) nonsubmission of assessments;

1107.3 (ix) late submission of assessments; or

1107.4 (x) a previous history of audit changes of 35 percent or greater.

1107.5 (f) If the audit results in a case mix reimbursement classification change, the
1107.6 commissioner must transmit the audit classification notice by electronic means to the nursing
1107.7 facility within 15 business days of completing an audit. The nursing facility is responsible
1107.8 for distribution of the notice to each resident or the resident's representative. This notice
1107.9 must be distributed by the nursing facility within three business days after receipt. The
1107.10 notice must inform the resident of the case mix reimbursement classification assigned, the
1107.11 opportunity to review the documentation supporting the classification, the opportunity to
1107.12 obtain clarification from the commissioner, the opportunity to request a reconsideration of
1107.13 the classification, and the address and telephone number of the Office of Ombudsman for
1107.14 Long-Term Care.

1107.15 Sec. 16. Minnesota Statutes 2022, section 144.0724, subdivision 11, is amended to read:

1107.16 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment
1107.17 of long-term care services, a recipient must be determined, using assessments defined in
1107.18 subdivision 4, to meet one of the following nursing facility level of care criteria:

1107.19 (1) the person requires formal clinical monitoring at least once per day;

1107.20 (2) the person needs the assistance of another person or constant supervision to begin
1107.21 and complete at least four of the following activities of living: bathing, bed mobility, dressing,
1107.22 eating, grooming, toileting, transferring, and walking;

1107.23 (3) the person needs the assistance of another person or constant supervision to begin
1107.24 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

1107.25 (4) the person has significant difficulty with memory, using information, daily decision
1107.26 making, or behavioral needs that require intervention;

1107.27 (5) the person has had a qualifying nursing facility stay of at least 90 days;

1107.28 (6) the person meets the nursing facility level of care criteria determined 90 days after
1107.29 admission or on the first quarterly assessment after admission, whichever is later; or

1107.30 (7) the person is determined to be at risk for nursing facility admission or readmission
1107.31 through a face-to-face long-term care consultation assessment as specified in section

1108.1 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
1108.2 organization under contract with the Department of Human Services. The person is
1108.3 considered at risk under this clause if the person currently lives alone or will live alone or
1108.4 be homeless without the person's current housing and also meets one of the following criteria:

1108.5 (i) the person has experienced a fall resulting in a fracture;

1108.6 (ii) the person has been determined to be at risk of maltreatment or neglect, including
1108.7 self-neglect; or

1108.8 (iii) the person has a sensory impairment that substantially impacts functional ability
1108.9 and maintenance of a community residence.

1108.10 (b) The assessment used to establish medical assistance payment for nursing facility
1108.11 services must be the most recent assessment performed under subdivision 4, ~~paragraph~~
1108.12 paragraphs (b) and (c), that occurred no more than 90 calendar days before the effective
1108.13 date of medical assistance eligibility for payment of long-term care services. In no case
1108.14 shall medical assistance payment for long-term care services occur prior to the date of the
1108.15 determination of nursing facility level of care.

1108.16 (c) The assessment used to establish medical assistance payment for long-term care
1108.17 services provided under chapter 256S and section 256B.49 and alternative care payment
1108.18 for services provided under section 256B.0913 must be the most recent face-to-face
1108.19 assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28,
1108.20 that occurred no more than 60 calendar days before the effective date of medical assistance
1108.21 eligibility for payment of long-term care services.

1108.22 Sec. 17. Minnesota Statutes 2022, section 144.1464, subdivision 1, is amended to read:

1108.23 Subdivision 1. **Summer internships.** The commissioner of health, through a contract
1108.24 with a nonprofit organization as required by subdivision 4, shall award grants, within
1108.25 available appropriations, to hospitals, clinics, nursing facilities, assisted living facilities,
1108.26 and home care providers to establish a secondary and postsecondary summer health care
1108.27 intern program. The purpose of the program is to expose interested secondary and
1108.28 postsecondary pupils to various careers within the health care profession.

1108.29 Sec. 18. Minnesota Statutes 2022, section 144.1464, subdivision 2, is amended to read:

1108.30 Subd. 2. **Criteria.** (a) The commissioner, through the organization under contract, shall
1108.31 award grants to hospitals, clinics, nursing facilities, assisted living facilities, and home care
1108.32 providers that agree to:

1109.1 (1) provide secondary and postsecondary summer health care interns with formal exposure
1109.2 to the health care profession;

1109.3 (2) provide an orientation for the secondary and postsecondary summer health care
1109.4 interns;

1109.5 (3) pay one-half the costs of employing the secondary and postsecondary summer health
1109.6 care intern;

1109.7 (4) interview and hire secondary and postsecondary pupils for a minimum of six weeks
1109.8 and a maximum of 12 weeks; and

1109.9 (5) employ at least one secondary student for each postsecondary student employed, to
1109.10 the extent that there are sufficient qualifying secondary student applicants.

1109.11 (b) In order to be eligible to be hired as a secondary summer health intern by a hospital,
1109.12 clinic, nursing facility, assisted living facility, or home care provider, a pupil must:

1109.13 (1) intend to complete high school graduation requirements and be between the junior
1109.14 and senior year of high school; and

1109.15 (2) be from a school district in proximity to the facility.

1109.16 (c) In order to be eligible to be hired as a postsecondary summer health care intern by
1109.17 a hospital or clinic, a pupil must:

1109.18 (1) intend to complete a health care training program or a two-year or four-year degree
1109.19 program and be planning on enrolling in or be enrolled in that training program or degree
1109.20 program; and

1109.21 (2) be enrolled in a Minnesota educational institution or be a resident of the state of
1109.22 Minnesota; priority must be given to applicants from a school district or an educational
1109.23 institution in proximity to the facility.

1109.24 (d) Hospitals, clinics, nursing facilities, assisted living facilities, and home care providers
1109.25 awarded grants may employ pupils as secondary and postsecondary summer health care
1109.26 interns ~~beginning on or after June 15, 1993~~, if they agree to pay the intern, during the period
1109.27 before disbursement of state grant money, with money designated as the facility's 50 percent
1109.28 contribution towards internship costs.

1109.29 Sec. 19. Minnesota Statutes 2022, section 144.1464, subdivision 3, is amended to read:

1109.30 Subd. 3. **Grants.** The commissioner, through the organization under contract, shall
1109.31 award separate grants to hospitals, clinics, nursing facilities, assisted living facilities, and

1110.1 home care providers meeting the requirements of subdivision 2. The grants must be used
1110.2 to pay one-half of the costs of employing secondary and postsecondary pupils in a hospital,
1110.3 clinic, nursing facility, assisted living facility, or home care setting during the course of the
1110.4 program. No more than 50 percent of the participants may be postsecondary students, unless
1110.5 the program does not receive enough qualified secondary applicants per fiscal year. No
1110.6 more than five pupils may be selected from any secondary or postsecondary institution to
1110.7 participate in the program and no more than one-half of the number of pupils selected may
1110.8 be from the seven-county metropolitan area.

1110.9 Sec. 20. Minnesota Statutes 2023 Supplement, section 144.1505, subdivision 2, is amended
1110.10 to read:

1110.11 Subd. 2. **Programs.** (a) For advanced practice provider clinical training expansion grants,
1110.12 the commissioner of health shall award health professional training site grants to eligible
1110.13 physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental
1110.14 health professional programs to plan and implement expanded clinical training. A planning
1110.15 grant shall not exceed \$75,000, and a three-year training grant shall not exceed ~~\$150,000~~
1110.16 ~~for the first year, \$100,000 for the second year, and \$50,000 for the third year~~ \$300,000 per
1110.17 program project. The commissioner may provide a one-year, no-cost extension for grants.

1110.18 (b) For health professional rural and underserved clinical rotations grants, the
1110.19 commissioner of health shall award health professional training site grants to eligible
1110.20 physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry,
1110.21 dental therapy, and mental health professional programs to augment existing clinical training
1110.22 programs to add rural and underserved rotations or clinical training experiences, such as
1110.23 credential or certificate rural tracks or other specialized training. For physician and dentist
1110.24 training, the expanded training must include rotations in primary care settings such as
1110.25 community clinics, hospitals, health maintenance organizations, or practices in rural
1110.26 communities.

1110.27 (c) Funds may be used for:

1110.28 (1) establishing or expanding rotations and clinical training;

1110.29 (2) recruitment, training, and retention of students and faculty;

1110.30 (3) connecting students with appropriate clinical training sites, internships, practicums,
1110.31 or externship activities;

1110.32 (4) travel and lodging for students;

1110.33 (5) faculty, student, and preceptor salaries, incentives, or other financial support;

- 1111.1 (6) development and implementation of cultural competency training;
- 1111.2 (7) evaluations;
- 1111.3 (8) training site improvements, fees, equipment, and supplies required to establish,
- 1111.4 maintain, or expand a training program; and
- 1111.5 (9) supporting clinical education in which trainees are part of a primary care team model.

1111.6 Sec. 21. Minnesota Statutes 2022, section 144.1911, subdivision 2, is amended to read:

1111.7 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the

1111.8 meanings given.

1111.9 (b) "Commissioner" means the commissioner of health.

1111.10 (c) "Immigrant international medical graduate" means an international medical graduate

1111.11 who was born outside the United States, now resides permanently in the United States or

1111.12 who has entered the United States on a temporary status based on urgent humanitarian or

1111.13 significant public benefit reasons, and who did not enter the United States on a J1 or similar

1111.14 nonimmigrant visa following acceptance into a United States medical residency or fellowship

1111.15 program.

1111.16 (d) "International medical graduate" means a physician who received a basic medical

1111.17 degree or qualification from a medical school located outside the United States and Canada.

1111.18 (e) "Minnesota immigrant international medical graduate" means an immigrant

1111.19 international medical graduate who has lived in Minnesota for at least two years.

1111.20 (f) "Rural community" means a statutory and home rule charter city or township that is

1111.21 outside the seven-county metropolitan area as defined in section 473.121, subdivision 2,

1111.22 excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

1111.23 (g) "Underserved community" means a Minnesota area or population included in the

1111.24 list of designated primary medical care health professional shortage areas, medically

1111.25 underserved areas, or medically underserved populations (MUPs) maintained and updated

1111.26 by the United States Department of Health and Human Services.

1111.27 Sec. 22. Minnesota Statutes 2022, section 144.212, is amended by adding a subdivision

1111.28 to read:

1111.29 Subd. 5a. **Replacement.** "Replacement" means a completion, addition, removal, or

1111.30 change made to certification items on a vital record after a vital event is registered and a

1112.1 record is established that has no notation of a change on a certificate and seals the prior vital
1112.2 record.

1112.3 Sec. 23. Minnesota Statutes 2022, section 144.216, subdivision 2, is amended to read:

1112.4 Subd. 2. **Status of foundling reports.** A report registered under subdivision 1 shall
1112.5 constitute the record of birth for the child. Information about the newborn shall be registered
1112.6 by the state registrar in accordance with Minnesota Rules, part 4601.0600, subpart 4, item
1112.7 C. If the child is identified and a record of birth is found or obtained, the report registered
1112.8 under subdivision 1 shall be confidential pursuant to section 13.02, subdivision 3, and shall
1112.9 not be disclosed except pursuant to court order.

1112.10 Sec. 24. Minnesota Statutes 2022, section 144.216, is amended by adding a subdivision
1112.11 to read:

1112.12 Subd. 3. **Reporting safe place newborns.** Hospitals that receive a newborn under section
1112.13 145.902 shall report the birth of the newborn to the Office of Vital Records within five days
1112.14 after receiving the newborn. Information about the newborn shall be registered by the state
1112.15 registrar in accordance with Minnesota Rules, part 4601.0600, subpart 4, item C.

1112.16 Sec. 25. Minnesota Statutes 2022, section 144.216, is amended by adding a subdivision
1112.17 to read:

1112.18 Subd. 4. **Status of safe place birth reports and registrations.** (a) Information about a
1112.19 safe place newborn registered under subdivision 3 shall constitute the record of birth for
1112.20 the child. The record shall be confidential pursuant to section 13.02, subdivision 3.
1112.21 Information on the birth record or a birth certificate issued from the birth record shall be
1112.22 disclosed only to the responsible social services agency or pursuant to a court order.

1112.23 (b) Information about a safe place newborn registered under subdivision 3 shall constitute
1112.24 the record of birth for the child. If the safe place newborn was born in a hospital and it is
1112.25 known that a record of birth was registered, filed, or amended, the original birth record
1112.26 registered under section 144.215 shall be replaced pursuant to section 144.218, subdivision
1112.27 6.

1112.28 Sec. 26. Minnesota Statutes 2022, section 144.218, is amended by adding a subdivision
1112.29 to read:

1112.30 Subd. 6. **Safe place newborn; birth record.** If a safe place infant birth is registered
1112.31 pursuant to section 144.216, subdivision 4, paragraph (b), the state registrar shall issue a

1113.1 replacement birth record free of information that identifies a parent. The prior vital record
1113.2 shall be confidential pursuant to section 13.02, subdivision 3, and shall not be disclosed
1113.3 except pursuant to a court order.

1113.4 Sec. 27. Minnesota Statutes 2022, section 144.493, is amended by adding a subdivision
1113.5 to read:

1113.6 Subd. 2a. **Thrombectomy-capable stroke center.** A hospital meets the criteria for a
1113.7 thrombectomy-capable stroke center if the hospital has been certified as a
1113.8 thrombectomy-capable stroke center by the joint commission or another nationally recognized
1113.9 accreditation entity, or is a primary stroke center that is not certified as a thrombectomy-based
1113.10 capable stroke center but the hospital has attained a level of stroke care distinction by offering
1113.11 mechanical endovascular therapies and has been certified by a department approved certifying
1113.12 body that is a nationally recognized guidelines-based organization.

1113.13 Sec. 28. Minnesota Statutes 2022, section 144.494, subdivision 2, is amended to read:

1113.14 Subd. 2. **Designation.** A hospital that voluntarily meets the criteria for a comprehensive
1113.15 stroke center, thrombectomy-capable stroke center, primary stroke center, or acute stroke
1113.16 ready hospital may apply to the commissioner for designation, and upon the commissioner's
1113.17 review and approval of the application, shall be designated as a comprehensive stroke center,
1113.18 a thrombectomy-capable stroke center, a primary stroke center, or an acute stroke ready
1113.19 hospital for a three-year period. If a hospital loses its certification as a comprehensive stroke
1113.20 center or primary stroke center from the joint commission or other nationally recognized
1113.21 accreditation entity, or no longer participates in the Minnesota stroke registry program, its
1113.22 Minnesota designation shall be immediately withdrawn. Prior to the expiration of the
1113.23 ~~three-year~~ designation period, a hospital seeking to remain part of the voluntary acute stroke
1113.24 system may reapply to the commissioner for designation.

1113.25 Sec. 29. Minnesota Statutes 2022, section 144.551, subdivision 1, is amended to read:

1113.26 Subdivision 1. **Restricted construction or modification.** (a) The following construction
1113.27 or modification may not be commenced:

1113.28 (1) any erection, building, alteration, reconstruction, modernization, improvement,
1113.29 extension, lease, or other acquisition by or on behalf of a hospital that increases the bed
1113.30 capacity of a hospital, relocates hospital beds from one physical facility, complex, or site
1113.31 to another, or otherwise results in an increase or redistribution of hospital beds within the
1113.32 state; and

1114.1 (2) the establishment of a new hospital.

1114.2 (b) This section does not apply to:

1114.3 (1) construction or relocation within a county by a hospital, clinic, or other health care
1114.4 facility that is a national referral center engaged in substantial programs of patient care,
1114.5 medical research, and medical education meeting state and national needs that receives more
1114.6 than 40 percent of its patients from outside the state of Minnesota;

1114.7 (2) a project for construction or modification for which a health care facility held an
1114.8 approved certificate of need on May 1, 1984, regardless of the date of expiration of the
1114.9 certificate;

1114.10 (3) a project for which a certificate of need was denied before July 1, 1990, if a timely
1114.11 appeal results in an order reversing the denial;

1114.12 (4) a project exempted from certificate of need requirements by Laws 1981, chapter 200,
1114.13 section 2;

1114.14 (5) a project involving consolidation of pediatric specialty hospital services within the
1114.15 Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number
1114.16 of pediatric specialty hospital beds among the hospitals being consolidated;

1114.17 (6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to
1114.18 an existing licensed hospital that will allow for the reconstruction of a new philanthropic,
1114.19 pediatric-orthopedic hospital on an existing site and that will not result in a net increase in
1114.20 the number of hospital beds. Upon completion of the reconstruction, the licenses of both
1114.21 hospitals must be reinstated at the capacity that existed on each site before the relocation;

1114.22 (7) the relocation or redistribution of hospital beds within a hospital building or
1114.23 identifiable complex of buildings provided the relocation or redistribution does not result
1114.24 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from
1114.25 one physical site or complex to another; or (iii) redistribution of hospital beds within the
1114.26 state or a region of the state;

1114.27 (8) relocation or redistribution of hospital beds within a hospital corporate system that
1114.28 involves the transfer of beds from a closed facility site or complex to an existing site or
1114.29 complex provided that: (i) no more than 50 percent of the capacity of the closed facility is
1114.30 transferred; (ii) the capacity of the site or complex to which the beds are transferred does
1114.31 not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal
1114.32 health systems agency boundary in place on July 1, 1983; (iv) the relocation or redistribution
1114.33 does not involve the construction of a new hospital building; and (v) the transferred beds

1115.1 are used first to replace within the hospital corporate system the total number of beds
1115.2 previously used in the closed facility site or complex for mental health services and substance
1115.3 use disorder services. Only after the hospital corporate system has fulfilled the requirements
1115.4 of this item may the remainder of the available capacity of the closed facility site or complex
1115.5 be transferred for any other purpose;

1115.6 (9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice
1115.7 County that primarily serves adolescents and that receives more than 70 percent of its
1115.8 patients from outside the state of Minnesota;

1115.9 (10) a project to replace a hospital or hospitals with a combined licensed capacity of
1115.10 130 beds or less if: (i) the new hospital site is located within five miles of the current site;
1115.11 and (ii) the total licensed capacity of the replacement hospital, either at the time of
1115.12 construction of the initial building or as the result of future expansion, will not exceed ~~70~~
1115.13 100 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever
1115.14 is less;

1115.15 (11) the relocation of licensed hospital beds from an existing state facility operated by
1115.16 the commissioner of human services to a new or existing facility, building, or complex
1115.17 operated by the commissioner of human services; from one regional treatment center site
1115.18 to another; or from one building or site to a new or existing building or site on the same
1115.19 campus;

1115.20 (12) the construction or relocation of hospital beds operated by a hospital having a
1115.21 statutory obligation to provide hospital and medical services for the indigent that does not
1115.22 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27
1115.23 beds, of which 12 serve mental health needs, may be transferred from Hennepin County
1115.24 Medical Center to Regions Hospital under this clause;

1115.25 (13) a construction project involving the addition of up to 31 new beds in an existing
1115.26 nonfederal hospital in Beltrami County;

1115.27 (14) a construction project involving the addition of up to eight new beds in an existing
1115.28 nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

1115.29 (15) a construction project involving the addition of 20 new hospital beds in an existing
1115.30 hospital in Carver County serving the southwest suburban metropolitan area;

1115.31 (16) a project for the construction or relocation of up to 20 hospital beds for the operation
1115.32 of up to two psychiatric facilities or units for children provided that the operation of the
1115.33 facilities or units have received the approval of the commissioner of human services;

1116.1 (17) a project involving the addition of 14 new hospital beds to be used for rehabilitation
1116.2 services in an existing hospital in Itasca County;

1116.3 (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County
1116.4 that closed 20 rehabilitation beds in 2002, provided that the beds are used only for
1116.5 rehabilitation in the hospital's current rehabilitation building. If the beds are used for another
1116.6 purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

1116.7 (19) a critical access hospital established under section 144.1483, clause (9), and section
1116.8 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that
1116.9 delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33,
1116.10 to the extent that the critical access hospital does not seek to exceed the maximum number
1116.11 of beds permitted such hospital under federal law;

1116.12 (20) notwithstanding section 144.552, a project for the construction of a new hospital
1116.13 in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

1116.14 (i) the project, including each hospital or health system that will own or control the entity
1116.15 that will hold the new hospital license, is approved by a resolution of the Maple Grove City
1116.16 Council as of March 1, 2006;

1116.17 (ii) the entity that will hold the new hospital license will be owned or controlled by one
1116.18 or more not-for-profit hospitals or health systems that have previously submitted a plan or
1116.19 plans for a project in Maple Grove as required under section 144.552, and the plan or plans
1116.20 have been found to be in the public interest by the commissioner of health as of April 1,
1116.21 2005;

1116.22 (iii) the new hospital's initial inpatient services must include, but are not limited to,
1116.23 medical and surgical services, obstetrical and gynecological services, intensive care services,
1116.24 orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health
1116.25 services, and emergency room services;

1116.26 (iv) the new hospital:

1116.27 (A) will have the ability to provide and staff sufficient new beds to meet the growing
1116.28 needs of the Maple Grove service area and the surrounding communities currently being
1116.29 served by the hospital or health system that will own or control the entity that will hold the
1116.30 new hospital license;

1116.31 (B) will provide uncompensated care;

1116.32 (C) will provide mental health services, including inpatient beds;

1117.1 (D) will be a site for workforce development for a broad spectrum of health-care-related
1117.2 occupations and have a commitment to providing clinical training programs for physicians
1117.3 and other health care providers;

1117.4 (E) will demonstrate a commitment to quality care and patient safety;

1117.5 (F) will have an electronic medical records system, including physician order entry;

1117.6 (G) will provide a broad range of senior services;

1117.7 (H) will provide emergency medical services that will coordinate care with regional
1117.8 providers of trauma services and licensed emergency ambulance services in order to enhance
1117.9 the continuity of care for emergency medical patients; and

1117.10 (I) will be completed by December 31, 2009, unless delayed by circumstances beyond
1117.11 the control of the entity holding the new hospital license; and

1117.12 (v) as of 30 days following submission of a written plan, the commissioner of health
1117.13 has not determined that the hospitals or health systems that will own or control the entity
1117.14 that will hold the new hospital license are unable to meet the criteria of this clause;

1117.15 (21) a project approved under section 144.553;

1117.16 (22) a project for the construction of a hospital with up to 25 beds in Cass County within
1117.17 a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder
1117.18 is approved by the Cass County Board;

1117.19 (23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity
1117.20 from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing
1117.21 a separately licensed 13-bed skilled nursing facility;

1117.22 (24) notwithstanding section 144.552, a project for the construction and expansion of a
1117.23 specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients
1117.24 who are under 21 years of age on the date of admission. The commissioner conducted a
1117.25 public interest review of the mental health needs of Minnesota and the Twin Cities
1117.26 metropolitan area in 2008. No further public interest review shall be conducted for the
1117.27 construction or expansion project under this clause;

1117.28 (25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the
1117.29 commissioner finds the project is in the public interest after the public interest review
1117.30 conducted under section 144.552 is complete;

1117.31 (26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city
1117.32 of Maple Grove, exclusively for patients who are under 21 years of age on the date of

1118.1 admission, if the commissioner finds the project is in the public interest after the public
1118.2 interest review conducted under section 144.552 is complete;

1118.3 (ii) this project shall serve patients in the continuing care benefit program under section
1118.4 256.9693. The project may also serve patients not in the continuing care benefit program;
1118.5 and

1118.6 (iii) if the project ceases to participate in the continuing care benefit program, the
1118.7 commissioner must complete a subsequent public interest review under section 144.552. If
1118.8 the project is found not to be in the public interest, the license must be terminated six months
1118.9 from the date of that finding. If the commissioner of human services terminates the contract
1118.10 without cause or reduces per diem payment rates for patients under the continuing care
1118.11 benefit program below the rates in effect for services provided on December 31, 2015, the
1118.12 project may cease to participate in the continuing care benefit program and continue to
1118.13 operate without a subsequent public interest review;

1118.14 (27) a project involving the addition of 21 new beds in an existing psychiatric hospital
1118.15 in Hennepin County that is exclusively for patients who are under 21 years of age on the
1118.16 date of admission;

1118.17 (28) a project to add 55 licensed beds in an existing safety net, level I trauma center
1118.18 hospital in Ramsey County as designated under section 383A.91, subdivision 5, of which
1118.19 15 beds are to be used for inpatient mental health and 40 are to be used for other services.
1118.20 In addition, five unlicensed observation mental health beds shall be added;

1118.21 (29) upon submission of a plan to the commissioner for public interest review under
1118.22 section 144.552 and the addition of the 15 inpatient mental health beds specified in clause
1118.23 (28), to its bed capacity, a project to add 45 licensed beds in an existing safety net, level I
1118.24 trauma center hospital in Ramsey County as designated under section 383A.91, subdivision
1118.25 5. Five of the 45 additional beds authorized under this clause must be designated for use
1118.26 for inpatient mental health and must be added to the hospital's bed capacity before the
1118.27 remaining 40 beds are added. Notwithstanding section 144.552, the hospital may add licensed
1118.28 beds under this clause prior to completion of the public interest review, provided the hospital
1118.29 submits its plan by the 2021 deadline and adheres to the timelines for the public interest
1118.30 review described in section 144.552;

1118.31 (30) upon submission of a plan to the commissioner for public interest review under
1118.32 section 144.552, a project to add up to 30 licensed beds in an existing psychiatric hospital
1118.33 in Hennepin County that exclusively provides care to patients who are under 21 years of
1118.34 age on the date of admission. Notwithstanding section 144.552, the psychiatric hospital

1119.1 may add licensed beds under this clause prior to completion of the public interest review,
1119.2 provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for
1119.3 the public interest review described in section 144.552;

1119.4 (31) any project to add licensed beds in a hospital located in Cook County or Mahanomen
1119.5 County that: (i) is designated as a critical access hospital under section 144.1483, clause
1119.6 (9), and United States Code, title 42, section 1395i-4; (ii) has a licensed bed capacity of
1119.7 fewer than 25 beds; and (iii) has an attached nursing home, so long as the total number of
1119.8 licensed beds in the hospital after the bed addition does not exceed 25 beds. Notwithstanding
1119.9 section 144.552, a public interest review is not required for a project authorized under this
1119.10 clause;

1119.11 (32) upon submission of a plan to the commissioner for public interest review under
1119.12 section 144.552, a project to add 22 licensed beds at a Minnesota freestanding children's
1119.13 hospital in St. Paul that is part of an independent pediatric health system with freestanding
1119.14 inpatient hospitals located in Minneapolis and St. Paul. The beds shall be utilized for pediatric
1119.15 inpatient behavioral health services. Notwithstanding section 144.552, the hospital may add
1119.16 licensed beds under this clause prior to completion of the public interest review, provided
1119.17 the hospital submits its plan by the 2022 deadline and adheres to the timelines for the public
1119.18 interest review described in section 144.552; ~~or~~

1119.19 (33) a project for a 144-bed psychiatric hospital on the site of the former Bethesda
1119.20 hospital in the city of Saint Paul, Ramsey County, if the commissioner finds the project is
1119.21 in the public interest after the public interest review conducted under section 144.552 is
1119.22 complete. Following the completion of the construction project, the commissioner of health
1119.23 shall monitor the hospital, including by assessing the hospital's case mix and payer mix,
1119.24 patient transfers, and patient diversions. The hospital must have an intake and assessment
1119.25 area. The hospital must accommodate patients with acute mental health needs, whether they
1119.26 walk up to the facility, are delivered by ambulances or law enforcement, or are transferred
1119.27 from other facilities. The hospital must comply with subdivision 1a, paragraph (b). The
1119.28 hospital must annually submit de-identified data to the department in the format and manner
1119.29 defined by the commissioner; or

1119.30 (34) a project involving the relocation of up to 26 licensed long-term acute care hospital
1119.31 beds from an existing long-term care hospital located in Hennepin County with a licensed
1119.32 capacity prior to the relocation of 92 beds to dedicated space on the campus of an existing
1119.33 safety net, level I trauma center hospital in Ramsey County as designated under section
1119.34 383A.91, subdivision 5, provided both the commissioner finds the project is in the public
1119.35 interest after the public interest review conducted under section 144.552 is complete and

1120.1 the relocated beds continue to be used as long-term acute care hospital beds after the
1120.2 relocation.

1120.3 Sec. 30. Minnesota Statutes 2022, section 144.605, is amended by adding a subdivision
1120.4 to read:

1120.5 Subd. 10. **Chapter 16C waiver.** Pursuant to subdivisions 4, paragraph (b), and 5,
1120.6 paragraph (b), the commissioner of administration may waive provisions of chapter 16C
1120.7 for the purposes of approving contracts for independent clinical teams.

1120.8 Sec. 31. Minnesota Statutes 2023 Supplement, section 144.651, subdivision 10a, is amended
1120.9 to read:

1120.10 Subd. 10a. **Designated support person for pregnant patient or other patient.** (a)
1120.11 Subject to paragraph (c), a health care provider and a health care facility must allow, at a
1120.12 minimum, one designated support person ~~of a pregnant patient's choosing~~ chosen by a
1120.13 patient, including but not limited to a pregnant patient, to be physically present while the
1120.14 patient is receiving health care services including during a hospital stay.

1120.15 (b) For purposes of this subdivision, "designated support person" means any person
1120.16 chosen by the patient to provide comfort to the patient including but not limited to the
1120.17 patient's spouse, partner, family member, or another person related by affinity. Certified
1120.18 doulas and traditional midwives may not be counted toward the limit of one designated
1120.19 support person.

1120.20 (c) A facility may restrict or prohibit the presence of a designated support person in
1120.21 treatment rooms, procedure rooms, and operating rooms when such a restriction or prohibition
1120.22 is strictly necessary to meet the appropriate standard of care. A facility may also restrict or
1120.23 prohibit the presence of a designated support person if the designated support person is
1120.24 acting in a violent or threatening manner toward others. Any restriction or prohibition of a
1120.25 designated support person by the facility is subject to the facility's written internal grievance
1120.26 procedure required by subdivision 20.

1120.27 Sec. 32. [144.6985] **COMMUNITY HEALTH NEEDS ASSESSMENT; COMMUNITY**
1120.28 **HEALTH IMPROVEMENT SERVICES; IMPLEMENTATION.**

1120.29 Subdivision 1. **Community health needs assessment.** A nonprofit hospital that is exempt
1120.30 from taxation under section 501(c)(3) of the Internal Revenue Code must make available
1120.31 to the public and submit to the commissioner of health, by January 15, 2026, the most recent
1120.32 community health needs assessment submitted by the hospital to the Internal Revenue

1121.1 Service. Each time the hospital conducts a subsequent community health needs assessment,
1121.2 the hospital must, within 15 business days after submitting the subsequent community health
1121.3 needs assessment to the Internal Revenue Service, make the subsequent assessment available
1121.4 to the public and submit the subsequent assessment to the commissioner.

1121.5 Subd. 2. **Description of community.** A nonprofit hospital subject to subdivision 1 must
1121.6 make available to the public and submit to the commissioner of health a description of the
1121.7 community served by the hospital. The description must include a geographic description
1121.8 of the area where the hospital is located, a description of the general population served by
1121.9 the hospital, and demographic information about the community served by the hospital,
1121.10 such as leading causes of death, levels of chronic illness, and descriptions of the medically
1121.11 underserved, low-income, minority, or chronically ill populations in the community. A
1121.12 hospital is not required to separately make the information available to the public or
1121.13 separately submit the information to the commissioner if the information is included in the
1121.14 hospital's community health needs assessment made available and submitted under
1121.15 subdivision 1.

1121.16 Subd. 3. **Addendum; community health improvement services.** (a) A nonprofit hospital
1121.17 subject to subdivision 1 must annually submit to the commissioner an addendum which
1121.18 details information about hospital activities identified as community health improvement
1121.19 services with a cost of \$5,000 or more. The addendum must include the type of activity, the
1121.20 method through which the activity was delivered, how the activity relates to an identified
1121.21 community need in the community health needs assessment, the target population for the
1121.22 activity, strategies to reach the target population, identified outcome metrics, the cost to the
1121.23 hospital to provide the activity, the methodology used to calculate the hospital's costs, and
1121.24 the number of people served by the activity. If a community health improvement service is
1121.25 administered by an entity other than the hospital, the administering entity must be identified
1121.26 in the addendum. This paragraph does not apply to hospitals required to submit an addendum
1121.27 under paragraph (b).

1121.28 (b) A nonprofit hospital subject to subdivision 1 must annually submit to the
1121.29 commissioner an addendum which details information about the ten highest-cost activities
1121.30 of the hospital identified as community health improvement services if the nonprofit hospital:

1121.31 (1) is designated as a critical access hospital under section 144.1483, clause (9), and
1121.32 United States Code, title 42, section 1395i-4;

1121.33 (2) meets the definition of sole community hospital in section 62Q.19, subdivision 1,
1121.34 paragraph (a), clause (5); or

1122.1 (3) meets the definition of rural emergency hospital in United States Code, title 42,
1122.2 section 1395x(kkk)(2).

1122.3 The addendum must include the type of activity, the method in which the activity was
1122.4 delivered, how the activity relates to an identified community need in the community health
1122.5 needs assessment, the target population for the activity, strategies to reach the target
1122.6 population, identified outcome metrics, the cost to the hospital to provide the activity, the
1122.7 methodology used to calculate the hospital's costs, and the number of people served by the
1122.8 activity. If a community health improvement service is administered by an entity other than
1122.9 the hospital, the administering entity must be identified in the addendum.

1122.10 Subd. 4. **Community benefit implementation strategy.** A nonprofit hospital subject
1122.11 to subdivision 1 must make available to the public, within one year after completing each
1122.12 community health needs assessment, a community benefit implementation strategy. In
1122.13 developing the community benefit implementation strategy, the hospital must consult with
1122.14 community-based organizations, stakeholders, local public health organizations, and others
1122.15 as determined by the hospital. The implementation strategy must include how the hospital
1122.16 shall address the top three community health priorities identified in the community health
1122.17 needs assessment. Implementation strategies must be evidence-based, when available, and
1122.18 development and implementation of innovative programs and strategies may be supported
1122.19 by evaluation measures.

1122.20 Subd. 5. **Information made available to the public.** A nonprofit hospital required to
1122.21 make information available to the public under this section may do so by posting the
1122.22 information on the hospital's website in a consolidated location and with clear labeling.
1122.23 This section is effective January 1, 2026.

1122.24 Sec. 33. Minnesota Statutes 2022, section 144.7067, subdivision 2, is amended to read:

1122.25 Subd. 2. **Duty to analyze reports; communicate findings.** (a) The commissioner shall:

1122.26 (1) analyze adverse event reports, corrective action plans, and findings of the root cause
1122.27 analyses to determine patterns of systemic failure in the health care system and successful
1122.28 methods to correct these failures;

1122.29 (2) communicate to individual facilities the commissioner's conclusions, if any, regarding
1122.30 an adverse event reported by the facility;

1122.31 (3) communicate with relevant health care facilities any recommendations for corrective
1122.32 action resulting from the commissioner's analysis of submissions from facilities; and

- 1123.1 (4) publish an annual report:
- 1123.2 (i) describing, by institution, adverse events reported;
- 1123.3 (ii) outlining, in aggregate, corrective action plans and the findings of root cause analyses;
- 1123.4 and
- 1123.5 (iii) making recommendations for modifications of state health care operations.
- 1123.6 (b) Notwithstanding section 144.05, subdivision 7, the mandate to publish an annual
- 1123.7 report under this subdivision does not expire.

1123.8 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2023.

1123.9 Sec. 34. Minnesota Statutes 2022, section 144.99, subdivision 3, is amended to read:

1123.10 Subd. 3. **Correction orders.** (a) The commissioner may issue correction orders that

1123.11 require a person to correct a violation of the statutes, rules, and other actions listed in

1123.12 subdivision 1. The correction order must state the deficiencies that constitute the violation;

1123.13 the specific statute, rule, or other action; and the time by which the violation must be

1123.14 corrected.

1123.15 (b) If the person believes that the information contained in the commissioner's correction

1123.16 order is in error, the person may ask the commissioner to reconsider the parts of the order

1123.17 that are alleged to be in error. The request must be in writing, delivered to the commissioner

1123.18 by certified mail within ~~seven~~ 15 calendar days after receipt of the order, and:

1123.19 (1) specify which parts of the order for corrective action are alleged to be in error;

1123.20 (2) explain why they are in error; and

1123.21 (3) provide documentation to support the allegation of error.

1123.22 The commissioner must respond to requests made under this paragraph within 15 calendar

1123.23 days after receiving a request. A request for reconsideration does not stay the correction

1123.24 order; however, after reviewing the request for reconsideration, the commissioner may

1123.25 provide additional time to comply with the order if necessary. The commissioner's disposition

1123.26 of a request for reconsideration is final.

1123.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1123.28 Sec. 35. Minnesota Statutes 2022, section 144A.10, subdivision 15, is amended to read:

1123.29 Subd. 15. **Informal dispute resolution.** The commissioner shall respond in writing to

1123.30 a request from a nursing facility certified under the federal Medicare and Medicaid programs

1124.1 for an informal dispute resolution within ~~30 days of the exit date of the facility's survey~~ ten
1124.2 calendar days of the facility's receipt of the notice of deficiencies. The commissioner's
1124.3 response shall identify the commissioner's decision regarding ~~the continuation of~~ each
1124.4 deficiency citation challenged by the nursing facility, as well as a statement of any changes
1124.5 in findings, level of severity or scope, and proposed remedies or sanctions for each deficiency
1124.6 citation.

1124.7 **EFFECTIVE DATE.** This section is effective August 1, 2024.

1124.8 Sec. 36. Minnesota Statutes 2022, section 144A.10, subdivision 16, is amended to read:

1124.9 Subd. 16. **Independent informal dispute resolution.** (a) Notwithstanding subdivision
1124.10 15, a facility certified under the federal Medicare or Medicaid programs that has been
1124.11 assessed a civil money penalty as provided by Code of Federal Regulations, title 42, section
1124.12 488.430, may request from the commissioner, in writing, an independent informal dispute
1124.13 resolution process regarding any deficiency ~~citation issued to the facility.~~ The facility must
1124.14 ~~specify in its written request each deficiency citation that it disputes.~~ The commissioner
1124.15 ~~shall provide a hearing under sections 14.57 to 14.62. Upon the written request of the facility,~~
1124.16 ~~the parties must submit the issues raised to arbitration by an administrative law judge~~ submit
1124.17 its request in writing within ten calendar days of receiving notice that a civil money penalty
1124.18 will be imposed.

1124.19 (b) The facility and commissioner have the right to be represented by an attorney at the
1124.20 hearing.

1124.21 (c) An independent informal dispute resolution may not be requested for any deficiency
1124.22 that is the subject of an active informal dispute resolution requested under subdivision 15.
1124.23 The facility must withdraw its informal dispute resolution prior to requesting independent
1124.24 informal dispute resolution.

1124.25 ~~(b) Upon~~ (d) Within five calendar days of receipt of a written request for an ~~arbitration~~
1124.26 ~~proceeding~~ independent informal dispute resolution, the commissioner shall file with the
1124.27 Office of Administrative Hearings a request for the appointment of an ~~arbitrator~~
1124.28 administrative law judge from the Office of Administrative Hearings and simultaneously
1124.29 serve the facility with notice of the request. ~~The arbitrator for the dispute shall be an~~
1124.30 ~~administrative law judge appointed by the Office of Administrative Hearings. The disclosure~~
1124.31 ~~provisions of section 572B.12 and the notice provisions of section 572B.15, subsection (c),~~
1124.32 ~~apply. The facility and the commissioner have the right to be represented by an attorney.~~

1125.1 (e) An independent informal dispute resolution proceeding shall be scheduled to occur
1125.2 within 30 calendar days of the commissioner's request to the Office of Administrative
1125.3 Hearings, unless the parties agree otherwise or the chief administrative law judge deems
1125.4 the timing to be unreasonable. The independent informal dispute resolution process must
1125.5 be completed within 60 calendar days of the facility's request.

1125.6 ~~(e)~~ (f) Five working days in advance of the scheduled proceeding, the commissioner
1125.7 and the facility may present must submit written statements and arguments, documentary
1125.8 evidence, depositions, and oral statements and arguments at the arbitration proceeding. Oral
1125.9 statements and arguments may be made by telephone any other materials supporting their
1125.10 position to the administrative law judge.

1125.11 (g) The independent informal dispute resolution proceeding shall be informal and
1125.12 conducted in a manner so as to allow the parties to fully present their positions and respond
1125.13 to the opposing party's positions. This may include presentation of oral statements and
1125.14 arguments at the proceeding.

1125.15 ~~(d)~~ (h) Within ten working days of the close of the arbitration proceeding, the
1125.16 administrative law judge shall issue findings and recommendations regarding each of the
1125.17 deficiencies in dispute. The findings shall be one or more of the following:

1125.18 (1) Supported in full. The citation is supported in full, with no deletion of findings and
1125.19 no change in the scope or severity assigned to the deficiency citation.

1125.20 (2) Supported in substance. The citation is supported, but one or more findings are
1125.21 deleted without any change in the scope or severity assigned to the deficiency.

1125.22 (3) Deficient practice cited under wrong requirement of participation. The citation is
1125.23 amended by moving it to the correct requirement of participation.

1125.24 (4) Scope not supported. The citation is amended through a change in the scope assigned
1125.25 to the citation.

1125.26 (5) Severity not supported. The citation is amended through a change in the severity
1125.27 assigned to the citation.

1125.28 (6) No deficient practice. The citation is deleted because the findings did not support
1125.29 the citation or the negative resident outcome was unavoidable. ~~The findings of the arbitrator~~
1125.30 ~~are not binding on the commissioner.~~

1125.31 (i) The findings and recommendations of the administrative law judge are not binding
1125.32 on the commissioner.

1126.1 (j) Within ten calendar days of receiving the administrative law judge's findings and
1126.2 recommendations, the commissioner shall issue a recommendation to the Center for Medicare
1126.3 and Medicaid Services.

1126.4 ~~(e)(k) The commissioner shall reimburse the Office of Administrative Hearings for the~~
1126.5 ~~costs incurred by that office for the arbitration proceeding. The facility shall reimburse the~~
1126.6 ~~commissioner for the proportion of the costs that represent the sum of deficiency citations~~
1126.7 ~~supported in full under paragraph (d), clause (1), or in substance under paragraph (d), clause~~
1126.8 ~~(2), divided by the total number of deficiencies disputed. A deficiency citation for which~~
1126.9 ~~the administrative law judge's sole finding is that the deficient practice was cited under the~~
1126.10 ~~wrong requirements of participation shall not be counted in the numerator or denominator~~
1126.11 ~~in the calculation of the proportion of costs.~~

1126.12 **EFFECTIVE DATE.** This section is effective October 1, 2024, or upon federal approval,
1126.13 whichever is later, and applies to appeals of deficiencies which are issued after October 1,
1126.14 2024, or on or after the date upon which federal approval is obtained, whichever is later.
1126.15 The commissioner of health shall notify the revisor of statutes when federal approval is
1126.16 obtained.

1126.17 Sec. 37. Minnesota Statutes 2022, section 144A.471, is amended by adding a subdivision
1126.18 to read:

1126.19 Subd. 1a. **Licensure under other law.** A home care licensee must not provide sleeping
1126.20 accommodations as a provision of home care services. For purposes of this subdivision, the
1126.21 provision of sleeping accommodations and assisted living services under section 144G.08,
1126.22 subdivision 9, requires assisted living facility licensure under chapter 144G. This subdivision
1126.23 does not apply to those settings exempt from assisted living facility licensure under section
1126.24 144G.08, subdivision 7.

1126.25 Sec. 38. Minnesota Statutes 2022, section 144A.474, subdivision 13, is amended to read:

1126.26 Subd. 13. **Home care surveyor training.** (a) Before conducting a home care survey,
1126.27 each home care surveyor must receive training on the following topics:

1126.28 (1) Minnesota home care licensure requirements;

1126.29 (2) Minnesota home care bill of rights;

1126.30 (3) Minnesota Vulnerable Adults Act and reporting of maltreatment of minors;

1126.31 (4) principles of documentation;

1127.1 (5) survey protocol and processes;

1127.2 (6) Offices of the Ombudsman roles;

1127.3 (7) Office of Health Facility Complaints;

1127.4 (8) Minnesota landlord-tenant ~~and housing with services~~ laws;

1127.5 (9) types of payors for home care services; and

1127.6 (10) Minnesota Nurse Practice Act for nurse surveyors.

1127.7 (b) Materials used for the training in paragraph (a) shall be posted on the department
1127.8 website. Requisite understanding of these topics will be reviewed as part of the quality
1127.9 improvement plan in section 144A.483.

1127.10 Sec. 39. Minnesota Statutes 2023 Supplement, section 144A.4791, subdivision 10, is
1127.11 amended to read:

1127.12 Subd. 10. **Termination of service plan.** (a) If a home care provider terminates a service
1127.13 plan with a client, and the client continues to need home care services, the home care provider
1127.14 shall provide the client and the client's representative, if any, with a written notice of
1127.15 termination which includes the following information:

1127.16 (1) the effective date of termination;

1127.17 (2) the reason for termination;

1127.18 (3) for clients age 18 or older, a statement that the client may contact the Office of
1127.19 Ombudsman for Long-Term Care to request an advocate to assist regarding the termination
1127.20 and contact information for the office, including the office's central telephone number;

1127.21 (4) a list of known licensed home care providers in the client's immediate geographic
1127.22 area;

1127.23 (5) a statement that the home care provider will participate in a coordinated transfer of
1127.24 care of the client to another home care provider, health care provider, or caregiver, as
1127.25 required by the home care bill of rights, section 144A.44, subdivision 1, clause (17); and

1127.26 (6) the name and contact information of a person employed by the home care provider
1127.27 with whom the client may discuss the notice of termination; ~~and.~~

1127.28 ~~(7) if applicable, a statement that the notice of termination of home care services does~~
1127.29 ~~not constitute notice of termination of any housing contract.~~

1128.1 (b) When the home care provider voluntarily discontinues services to all clients, the
1128.2 home care provider must notify the commissioner, lead agencies, and ombudsman for
1128.3 long-term care about its clients and comply with the requirements in this subdivision.

1128.4 Sec. 40. Minnesota Statutes 2022, section 144E.16, subdivision 7, is amended to read:

1128.5 Subd. 7. **Stroke transport protocols.** Regional emergency medical services programs
1128.6 and any ambulance service licensed under this chapter must develop stroke transport
1128.7 protocols. The protocols must include standards of care for triage and transport of acute
1128.8 stroke patients within a specific time frame from symptom onset until transport to the most
1128.9 appropriate designated acute stroke ready hospital, primary stroke center,
1128.10 thrombectomy-capable stroke center, or comprehensive stroke center.

1128.11 Sec. 41. Minnesota Statutes 2022, section 144G.08, subdivision 29, is amended to read:

1128.12 Subd. 29. **Licensed health professional.** "Licensed health professional" means a person
1128.13 ~~licensed in Minnesota to practice a profession described in section 214.01, subdivision 2,~~
1128.14 other than a registered nurse or licensed practical nurse, who provides assisted living services
1128.15 within the scope of practice of that person's health occupation license, registration, or
1128.16 certification as a regulated person who is licensed by an appropriate Minnesota state board
1128.17 or agency.

1128.18 Sec. 42. Minnesota Statutes 2022, section 144G.10, is amended by adding a subdivision
1128.19 to read:

1128.20 Subd. 5. **Protected title; restriction on use.** (a) Effective January 1, 2026, no person
1128.21 or entity may use the phrase "assisted living," whether alone or in combination with other
1128.22 words and whether orally or in writing, to: advertise; market; or otherwise describe, offer,
1128.23 or promote itself, or any housing, service, service package, or program that it provides
1128.24 within this state, unless the person or entity is a licensed assisted living facility that meets
1128.25 the requirements of this chapter. A person or entity entitled to use the phrase "assisted living"
1128.26 shall use the phrase only in the context of its participation that meets the requirements of
1128.27 this chapter.

1128.28 (b) Effective January 1, 2026, the licensee's name for a new assisted living facility may
1128.29 not include the terms "home care" or "nursing home."

1129.1 Sec. 43. Minnesota Statutes 2022, section 144G.16, subdivision 6, is amended to read:

1129.2 Subd. 6. **Requirements for notice and transfer.** A provisional licensee whose license
1129.3 is denied must comply with the requirements for notification and the coordinated move of
1129.4 residents in sections 144G.52 and 144G.55. If the license denial is upheld by the
1129.5 reconsideration process, the licensee must submit a draft closure plan as required by section
1129.6 144G.57 within ten calendar days of receipt of the reconsideration decision, must work with
1129.7 the commissioner on any revisions needed to the draft plan, and must have a final closure
1129.8 plan submitted and approved within 30 calendar days of receipt of the reconsideration
1129.9 decision.

1129.10 Sec. 44. Minnesota Statutes 2023 Supplement, section 145.561, subdivision 4, is amended
1129.11 to read:

1129.12 Subd. 4. **988 telecommunications fee.** (a) In compliance with the National Suicide
1129.13 Hotline Designation Act of 2020, ~~the commissioner shall impose a monthly statewide fee~~
1129.14 ~~on each subscriber of a wireline, wireless, or IP-enabled voice service at a rate that provides~~
1129.15 must pay a monthly fee to provide for the robust creation, operation, and maintenance of a
1129.16 statewide 988 suicide prevention and crisis system.

1129.17 ~~(b) The commissioner shall annually recommend to the Public Utilities Commission an~~
1129.18 ~~adequate and appropriate fee to implement this section. The amount of the fee must comply~~
1129.19 ~~with the limits in paragraph (c). The commissioner shall provide telecommunication service~~
1129.20 ~~providers and carriers a minimum of 45 days' notice of each fee change.~~

1129.21 ~~(e) (b)~~ The amount of the 988 telecommunications fee ~~must not be more than 25~~ is 12
1129.22 cents per month on or after January 1, 2024, for each consumer access line, including trunk
1129.23 equivalents as designated by the ~~commission~~ Public Utilities Commission pursuant to section
1129.24 403.11, subdivision 1. The 988 telecommunications fee must be the same for all subscribers.

1129.25 ~~(d) (c)~~ Each wireline, wireless, and IP-enabled voice telecommunication service provider
1129.26 shall collect the 988 telecommunications fee and transfer the amounts collected to the
1129.27 commissioner of public safety in the same manner as provided in section 403.11, subdivision
1129.28 1, paragraph (d).

1129.29 ~~(e) (d)~~ The commissioner of public safety shall deposit the money collected from the
1129.30 988 telecommunications fee to the 988 special revenue account established in subdivision
1129.31 3.

1129.32 ~~(f) (e)~~ All 988 telecommunications fee revenue must be used to supplement, and not
1129.33 supplant, federal, state, and local funding for suicide prevention.

1130.1 ~~(g)~~ (f) The 988 telecommunications fee amount shall be adjusted as needed to provide
1130.2 for continuous operation of the lifeline centers and 988 hotline, volume increases, and
1130.3 maintenance.

1130.4 ~~(h)~~ (g) The commissioner shall annually report to the Federal Communications
1130.5 Commission on revenue generated by the 988 telecommunications fee.

1130.6 **EFFECTIVE DATE.** This section is effective September 1, 2024.

1130.7 Sec. 45. Minnesota Statutes 2022, section 146B.03, subdivision 7a, is amended to read:

1130.8 Subd. 7a. **Supervisors.** (a) A technician must have been licensed in Minnesota or in a
1130.9 jurisdiction with which Minnesota has reciprocity for at least:

1130.10 (1) two years as a tattoo technician licensed under section 146B.03, subdivision 4, 6, or
1130.11 8, in order to supervise a temporary tattoo technician; or

1130.12 (2) one year as a body piercing technician licensed under section 146B.03, subdivision
1130.13 4, 6, or 8, or must have performed at least 500 body piercings, in order to supervise a
1130.14 temporary body piercing technician.

1130.15 (b) Any technician who agrees to supervise more than two temporary tattoo technicians
1130.16 during the same time period, or more than four body piercing technicians during the same
1130.17 time period, must provide to the commissioner a supervisory plan that describes how the
1130.18 technician will provide supervision to each temporary technician in accordance with section
1130.19 146B.01, subdivision 28.

1130.20 (c) The supervisory plan must include, at a minimum:

1130.21 (1) the areas of practice under supervision;

1130.22 (2) the anticipated supervision hours per week;

1130.23 (3) the anticipated duration of the training period; and

1130.24 (4) the method of providing supervision if there are multiple technicians being supervised
1130.25 during the same time period.

1130.26 (d) If the supervisory plan is terminated before completion of the technician's supervised
1130.27 practice, the supervisor must notify the commissioner in writing within 14 days of the change
1130.28 in supervision and include an explanation of why the plan was not completed.

1130.29 (e) The commissioner may refuse to approve as a supervisor a technician who has been
1130.30 disciplined in Minnesota or in another jurisdiction after considering the criteria in section
1130.31 146B.02, subdivision 10, paragraph (b).

1131.1 Sec. 46. Minnesota Statutes 2022, section 146B.10, subdivision 1, is amended to read:

1131.2 Subdivision 1. **Licensing fees.** (a) The fee for the initial technician licensure application
1131.3 and biennial licensure renewal application is \$420.

1131.4 (b) The fee for temporary technician licensure application is \$240.

1131.5 (c) The fee for the temporary guest artist license application is \$140.

1131.6 (d) The fee for a dual body art technician license application is \$420.

1131.7 (e) The fee for a provisional establishment license application required in section 146B.02,
1131.8 subdivision 5, paragraph (c), is \$1,500.

1131.9 (f) The fee for an initial establishment license application and the two-year license
1131.10 renewal period application required in section 146B.02, subdivision 2, paragraph (b), is
1131.11 \$1,500.

1131.12 (g) The fee for a temporary body art establishment event permit application is \$200.

1131.13 (h) The commissioner shall prorate the initial two-year technician license fee based on
1131.14 the number of months in the initial licensure period. The commissioner shall prorate the
1131.15 first renewal fee for the establishment license based on the number of months from issuance
1131.16 of the provisional license to the first renewal.

1131.17 (i) The fee for verification of licensure to other states is \$25.

1131.18 ~~(j) The fee to reissue a provisional establishment license that relocates prior to inspection~~
1131.19 ~~and removal of provisional status is \$350. The expiration date of the provisional license~~
1131.20 ~~does not change.~~

1131.21 ~~(k)~~ (j) The fee to change an establishment name or establishment type, such as tattoo,
1131.22 piercing, or dual, is \$50.

1131.23 Sec. 47. Minnesota Statutes 2022, section 146B.10, subdivision 3, is amended to read:

1131.24 Subd. 3. **Deposit.** Fees collected by the commissioner under this section must be deposited
1131.25 in the state government special revenue fund. All fees are nonrefundable.

1131.26 Sec. 48. Minnesota Statutes 2022, section 149A.02, subdivision 3b, is amended to read:

1131.27 Subd. 3b. **Burial site services.** "Burial site services" means any services sold or offered
1131.28 for sale directly to the public for use in connection with the final disposition of a dead human
1131.29 body but does not include services provided under a transportation protection agreement.

1132.1 Sec. 49. Minnesota Statutes 2022, section 149A.02, subdivision 23, is amended to read:

1132.2 Subd. 23. **Funeral services.** (a) "Funeral services" means any services which may be
1132.3 used to: (1) care for and prepare dead human bodies for burial, alkaline hydrolysis, cremation,
1132.4 or other final disposition; and (2) arrange, supervise, or conduct the funeral ceremony or
1132.5 the final disposition of dead human bodies.

1132.6 (b) Funeral service does not include a transportation protection agreement.

1132.7 Sec. 50. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision
1132.8 to read:

1132.9 Subd. 38a. **Transportation protection agreement.** "Transportation protection agreement"
1132.10 means an agreement that is primarily for the purpose of transportation and subsequent
1132.11 transportation of the remains of a dead human body.

1132.12 Sec. 51. Minnesota Statutes 2022, section 149A.65, is amended to read:

1132.13 **149A.65 FEES.**

1132.14 Subdivision 1. **Generally.** This section establishes the application fees for registrations,
1132.15 examinations, initial and renewal licenses, and late fees authorized under the provisions of
1132.16 this chapter.

1132.17 Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

1132.18 (1) \$75 for the initial and renewal registration of a mortuary science intern;

1132.19 (2) \$125 for the mortuary science examination;

1132.20 (3) \$200 for ~~issuance of~~ initial and renewal mortuary science ~~licenses~~ license applications;

1132.21 (4) \$100 late fee charge for a license renewal application; and

1132.22 (5) \$250 for ~~issuing a~~ an application for mortuary science license by endorsement.

1132.23 Subd. 3. **Funeral directors.** The license renewal application fee for funeral directors is
1132.24 \$200. The late fee charge for a license renewal is \$100.

1132.25 Subd. 4. **Funeral establishments.** The initial and renewal application fee for funeral
1132.26 establishments is \$425. The late fee charge for a license renewal is \$100.

1132.27 Subd. 5. **Crematories.** The initial and renewal application fee for a crematory is \$425.
1132.28 The late fee charge for a license renewal is \$100.

1133.1 Subd. 6. **Alkaline hydrolysis facilities.** The initial and renewal application fee for an
1133.2 alkaline hydrolysis facility is \$425. The late fee charge for a license renewal is \$100.

1133.3 Subd. 7. **State government special revenue fund.** Fees collected by the commissioner
1133.4 under this section must be deposited in the state treasury and credited to the state government
1133.5 special revenue fund. All fees are nonrefundable.

1133.6 Sec. 52. Minnesota Statutes 2022, section 149A.97, subdivision 2, is amended to read:

1133.7 Subd. 2. **Scope and requirements.** This section shall not apply to a transportation
1133.8 protection agreement or to any funeral goods or burial site goods purchased and delivered,
1133.9 either at purchase or within a commercially reasonable amount of time thereafter. When
1133.10 prior to the death of any person, that person or another, on behalf of that person, enters into
1133.11 any transaction, makes a contract, or any series or combination of transactions or contracts
1133.12 with a funeral provider lawfully doing business in Minnesota, other than an insurance
1133.13 company licensed to do business in Minnesota selling approved insurance or annuity
1133.14 products, by the terms of which, goods or services related to the final disposition of that
1133.15 person will be furnished at-need, then the total of all money paid by the terms of the
1133.16 transaction, contract, or series or combination of transactions or contracts shall be held in
1133.17 trust for the purpose for which it has been paid. The person for whose benefit the money
1133.18 was paid shall be known as the beneficiary, the person or persons who paid the money shall
1133.19 be known as the purchaser, and the funeral provider shall be known as the depositor.

1133.20 Sec. 53. Minnesota Statutes 2022, section 256R.02, subdivision 20, is amended to read:

1133.21 Subd. 20. **Facility average case mix index.** "Facility average case mix index" or "CMI"
1133.22 means a numerical score that describes the relative resource use for all residents within the
1133.23 case mix ~~classifications under the resource utilization group (RUG)~~ classification system
1133.24 prescribed by the commissioner based on an assessment of each resident. The facility average
1133.25 CMI shall be computed as the standardized days divided by the sum of the facility's resident
1133.26 days. The case mix indices used shall be based on the system prescribed in section 256R.17.

1133.27 Sec. 54. Minnesota Statutes 2022, section 259.52, subdivision 2, is amended to read:

1133.28 Subd. 2. **Requirement to search registry before adoption petition can be granted;**
1133.29 **proof of search.** No petition for adoption may be granted unless the agency supervising
1133.30 the adoptive placement, the birth mother of the child, the putative father who registered or
1133.31 the legal father, or, in the case of a stepparent or relative adoption, the county agency
1133.32 responsible for the report required under section 259.53, subdivision 1, requests that the

1134.1 commissioner of health search the registry to determine whether a putative father is registered
1134.2 in relation to a child who is or may be the subject of an adoption petition. The search required
1134.3 by this subdivision must be conducted no sooner than 31 days following the birth of the
1134.4 child. A search of the registry may be proven by the production of a certified copy of the
1134.5 registration form or by a certified statement of the commissioner of health that after a search
1134.6 no registration of a putative father in relation to a child who is or may be the subject of an
1134.7 adoption petition could be located. The filing of a certified copy of an order from a juvenile
1134.8 protection matter under chapter 260C containing a finding that certification of the requisite
1134.9 search of the Minnesota Fathers' Adoption Registry was filed with the court in that matter
1134.10 shall also constitute proof of search. Certification that the Minnesota Fathers' Adoption
1134.11 Registry has been searched must be filed with the court prior to entry of any final order of
1134.12 adoption. In addition to the search required by this subdivision, the agency supervising the
1134.13 adoptive placement, the birth mother of the child, or, in the case of a stepparent or relative
1134.14 adoption, the social services agency responsible for the report under section 259.53,
1134.15 subdivision 1, or the responsible social services agency that is a petitioner in a juvenile
1134.16 protection matter under chapter 260C may request that the commissioner of health search
1134.17 the registry at any time. Search requirements of this section do not apply when the responsible
1134.18 social services agency is proceeding under Safe Place for Newborns, section 260C.139.

1134.19 Sec. 55. Minnesota Statutes 2022, section 259.52, subdivision 4, is amended to read:

1134.20 Subd. 4. **Classification of registry data.** (a) Data in the fathers' adoption registry,
1134.21 including all data provided in requesting the search of the registry, are private data on
1134.22 individuals, as defined in section 13.02, subdivision 2, and are nonpublic data with respect
1134.23 to data not on individuals, as defined in section 13.02, subdivision 9. Data in the registry
1134.24 may be released to:

1134.25 (1) a person who is required to search the registry under subdivision 2, if the data relate
1134.26 to the child who is or may be the subject of the adoption petition;

1134.27 (2) the mother of the child listed on the putative father's registration form who the
1134.28 commissioner of health is required to notify under subdivision 1, paragraph (c);

1134.29 (3) the putative father who registered himself or the legal father;

1134.30 (4) a public authority as provided in subdivision 3; or

1134.31 ~~(4)~~ (5) an attorney who has signed an affidavit from the commissioner of health attesting
1134.32 that the attorney represents the birth mother, the putative or legal father, or the prospective
1134.33 adoptive parents.

1135.1 (b) A person who receives data under this subdivision may use the data only for purposes
1135.2 authorized under this section or other law.

1135.3 **Sec. 56. REVISOR INSTRUCTION.**

1135.4 The revisor of statutes shall substitute the term "employee" with the term "staff" in the
1135.5 following sections of Minnesota Statutes and make any grammatical changes needed without
1135.6 changing the meaning of the sentence: Minnesota Statutes, sections 144G.08, subdivisions
1135.7 18 and 36; 144G.13, subdivision 1, paragraph (c); 144G.20, subdivisions 1, 2, and 21;
1135.8 144G.30, subdivision 5; 144G.42, subdivision 8; 144G.45, subdivision 2; 144G.60,
1135.9 subdivisions 1, paragraph (c), and 3, paragraph (a); 144G.63, subdivision 2, paragraph (a),
1135.10 clause (9); 144G.64, paragraphs (a), clauses (2), (3), and (5), and (c); 144G.70, subdivision
1135.11 7; and 144G.92, subdivisions 1 and 3.

1135.12 **Sec. 57. REPEALER.**

1135.13 (a) Minnesota Statutes 2022, sections 144.218, subdivision 3; 144.497; and 256R.02,
1135.14 subdivision 46, are repealed.

1135.15 (b) Minnesota Statutes 2023 Supplement, section 62J.312, subdivision 6, is repealed.

1135.16 **ARTICLE 60**

1135.17 **PHARMACY BOARD AND PRACTICE**

1135.18 **Section 1. Minnesota Statutes 2023 Supplement, section 62Q.46, subdivision 1, is amended**
1135.19 **to read:**

1135.20 **Subdivision 1. Coverage for preventive items and services.** (a) "Preventive items and
1135.21 services" has the meaning specified in the Affordable Care Act. Preventive items and services
1135.22 includes:

1135.23 (1) evidence-based items or services that have in effect a rating of A or B in the current
1135.24 recommendations of the United States Preventive Services Task Force with respect to the
1135.25 individual involved;

1135.26 (2) immunizations for routine use in children, adolescents, and adults that have in effect
1135.27 a recommendation from the Advisory Committee on Immunization Practices of the Centers
1135.28 for Disease Control and Prevention with respect to the individual involved. For purposes
1135.29 of this clause, a recommendation from the Advisory Committee on Immunization Practices
1135.30 of the Centers for Disease Control and Prevention is considered in effect after the
1135.31 recommendation has been adopted by the Director of the Centers for Disease Control and

- 1136.1 Prevention, and a recommendation is considered to be for routine use if the recommendation
1136.2 is listed on the Immunization Schedules of the Centers for Disease Control and Prevention;
- 1136.3 (3) with respect to infants, children, and adolescents, evidence-informed preventive care
1136.4 and screenings provided for in comprehensive guidelines supported by the Health Resources
1136.5 and Services Administration;
- 1136.6 (4) with respect to women, additional preventive care and screenings that are not listed
1136.7 with a rating of A or B by the United States Preventive Services Task Force but that are
1136.8 provided for in comprehensive guidelines supported by the Health Resources and Services
1136.9 Administration;
- 1136.10 (5) all contraceptive methods established in guidelines published by the United States
1136.11 Food and Drug Administration;
- 1136.12 (6) screenings for human immunodeficiency virus for:
- 1136.13 (i) all individuals at least 15 years of age but less than 65 years of age; and
- 1136.14 (ii) all other individuals with increased risk of human immunodeficiency virus infection
1136.15 according to guidance from the Centers for Disease Control;
- 1136.16 (7) all preexposure prophylaxis when used for the prevention or treatment of human
1136.17 immunodeficiency virus, including but not limited to all preexposure prophylaxis, as defined
1136.18 in any guidance by the United States Preventive Services Task Force or the Centers for
1136.19 Disease Control, including the June 11, 2019, Preexposure Prophylaxis for the Prevention
1136.20 of HIV Infection United States Preventive Services Task Force Recommendation Statement;
1136.21 and
- 1136.22 (8) all postexposure prophylaxis when used for the prevention or treatment of human
1136.23 immunodeficiency virus, including but not limited to all postexposure prophylaxis as defined
1136.24 in any guidance by the United States Preventive Services Task Force or the Centers for
1136.25 Disease Control.
- 1136.26 (b) A health plan company must provide coverage for preventive items and services at
1136.27 a participating provider without imposing cost-sharing requirements, including a deductible,
1136.28 coinsurance, or co-payment. Nothing in this section prohibits a health plan company that
1136.29 has a network of providers from excluding coverage or imposing cost-sharing requirements
1136.30 for preventive items or services that are delivered by an out-of-network provider.
- 1136.31 (c) A health plan company is not required to provide coverage for any items or services
1136.32 specified in any recommendation or guideline described in paragraph (a) if the
1136.33 recommendation or guideline is no longer included as a preventive item or service as defined

1137.1 in paragraph (a). Annually, a health plan company must determine whether any additional
1137.2 items or services must be covered without cost-sharing requirements or whether any items
1137.3 or services are no longer required to be covered.

1137.4 (d) Nothing in this section prevents a health plan company from using reasonable medical
1137.5 management techniques to determine the frequency, method, treatment, or setting for a
1137.6 preventive item or service to the extent not specified in the recommendation or guideline.

1137.7 (e) A health plan shall not require prior authorization or step therapy for preexposure
1137.8 prophylaxis or postexposure prophylaxis, except that: if the United States Food and Drug
1137.9 Administration has approved one or more therapeutic equivalents of a drug, device, or
1137.10 product for the prevention of HIV, this paragraph does not require a health plan to cover
1137.11 all of the therapeutically equivalent versions without prior authorization or step therapy, if
1137.12 at least one therapeutically equivalent version is covered without prior authorization or step
1137.13 therapy.

1137.14 ~~(e)~~ (f) This section does not apply to grandfathered plans.

1137.15 ~~(f)~~ (g) This section does not apply to plans offered by the Minnesota Comprehensive
1137.16 Health Association.

1137.17 **EFFECTIVE DATE.** This section is effective January 1, 2026, and applies to health
1137.18 plans offered, issued, or renewed on or after that date.

1137.19 Sec. 2. Minnesota Statutes 2022, section 151.01, subdivision 23, is amended to read:

1137.20 Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed
1137.21 doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of
1137.22 dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed
1137.23 advanced practice registered nurse, or licensed physician assistant. For purposes of sections
1137.24 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision
1137.25 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to
1137.26 dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision
1137.27 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe
1137.28 self-administered hormonal contraceptives, nicotine replacement medications, or opiate
1137.29 antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe drugs
1137.30 to prevent the acquisition of human immunodeficiency virus (HIV) under section 151.37,
1137.31 subdivision 17.

1137.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1138.1 Sec. 3. Minnesota Statutes 2022, section 151.01, subdivision 27, is amended to read:

1138.2 Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

1138.3 (1) interpretation and evaluation of prescription drug orders;

1138.4 (2) compounding, labeling, and dispensing drugs and devices (except labeling by a
1138.5 manufacturer or packager of nonprescription drugs or commercially packaged legend drugs
1138.6 and devices);

1138.7 (3) participation in clinical interpretations and monitoring of drug therapy for assurance
1138.8 of safe and effective use of drugs, including ~~the performance of~~ ordering and performing
1138.9 laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of
1138.10 1988, United States Code, title 42, section 263a et seq., ~~provided that a pharmacist may~~
1138.11 ~~interpret the results of laboratory tests but may modify~~ A pharmacist may collect specimens,
1138.12 interpret results, notify the patient of results, and refer the patient to other health care
1138.13 providers for follow-up care and may initiate, modify, or discontinue drug therapy only
1138.14 pursuant to a protocol or collaborative practice agreement. A pharmacist may delegate the
1138.15 authority to administer tests under this clause to a pharmacy technician or pharmacy intern.
1138.16 A pharmacy technician or pharmacy intern may perform tests authorized under this clause
1138.17 if the technician or intern is working under the direct supervision of a pharmacist;

1138.18 (4) participation in drug and therapeutic device selection; drug administration for first
1138.19 dosage and medical emergencies; intramuscular and subcutaneous drug administration under
1138.20 a prescription drug order; drug regimen reviews; and drug or drug-related research;

1138.21 (5) drug administration, through intramuscular and subcutaneous administration used
1138.22 to treat mental illnesses as permitted under the following conditions:

1138.23 (i) upon the order of a prescriber and the prescriber is notified after administration is
1138.24 complete; or

1138.25 (ii) pursuant to a protocol or collaborative practice agreement as defined by section
1138.26 151.01, subdivisions 27b and 27c, and participation in the initiation, management,
1138.27 modification, administration, and discontinuation of drug therapy is according to the protocol
1138.28 or collaborative practice agreement between the pharmacist and a dentist, optometrist,
1138.29 physician, physician assistant, podiatrist, or veterinarian, or an advanced practice registered
1138.30 nurse authorized to prescribe, dispense, and administer under section 148.235. Any changes
1138.31 in drug therapy or medication administration made pursuant to a protocol or collaborative
1138.32 practice agreement must be documented by the pharmacist in the patient's medical record
1138.33 or reported by the pharmacist to a practitioner responsible for the patient's care;

1139.1 (6) ~~participation in administration of influenza vaccines and~~ initiating, ordering, and
1139.2 administering influenza and COVID-19 or SARS-CoV-2 vaccines authorized or approved
1139.3 by the United States Food and Drug Administration related to COVID-19 or SARS-CoV-2
1139.4 to all eligible individuals ~~six~~ three years of age and older and all other United States Food
1139.5 and Drug Administration-approved vaccines to patients ~~13~~ six years of age and older by
1139.6 written protocol with a physician licensed under chapter 147, a physician assistant authorized
1139.7 to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized
1139.8 to prescribe drugs under section 148.235, provided that according to the federal Advisory
1139.9 Committee on Immunization Practices recommendations. A pharmacist may delegate the
1139.10 authority to administer vaccines under this clause to a pharmacy technician or pharmacy
1139.11 intern who has completed training in vaccine administration if:

1139.12 (i) ~~the protocol includes, at a minimum:~~

1139.13 ~~(A) the name, dose, and route of each vaccine that may be given;~~

1139.14 ~~(B) the patient population for whom the vaccine may be given;~~

1139.15 ~~(C) contraindications and precautions to the vaccine;~~

1139.16 ~~(D) the procedure for handling an adverse reaction;~~

1139.17 ~~(E) the name, signature, and address of the physician, physician assistant, or advanced~~
1139.18 ~~practice registered nurse;~~

1139.19 ~~(F) a telephone number at which the physician, physician assistant, or advanced practice~~
1139.20 ~~registered nurse can be contacted; and~~

1139.21 ~~(G) the date and time period for which the protocol is valid;~~

1139.22 ~~(ii) (i) the pharmacist has~~ and the pharmacy technician or pharmacy intern have

1139.23 successfully completed a program approved by the Accreditation Council for Pharmacy
1139.24 Education (ACPE) specifically for the administration of immunizations or a program
1139.25 approved by the board;

1139.26 ~~(iii) (ii) the pharmacist utilizes the Minnesota Immunization Information Connection to~~
1139.27 assess the immunization status of individuals prior to the administration of vaccines, except
1139.28 when administering influenza vaccines to individuals age nine and older;

1139.29 ~~(iv) (iii) the pharmacist reports the administration of the immunization to the Minnesota~~
1139.30 Immunization Information Connection; and

1139.31 ~~(v) the pharmacist complies with guidelines for vaccines and immunizations established~~
1139.32 by the federal Advisory Committee on Immunization Practices, except that a pharmacist

1140.1 ~~does not need to comply with those portions of the guidelines that establish immunization~~
1140.2 ~~schedules when administering a vaccine pursuant to a valid, patient-specific order issued~~
1140.3 ~~by a physician licensed under chapter 147, a physician assistant authorized to prescribe~~
1140.4 ~~drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe~~
1140.5 ~~drugs under section 148.235, provided that the order is consistent with the United States~~
1140.6 ~~Food and Drug Administration approved labeling of the vaccine;~~

1140.7 (iv) if the patient is 18 years of age or younger, the pharmacist, pharmacy technician,
1140.8 or pharmacy intern informs the patient and any adult caregiver accompanying the patient
1140.9 of the importance of a well-child visit with a pediatrician or other licensed primary care
1140.10 provider; and

1140.11 (v) in the case of a pharmacy technician administering vaccinations while being
1140.12 supervised by a licensed pharmacist:

1140.13 (A) the supervision is in-person and must not be done through telehealth as defined
1140.14 under section 62A.673, subdivision 2;

1140.15 (B) the pharmacist is readily and immediately available to the immunizing pharmacy
1140.16 technician;

1140.17 (C) the pharmacy technician has a current certificate in basic cardiopulmonary
1140.18 resuscitation;

1140.19 (D) the pharmacy technician has completed a minimum of two hours of ACPE-approved,
1140.20 immunization-related continuing pharmacy education as part of the pharmacy technician's
1140.21 two-year continuing education schedule; and

1140.22 (E) the pharmacy technician has completed one of two training programs listed under
1140.23 Minnesota Rules, part 6800.3850, subpart 1h, item B;

1140.24 (7) participation in the initiation, management, modification, and discontinuation of
1140.25 drug therapy according to a written protocol or collaborative practice agreement between:
1140.26 (i) one or more pharmacists and one or more dentists, optometrists, physicians, physician
1140.27 assistants, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more
1140.28 physician assistants authorized to prescribe, dispense, and administer under chapter 147A,
1140.29 or advanced practice registered nurses authorized to prescribe, dispense, and administer
1140.30 under section 148.235. Any changes in drug therapy made pursuant to a protocol or
1140.31 collaborative practice agreement must be documented by the pharmacist in the patient's
1140.32 medical record or reported by the pharmacist to a practitioner responsible for the patient's
1140.33 care;

- 1141.1 (8) participation in the storage of drugs and the maintenance of records;
- 1141.2 (9) patient counseling on therapeutic values, content, hazards, and uses of drugs and
1141.3 devices;
- 1141.4 (10) offering or performing those acts, services, operations, or transactions necessary
1141.5 in the conduct, operation, management, and control of a pharmacy;
- 1141.6 (11) participation in the initiation, management, modification, and discontinuation of
1141.7 therapy with opiate antagonists, as defined in section 604A.04, subdivision 1, pursuant to:
- 1141.8 (i) a written protocol as allowed under clause (7); or
- 1141.9 (ii) a written protocol with a community health board medical consultant or a practitioner
1141.10 designated by the commissioner of health, as allowed under section 151.37, subdivision 13;
- 1141.11 (12) prescribing self-administered hormonal contraceptives; nicotine replacement
1141.12 medications; and opiate antagonists for the treatment of an acute opiate overdose pursuant
1141.13 to section 151.37, subdivision 14, 15, or 16; ~~and~~
- 1141.14 (13) participation in the placement of drug monitoring devices according to a prescription,
1141.15 protocol, or collaborative practice agreement;
- 1141.16 (14) prescribing, dispensing, and administering drugs for preventing the acquisition of
1141.17 human immunodeficiency virus (HIV) if the pharmacist meets the requirements in section
1141.18 151.37, subdivision 17; and
- 1141.19 (15) ordering, conducting, and interpreting laboratory tests necessary for therapies that
1141.20 use drugs for preventing the acquisition of HIV, if the pharmacist meets the requirements
1141.21 in section 151.37, subdivision 17.
- 1141.22 **EFFECTIVE DATE.** This section is effective July 1, 2024, except that clauses (14)
1141.23 and (15) are effective January 1, 2026.

1141.24 Sec. 4. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to
1141.25 read:

1141.26 **Subd. 4a. Application and fee; relocation.** A person who is registered with or licensed
1141.27 by the board must submit a new application to the board before relocating the physical
1141.28 location of the person's business. An application must be submitted for each affected license.
1141.29 The application must set forth the proposed change of location on a form established by the
1141.30 board. If the licensee or registrant remitted payment for the full amount during the state's
1141.31 fiscal year, the relocation application fee is the same as the application fee in subdivision
1141.32 1, except that the fees in clauses (6) to (9) and (11) to (16) are reduced by \$5,000 and the

1142.1 fee in clause (16) is reduced by \$55,000. If the application is made within 60 days before
1142.2 the date of the original license or registration expiration, the applicant must pay the full
1142.3 application fee provided in subdivision 1. Upon approval of an application for a relocation,
1142.4 the board shall issue a new license or registration.

1142.5 Sec. 5. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to
1142.6 read:

1142.7 Subd. 4b. **Application and fee; change of ownership.** A person who is registered with
1142.8 or licensed by the board must submit a new application to the board before changing the
1142.9 ownership of the licensee or registrant. An application must be submitted for each affected
1142.10 license. The application must set forth the proposed change of ownership on a form
1142.11 established by the board. If the licensee or registrant remitted payment for the full amount
1142.12 during the state's fiscal year, the application fee is the same as the application fee in
1142.13 subdivision 1, except that the fees in clauses (6) to (9) and (11) to (16) are reduced by \$5,000
1142.14 and the fee in clause (16) is reduced by \$55,000. If the application is made within 60 days
1142.15 before the date of the original license or registration expiration, the applicant must pay the
1142.16 full application fee provided in subdivision 1. Upon approval of an application for a change
1142.17 of ownership, the board shall issue a new license or registration.

1142.18 Sec. 6. Minnesota Statutes 2022, section 151.065, is amended by adding a subdivision to
1142.19 read:

1142.20 Subd. 8. **Transfer of licenses.** Licenses and registrations granted by the board are not
1142.21 transferable.

1142.22 Sec. 7. Minnesota Statutes 2022, section 151.066, subdivision 1, is amended to read:

1142.23 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1142.24 the meanings given to them in this subdivision.

1142.25 (b) "Manufacturer" means a manufacturer licensed under section 151.252 ~~that is engaged~~
1142.26 ~~in the manufacturing of an opiate~~, excluding those exclusively licensed to manufacture
1142.27 medical gas.

1142.28 (c) "Opiate" means any opiate-containing controlled substance listed in section 152.02,
1142.29 subdivisions 3 to 5, that is distributed, delivered, sold, or dispensed into or within this state.

1142.30 (d) "Third-party logistics provider" means a third-party logistics provider licensed under
1142.31 section 151.471.

1143.1 (e) "Wholesaler" means a wholesale drug distributor licensed under section 151.47 that
1143.2 is engaged in the wholesale drug distribution of an opiate, excluding those exclusively
1143.3 licensed to distribute medical gas.

1143.4 Sec. 8. Minnesota Statutes 2022, section 151.066, subdivision 2, is amended to read:

1143.5 Subd. 2. **Reporting requirements.** (a) By March 1 of each year, beginning March 1,
1143.6 2020, each manufacturer and each wholesaler must report to the board every sale, delivery,
1143.7 or other distribution within or into this state of any opiate that is made to any practitioner,
1143.8 pharmacy, hospital, veterinary hospital, or other person who is permitted by section 151.37
1143.9 to possess controlled substances for administration or dispensing to patients that occurred
1143.10 during the previous calendar year. Reporting must be in the automation of reports and
1143.11 consolidated orders system format unless otherwise specified by the board. If no reportable
1143.12 distributions occurred for a given year, notification must be provided to the board in a
1143.13 manner specified by the board. If a manufacturer or wholesaler fails to provide information
1143.14 required under this paragraph on a timely basis, the board may assess an administrative
1143.15 penalty of \$500 per day. This penalty shall not be considered a form of disciplinary action.

1143.16 (b) By March 1 of each year, beginning March 1, 2020, each owner of a pharmacy with
1143.17 at least one location within this state must report to the board any intracompany delivery
1143.18 or distribution into this state, of any opiate, to the extent that those deliveries and distributions
1143.19 are not reported to the board by a licensed wholesaler owned by, under contract to, or
1143.20 otherwise operating on behalf of the owner of the pharmacy. Reporting must be in the
1143.21 manner and format specified by the board for deliveries and distributions that occurred
1143.22 during the previous calendar year. The report must include the name of the manufacturer
1143.23 or wholesaler from which the owner of the pharmacy ultimately purchased the opiate, and
1143.24 the amount and date that the purchase occurred.

1143.25 (c) By March 1 of each year, beginning March 1, 2025, each third-party logistics provider
1143.26 must report to the board any delivery or distribution into this state of any opiate, to the
1143.27 extent that those deliveries and distributions are not reported to the board by a licensed
1143.28 wholesaler or manufacturer. Reporting must be in the manner and format specified by the
1143.29 board for deliveries and distributions that occurred during the previous calendar year.

1143.30 Sec. 9. Minnesota Statutes 2022, section 151.066, subdivision 3, is amended to read:

1143.31 Subd. 3. **Determination of an opiate product registration fee.** (a) The board shall
1143.32 annually assess an opiate product registration fee on any manufacturer of an opiate that

1144.1 annually sells, delivers, or distributes an opiate within or into the state in a quantity of
1144.2 2,000,000 or more units as reported to the board under subdivision 2.

1144.3 (b) For purposes of assessing the annual registration fee under this section and
1144.4 determining the number of opiate units a manufacturer sold, delivered, or distributed within
1144.5 or into the state, the board shall not consider any opiate that is used for substance use disorder
1144.6 treatment with medications for opioid use disorder.

1144.7 (c) The annual registration fee for each manufacturer meeting the requirement under
1144.8 paragraph (a) is \$250,000.

1144.9 (d) In conjunction with the data reported under this section, and notwithstanding section
1144.10 152.126, subdivision 6, the board may use the data reported under section 152.126,
1144.11 subdivision 4, to determine which manufacturers meet the requirement under paragraph (a)
1144.12 and are required to pay the registration fees under this subdivision.

1144.13 (e) By April 1 of each year, beginning April 1, 2020, the board shall notify a manufacturer
1144.14 that the manufacturer meets the requirement in paragraph (a) and is required to pay the
1144.15 annual registration fee in accordance with section 151.252, subdivision 1, paragraph (b).

1144.16 (f) A manufacturer may dispute the board's determination that the manufacturer must
1144.17 pay the registration fee no later than 30 days after the date of notification. However, the
1144.18 manufacturer must still remit the fee as required by section 151.252, subdivision 1, paragraph
1144.19 (b). The dispute must be filed with the board in the manner and using the forms specified
1144.20 by the board. A manufacturer must submit, with the required forms, data satisfactory to the
1144.21 board that demonstrates that the assessment of the registration fee was incorrect. The board
1144.22 must make a decision concerning a dispute no later than 60 days after receiving the required
1144.23 dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated
1144.24 that the fee was incorrectly assessed, the board must refund the amount paid in error.

1144.25 (g) For purposes of this subdivision, a unit means the individual dosage form of the
1144.26 particular drug product that is prescribed to the patient. One unit equals one tablet, capsule,
1144.27 patch, syringe, milliliter, or gram.

1144.28 (h) For the purposes of this subdivision, an opiate's units will be assigned to the
1144.29 manufacturer holding the New Drug Application (NDA) or Abbreviated New Drug
1144.30 Application (ANDA), as listed by the United States Food and Drug Administration.

1144.31 Sec. 10. Minnesota Statutes 2022, section 151.212, is amended by adding a subdivision
1144.32 to read:

1144.33 Subd. 4. Accessible prescription drug container labels. (a) A pharmacy must:

1145.1 (1) make reasonable efforts to inform the public that an accessible prescription drug
1145.2 container label is available at no additional cost, upon request of the patient or the patient's
1145.3 representative, to any patient who has difficulty seeing or reading standard printed labels
1145.4 on prescription drug containers; and

1145.5 (2) if the pharmacy knows that the patient has difficulty seeing or reading standard
1145.6 printed labels on prescription drug containers, inform a patient that an accessible prescription
1145.7 drug container label is available at no additional cost upon request of the patient or the
1145.8 patient's representative.

1145.9 (b) Subject to paragraph (e), if a patient requests an accessible container label, the
1145.10 pharmacy must provide the patient with a prescription drug container label in large print,
1145.11 Braille, or may provide any other method included in the best practices for access to
1145.12 prescription drug labeling information by the United States Access Board, or its successor
1145.13 organization, depending on the need and preference of the patient. The pharmacy must make
1145.14 reasonable efforts to ensure patient safety and access during the time it takes to provide the
1145.15 requested method of accessibility.

1145.16 (c) The accessible container label must:

1145.17 (1) be affixed on the container in compliance with section 151.212, subdivision 1;

1145.18 (2) last for at least the duration of the prescription;

1145.19 (3) contain the information required under subdivisions 1 and 2;

1145.20 (4) be available in a timely manner relative to the industry standard time required to
1145.21 produce the accessible container label; and

1145.22 (5) conform with the best practices established by the United States Access Board, or
1145.23 its successor organization, for large print and Braille accessible container labels.

1145.24 (d) By January 1, 2025, the commissioner of health must publish a list of pharmacies
1145.25 that have informed the commissioner that the pharmacy has the technological capacity to
1145.26 provide an accessible container label to a patient in the timely manner required by paragraph
1145.27 (c), clause (4). The commissioner must update this list on a quarterly basis until January 1,
1145.28 2026.

1145.29 (e) Until January 1, 2026, if the pharmacy does not have the technological capacity to
1145.30 provide an accessible container label to a patient in the timely manner required by paragraph
1145.31 (c), clause (4), the pharmacy is not required to provide an accessible container label to a
1145.32 patient requesting such a label, but the pharmacy must inform the patient of the list of
1145.33 pharmacies with such capacity required pursuant to paragraph (d), if such list is published.

1146.1 (f) On and after January 1, 2026, all pharmacies must be able to provide an accessible
1146.2 container label in the timely manner required by paragraph (c), clause (4).

1146.3 (g) This subdivision does not apply to prescription drugs dispensed and administered
1146.4 by a correctional institution.

1146.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1146.6 Sec. 11. Minnesota Statutes 2022, section 151.37, is amended by adding a subdivision to
1146.7 read:

1146.8 **Subd. 17. Drugs for preventing the acquisition of HIV.** (a) A pharmacist is authorized
1146.9 to prescribe and administer drugs to prevent the acquisition of human immunodeficiency
1146.10 virus (HIV) in accordance with this subdivision.

1146.11 (b) By January 1, 2025, the Board of Pharmacy shall develop a standardized protocol
1146.12 for a pharmacist to follow in prescribing the drugs described in paragraph (a). In developing
1146.13 the protocol, the board may consult with community health advocacy groups, the Board of
1146.14 Medical Practice, the Board of Nursing, the commissioner of health, professional pharmacy
1146.15 associations, and professional associations for physicians, physician assistants, and advanced
1146.16 practice registered nurses.

1146.17 (c) Before a pharmacist is authorized to prescribe a drug described in paragraph (a), the
1146.18 pharmacist must successfully complete a training program specifically developed for
1146.19 prescribing drugs for preventing the acquisition of HIV that is offered by a college of
1146.20 pharmacy, a continuing education provider that is accredited by the Accreditation Council
1146.21 for Pharmacy Education, or a program approved by the board. To maintain authorization
1146.22 to prescribe, the pharmacist shall complete continuing education requirements as specified
1146.23 by the board.

1146.24 (d) Before prescribing a drug described in paragraph (a), the pharmacist shall follow the
1146.25 appropriate standardized protocol developed under paragraph (b) and, if appropriate, may
1146.26 dispense to a patient a drug described in paragraph (a).

1146.27 (e) Before dispensing a drug described in paragraph (a) that is prescribed by the
1146.28 pharmacist, the pharmacist must provide counseling to the patient on the use of the drugs
1146.29 and must provide the patient with a fact sheet that includes the indications and
1146.30 contraindications for the use of these drugs, the appropriate method for using these drugs,
1146.31 the need for medical follow up, and any additional information listed in Minnesota Rules,
1146.32 part 6800.0910, subpart 2, that is required to be provided to a patient during the counseling
1146.33 process.

1147.1 (f) A pharmacist is prohibited from delegating the prescribing authority provided under
1147.2 this subdivision to any other person. A pharmacist intern registered under section 151.101
1147.3 may prepare the prescription, but before the prescription is processed or dispensed, a
1147.4 pharmacist authorized to prescribe under this subdivision must review, approve, and sign
1147.5 the prescription.

1147.6 (g) Nothing in this subdivision prohibits a pharmacist from participating in the initiation,
1147.7 management, modification, and discontinuation of drug therapy according to a protocol as
1147.8 authorized in this section and in section 151.01, subdivision 27.

1147.9 **EFFECTIVE DATE.** This section is effective January 1, 2025, except that paragraph
1147.10 (b) is effective the day following final enactment.

1147.11 Sec. 12. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 1, is amended
1147.12 to read:

1147.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
1147.14 subdivision have the meanings given.

1147.15 (b) "Central repository" means a wholesale distributor that meets the requirements under
1147.16 subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this
1147.17 section.

1147.18 (c) "Distribute" means to deliver, other than by administering or dispensing.

1147.19 (d) "Donor" means:

1147.20 (1) ~~a health care facility as defined in this subdivision~~ an individual at least 18 years of
1147.21 age, provided that the drug or medical supply that is donated was obtained legally and meets
1147.22 the requirements of this section for donation; or

1147.23 (2) ~~a skilled nursing facility licensed under chapter 144A;~~ any entity legally authorized
1147.24 to possess medicine with a license or permit in good standing in the state in which it is
1147.25 located, without further restrictions, including but not limited to a health care facility, skilled
1147.26 nursing facility, assisted living facility, pharmacy, wholesaler, and drug manufacturer.

1147.27 (3) ~~an assisted living facility licensed under chapter 144G;~~

1147.28 (4) ~~a pharmacy licensed under section 151.19, and located either in the state or outside~~
1147.29 ~~the state;~~

1147.30 (5) ~~a drug wholesaler licensed under section 151.47;~~

1147.31 (6) ~~a drug manufacturer licensed under section 151.252; or~~

1148.1 ~~(7) an individual at least 18 years of age, provided that the drug or medical supply that~~
1148.2 ~~is donated was obtained legally and meets the requirements of this section for donation.~~

1148.3 (e) "Drug" means any prescription drug that has been approved for medical use in the
1148.4 United States, is listed in the United States Pharmacopoeia or National Formulary, and
1148.5 meets the criteria established under this section for donation; or any over-the-counter
1148.6 medication that meets the criteria established under this section for donation. This definition
1148.7 includes cancer drugs and antirejection drugs, but does not include controlled substances,
1148.8 as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed
1148.9 to a patient registered with the drug's manufacturer in accordance with federal Food and
1148.10 Drug Administration requirements.

1148.11 (f) "Health care facility" means:

1148.12 (1) a physician's office or health care clinic where licensed practitioners provide health
1148.13 care to patients;

1148.14 (2) a hospital licensed under section 144.50;

1148.15 (3) a pharmacy licensed under section 151.19 and located in Minnesota; or

1148.16 (4) a nonprofit community clinic, including a federally qualified health center; a rural
1148.17 health clinic; public health clinic; or other community clinic that provides health care utilizing
1148.18 a sliding fee scale to patients who are low-income, uninsured, or underinsured.

1148.19 (g) "Local repository" means a health care facility that elects to accept donated drugs
1148.20 and medical supplies and meets the requirements of subdivision 4.

1148.21 (h) "Medical supplies" or "supplies" means any prescription or nonprescription medical
1148.22 supplies needed to administer a drug.

1148.23 (i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is
1148.24 sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or
1148.25 unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose
1148.26 packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules,
1148.27 part 6800.3750.

1148.28 (j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that
1148.29 it does not include a veterinarian.

1149.1 Sec. 13. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 4, is amended
1149.2 to read:

1149.3 Subd. 4. **Local repository requirements.** (a) To be eligible for participation in the
1149.4 medication repository program, a health care facility must agree to comply with all applicable
1149.5 federal and state laws, rules, and regulations pertaining to the medication repository program,
1149.6 drug storage, and dispensing. The facility must also agree to maintain in good standing any
1149.7 required state license or registration that may apply to the facility.

1149.8 (b) A local repository may elect to participate in the program by submitting the following
1149.9 information to the central repository on a form developed by the board and made available
1149.10 on the board's website:

1149.11 (1) the name, street address, and telephone number of the health care facility and any
1149.12 state-issued license or registration number issued to the facility, including the issuing state
1149.13 agency;

1149.14 (2) the name and telephone number of a responsible pharmacist or practitioner who is
1149.15 employed by or under contract with the health care facility; and

1149.16 (3) a statement signed and dated by the responsible pharmacist or practitioner indicating
1149.17 that the health care facility meets the eligibility requirements under this section and agrees
1149.18 to comply with this section.

1149.19 (c) Participation in the medication repository program is voluntary. A local repository
1149.20 may withdraw from participation in the medication repository program at any time by
1149.21 providing written notice to the central repository on a form developed by the board and
1149.22 made available on the board's website. ~~The central repository shall provide the board with~~
1149.23 ~~a copy of the withdrawal notice within ten business days from the date of receipt of the~~
1149.24 ~~withdrawal notice.~~

1149.25 Sec. 14. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 5, is amended
1149.26 to read:

1149.27 Subd. 5. **Individual eligibility and application requirements.** ~~(a) To be eligible for~~
1149.28 ~~the medication repository program~~ At the time of or before receiving donated drugs or
1149.29 supplies as a new eligible patient, an individual must submit to a local repository an electronic
1149.30 or physical intake application form that is signed by the individual and attests that the
1149.31 individual:

1149.32 (1) is a resident of Minnesota;

1150.1 (2) is uninsured ~~and is not enrolled in the medical assistance program under chapter~~
1150.2 ~~256B or the MinnesotaCare program under chapter 256L~~, has no prescription drug coverage,
1150.3 or is underinsured;

1150.4 (3) acknowledges that the drugs or medical supplies to be received through the program
1150.5 may have been donated; and

1150.6 (4) consents to a waiver of the child-resistant packaging requirements of the federal
1150.7 Poison Prevention Packaging Act.

1150.8 ~~(b) Upon determining that an individual is eligible for the program, the local repository~~
1150.9 ~~shall furnish the individual with an identification card. The card shall be valid for one year~~
1150.10 ~~from the date of issuance and may be used at any local repository. A new identification card~~
1150.11 ~~may be issued upon expiration once the individual submits a new application form.~~

1150.12 ~~(e)~~(b) The local repository shall send a copy of the intake application form to the central
1150.13 repository by regular mail, facsimile, or secured email within ten days from the date the
1150.14 application is approved by the local repository.

1150.15 ~~(d)~~(c) The board shall develop and make available on the board's website an application
1150.16 form ~~and the format for the identification card.~~

1150.17 Sec. 15. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 6, is amended
1150.18 to read:

1150.19 Subd. 6. **Standards and procedures for accepting donations of drugs and supplies.** (a)
1150.20 Notwithstanding any other law or rule, a donor may donate drugs or medical supplies to
1150.21 the central repository or a local repository if the drug or supply meets the requirements of
1150.22 this section as determined by a pharmacist or practitioner who is employed by or under
1150.23 contract with the central repository or a local repository.

1150.24 (b) A drug is eligible for donation under the medication repository program if the
1150.25 following requirements are met:

1150.26 ~~(1) the donation is accompanied by a medication repository donor form described under~~
1150.27 ~~paragraph (d) that is signed by an individual who is authorized by the donor to attest to the~~
1150.28 ~~donor's knowledge in accordance with paragraph (d);~~

1150.29 ~~(2)~~(1) the drug's expiration date is at least six months after the date the drug was donated.
1150.30 If a donated drug bears an expiration date that is less than six months from the donation
1150.31 date, the drug may be accepted and distributed if the drug is in high demand and can be
1150.32 dispensed for use by a patient before the drug's expiration date;

1151.1 ~~(3)~~(2) the drug is in its original, sealed, unopened, tamper-evident packaging that includes
1151.2 the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging
1151.3 is unopened;

1151.4 ~~(4)~~(3) the drug or the packaging does not have any physical signs of tampering,
1151.5 misbranding, deterioration, compromised integrity, or adulteration;

1151.6 ~~(5)~~(4) the drug does not require storage temperatures other than normal room temperature
1151.7 as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being
1151.8 donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located
1151.9 in Minnesota; and

1151.10 ~~(6)~~(5) the drug is not a controlled substance.

1151.11 (c) A medical supply is eligible for donation under the medication repository program
1151.12 if the following requirements are met:

1151.13 (1) the supply has no physical signs of tampering, misbranding, or alteration and there
1151.14 is no reason to believe it has been adulterated, tampered with, or misbranded;

1151.15 (2) the supply is in its original, unopened, sealed packaging; and

1151.16 ~~(3) the donation is accompanied by a medication repository donor form described under~~
1151.17 ~~paragraph (d) that is signed by an individual who is authorized by the donor to attest to the~~
1151.18 ~~donor's knowledge in accordance with paragraph (d); and~~

1151.19 ~~(4)~~(3) if the supply bears an expiration date, the date is at least six months later than
1151.20 the date the supply was donated. If the donated supply bears an expiration date that is less
1151.21 than six months from the date the supply was donated, the supply may be accepted and
1151.22 distributed if the supply is in high demand and can be dispensed for use by a patient before
1151.23 the supply's expiration date.

1151.24 (d) The board shall develop the medication repository donor form and make it available
1151.25 on the board's website. ~~The form must state that to the best of the donor's knowledge the~~
1151.26 ~~donated drug or supply has been properly stored under appropriate temperature and humidity~~
1151.27 ~~conditions and that the drug or supply has never been opened, used, tampered with,~~
1151.28 ~~adulterated, or misbranded.~~ Prior to the first donation from a new donor, a central repository
1151.29 or local repository shall verify and record the following information on the donor form:

1151.30 (1) the donor's name, address, phone number, and license number, if applicable;

1151.31 (2) that the donor will only make donations in accordance with the program;

1152.1 (3) to the best of the donor's knowledge, only drugs or supplies that have been properly
1152.2 stored under appropriate temperature and humidity conditions will be donated; and

1152.3 (4) to the best of the donor's knowledge, only drugs or supplies that have never been
1152.4 opened, used, tampered with, adulterated, or misbranded will be donated.

1152.5 (e) Notwithstanding any other law or rule, a central repository or a local repository may
1152.6 receive donated drugs from donors. Donated drugs and supplies may be shipped or delivered
1152.7 to the premises of the central repository or a local repository, and shall be inspected by a
1152.8 pharmacist or an authorized practitioner who is employed by or under contract with the
1152.9 repository and who has been designated by the repository to accept donations prior to
1152.10 dispensing. A drop box must not be used to deliver or accept donations.

1152.11 (f) The central repository and local repository shall maintain a written or electronic
1152.12 inventory of all drugs and supplies donated to the repository upon acceptance of each drug
1152.13 or supply. For each drug, the inventory must include the drug's name, strength, quantity,
1152.14 manufacturer, expiration date, and the date the drug was donated. For each medical supply,
1152.15 the inventory must include a description of the supply, its manufacturer, the date the supply
1152.16 was donated, and, if applicable, the supply's brand name and expiration date. The board
1152.17 may waive the requirement under this paragraph if an entity is under common ownership
1152.18 or control with a central repository or local repository and either the entity or the repository
1152.19 maintains an inventory containing all the information required under this paragraph.

1152.20 Sec. 16. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 7, is amended
1152.21 to read:

1152.22 **Subd. 7. Standards and procedures for inspecting and storing donated drugs and**
1152.23 **supplies.** (a) A pharmacist or authorized practitioner who is employed by or under contract
1152.24 with the central repository or a local repository shall inspect all donated drugs and supplies
1152.25 before the drug or supply is dispensed to determine, to the extent reasonably possible in the
1152.26 professional judgment of the pharmacist or practitioner, that the drug or supply is not
1152.27 adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing,
1152.28 has not been subject to a recall, and meets the requirements for donation. ~~The pharmacist~~
1152.29 ~~or practitioner who inspects the drugs or supplies shall sign an inspection record stating that~~
1152.30 ~~the requirements for donation have been met.~~ If a local repository receives drugs and supplies
1152.31 from the central repository, the local repository does not need to reinspect the drugs and
1152.32 supplies.

1153.1 (b) The central repository and local repositories shall store donated drugs and supplies
1153.2 in a secure storage area under environmental conditions appropriate for the drug or supply
1153.3 being stored. Donated drugs and supplies may not be stored with nondonated inventory.

1153.4 (c) The central repository and local repositories shall dispose of all drugs and medical
1153.5 supplies that are not suitable for donation in compliance with applicable federal and state
1153.6 statutes, regulations, and rules concerning hazardous waste.

1153.7 (d) In the event that controlled substances or drugs that can only be dispensed to a patient
1153.8 registered with the drug's manufacturer are shipped or delivered to a central or local repository
1153.9 for donation, the shipment delivery must be documented by the repository and returned
1153.10 immediately to the donor or the donor's representative that provided the drugs.

1153.11 (e) Each repository must develop drug and medical supply recall policies and procedures.
1153.12 If a repository receives a recall notification, the repository shall destroy all of the drug or
1153.13 medical supply in its inventory that is the subject of the recall and complete a record of
1153.14 destruction form in accordance with paragraph (f). If a drug or medical supply that is the
1153.15 subject of a Class I or Class II recall has been dispensed, the repository shall immediately
1153.16 notify the recipient of the recalled drug or medical supply. A drug that potentially is subject
1153.17 to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug
1153.18 is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

1153.19 (f) A record of destruction of donated drugs and supplies that are not dispensed under
1153.20 subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation
1153.21 shall be maintained by the repository for at least two years. For each drug or supply destroyed,
1153.22 the record shall include the following information:

1153.23 (1) the date of destruction;

1153.24 (2) the name, strength, and quantity of the drug destroyed; and

1153.25 (3) the name of the person or firm that destroyed the drug.

1153.26 No other record of destruction is required.

1153.27 Sec. 17. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 8, is amended
1153.28 to read:

1153.29 Subd. 8. **Dispensing requirements.** (a) Donated prescription drugs and supplies may
1153.30 be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible
1153.31 individual and are dispensed by a pharmacist or practitioner. A repository shall dispense
1153.32 drugs and supplies to eligible individuals in the following priority order: (1) individuals

1154.1 who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals
1154.2 who are underinsured. A repository shall dispense donated drugs in compliance with
1154.3 applicable federal and state laws and regulations for dispensing drugs, including all
1154.4 requirements relating to packaging, labeling, record keeping, drug utilization review, and
1154.5 patient counseling.

1154.6 (b) Before dispensing or administering a drug or supply, the pharmacist or practitioner
1154.7 shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date
1154.8 of expiration. Drugs or supplies that have expired or appear upon visual inspection to be
1154.9 adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

1154.10 (c) Before a the first drug or supply is dispensed or administered to an individual, the
1154.11 individual must sign a an electronic or physical drug repository recipient form acknowledging
1154.12 that the individual understands ~~the information stated on the form. The board shall develop~~
1154.13 ~~the form and make it available on the board's website. The form must include the following~~
1154.14 ~~information:~~

1154.15 (1) that the drug or supply being dispensed or administered has been donated and may
1154.16 have been previously dispensed;

1154.17 (2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure
1154.18 that the drug or supply has not expired, has not been adulterated or misbranded, and is in
1154.19 its original, unopened packaging; and

1154.20 (3) that the dispensing pharmacist, the dispensing or administering practitioner, the
1154.21 central repository or local repository, the Board of Pharmacy, and any other participant of
1154.22 the medication repository program cannot guarantee the safety of the drug or medical supply
1154.23 being dispensed or administered and that the pharmacist or practitioner has determined that
1154.24 the drug or supply is safe to dispense or administer based on the accuracy of the donor's
1154.25 form submitted with the donated drug or medical supply and the visual inspection required
1154.26 to be performed by the pharmacist or practitioner before dispensing or administering.

1154.27 Sec. 18. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 9, is amended
1154.28 to read:

1154.29 Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual
1154.30 receiving a drug or supply a handling fee of no more than 250 percent of the medical
1154.31 assistance program dispensing fee for each drug or medical supply dispensed or administered
1154.32 by that repository.

1155.1 (b) A repository that dispenses or administers a drug or medical supply through the
1155.2 medication repository program shall not receive reimbursement under the medical assistance
1155.3 program or the MinnesotaCare program for that dispensed or administered drug or supply.

1155.4 (c) A supply or handling fee must not be charged to an individual enrolled in the medical
1155.5 assistance or MinnesotaCare program.

1155.6 Sec. 19. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 11, is amended
1155.7 to read:

1155.8 Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed
1155.9 for the administration of this program ~~shall be utilized by the participants of the program~~
1155.10 ~~and~~ shall be available on the board's website:

1155.11 (1) intake application form described under subdivision 5;

1155.12 (2) local repository participation form described under subdivision 4;

1155.13 (3) local repository withdrawal form described under subdivision 4;

1155.14 (4) medication repository donor form described under subdivision 6;

1155.15 (5) record of destruction form described under subdivision 7; and

1155.16 (6) medication repository recipient form described under subdivision 8.

1155.17 Participants may use substantively similar electronic or physical forms.

1155.18 (b) All records, including drug inventory, ~~inspection,~~ and disposal of donated drugs and
1155.19 medical supplies, must be maintained by a repository for a minimum of two years. Records
1155.20 required as part of this program must be maintained pursuant to all applicable practice acts.

1155.21 (c) Data collected by the medication repository program from all local repositories shall
1155.22 be submitted quarterly or upon request to the central repository. Data collected may consist
1155.23 of the information, records, and forms required to be collected under this section.

1155.24 (d) The central repository shall submit reports to the board as required by the contract
1155.25 or upon request of the board.

1155.26 Sec. 20. Minnesota Statutes 2023 Supplement, section 151.555, subdivision 12, is amended
1155.27 to read:

1155.28 Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal
1155.29 or civil liability for injury, death, or loss to a person or to property for causes of action
1155.30 described in clauses (1) and (2). A manufacturer is not liable for:

1156.1 (1) the intentional or unintentional alteration of the drug or supply by a party not under
1156.2 the control of the manufacturer; or

1156.3 (2) the failure of a party not under the control of the manufacturer to transfer or
1156.4 communicate product or consumer information or the expiration date of the donated drug
1156.5 or supply.

1156.6 (b) A health care facility participating in the program, a pharmacist dispensing a drug
1156.7 or supply pursuant to the program, a practitioner dispensing or administering a drug or
1156.8 supply pursuant to the program, ~~or a donor of a drug or medical supply, or a person or entity~~
1156.9 that facilitates any of the above is immune from civil liability for an act or omission that
1156.10 causes injury to or the death of an individual to whom the drug or supply is dispensed and
1156.11 no disciplinary action by a health-related licensing board shall be taken against a ~~pharmacist~~
1156.12 ~~or practitioner~~ person or entity so long as the drug or supply is donated, accepted, distributed,
1156.13 and dispensed according to the requirements of this section. This immunity does not apply
1156.14 if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice
1156.15 unrelated to the quality of the drug or medical supply.

1156.16 Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 10, is amended to read:

1156.17 Subd. 10. **Laboratory, x-ray, and opioid testing services.** (a) Medical assistance covers
1156.18 laboratory and x-ray services.

1156.19 (b) Medical assistance covers screening and urinalysis tests for opioids without lifetime
1156.20 or annual limits.

1156.21 (c) Medical assistance covers laboratory tests ordered and performed by a licensed
1156.22 pharmacist, according to the requirements of section 151.01, subdivision 27, clause (3), at
1156.23 no less than the rate for which the same services are covered when provided by any other
1156.24 licensed practitioner.

1156.25 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1156.26 whichever is later. The commissioner of human services shall notify the revisor of statutes
1156.27 when federal approval is obtained.

1156.28 Sec. 22. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 13f, is
1156.29 amended to read:

1156.30 Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and
1156.31 recommend drugs which require prior authorization. The Formulary Committee shall
1156.32 establish general criteria to be used for the prior authorization of brand-name drugs for

1157.1 which generically equivalent drugs are available, but the committee is not required to review
1157.2 each brand-name drug for which a generically equivalent drug is available.

1157.3 (b) Prior authorization may be required by the commissioner before certain formulary
1157.4 drugs are eligible for payment. The Formulary Committee may recommend drugs for prior
1157.5 authorization directly to the commissioner. The commissioner may also request that the
1157.6 Formulary Committee review a drug for prior authorization. Before the commissioner may
1157.7 require prior authorization for a drug:

1157.8 (1) the commissioner must provide information to the Formulary Committee on the
1157.9 impact that placing the drug on prior authorization may have on the quality of patient care
1157.10 and on program costs, information regarding whether the drug is subject to clinical abuse
1157.11 or misuse, and relevant data from the state Medicaid program if such data is available;

1157.12 (2) the Formulary Committee must review the drug, taking into account medical and
1157.13 clinical data and the information provided by the commissioner; and

1157.14 (3) the Formulary Committee must hold a public forum and receive public comment for
1157.15 an additional 15 days.

1157.16 The commissioner must provide a 15-day notice period before implementing the prior
1157.17 authorization.

1157.18 (c) Except as provided in subdivision 13j, prior authorization shall not be required or
1157.19 utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness
1157.20 if:

1157.21 (1) there is no generically equivalent drug available; and

1157.22 (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

1157.23 (3) the drug is part of the recipient's current course of treatment.

1157.24 This paragraph applies to any multistate preferred drug list or supplemental drug rebate
1157.25 program established or administered by the commissioner. Prior authorization shall
1157.26 automatically be granted for 60 days for brand name drugs prescribed for treatment of mental
1157.27 illness within 60 days of when a generically equivalent drug becomes available, provided
1157.28 that the brand name drug was part of the recipient's course of treatment at the time the
1157.29 generically equivalent drug became available.

1157.30 (d) Prior authorization must not be required for liquid methadone if only one version of
1157.31 liquid methadone is available. If more than one version of liquid methadone is available,

1158.1 the commissioner shall ensure that at least one version of liquid methadone is available
1158.2 without prior authorization.

1158.3 (e) Prior authorization may be required for an oral liquid form of a drug, except as
1158.4 described in paragraph (d). A prior authorization request under this paragraph must be
1158.5 automatically approved within 24 hours if the drug is being prescribed for a Food and Drug
1158.6 Administration-approved condition for a patient who utilizes an enteral tube for feedings
1158.7 or medication administration, even if the patient has current or prior claims for pills for that
1158.8 condition. If more than one version of the oral liquid form of a drug is available, the
1158.9 commissioner may select the version that is able to be approved for a Food and Drug
1158.10 Administration-approved condition for a patient who utilizes an enteral tube for feedings
1158.11 or medication administration. This paragraph applies to any multistate preferred drug list
1158.12 or supplemental drug rebate program established or administered by the commissioner. The
1158.13 commissioner shall design and implement a streamlined prior authorization form for patients
1158.14 who utilize an enteral tube for feedings or medication administration and are prescribed an
1158.15 oral liquid form of a drug. The commissioner may require prior authorization for brand
1158.16 name drugs whenever a generically equivalent product is available, even if the prescriber
1158.17 specifically indicates "dispense as written-brand necessary" on the prescription as required
1158.18 by section 151.21, subdivision 2.

1158.19 (f) Notwithstanding this subdivision, the commissioner may automatically require prior
1158.20 authorization, for a period not to exceed 180 days, for any drug that is approved by the
1158.21 United States Food and Drug Administration on or after July 1, 2005. The 180-day period
1158.22 begins no later than the first day that a drug is available for shipment to pharmacies within
1158.23 the state. The Formulary Committee shall recommend to the commissioner general criteria
1158.24 to be used for the prior authorization of the drugs, but the committee is not required to
1158.25 review each individual drug. In order to continue prior authorizations for a drug after the
1158.26 180-day period has expired, the commissioner must follow the provisions of this subdivision.

1158.27 (g) Prior authorization under this subdivision shall comply with section 62Q.184.

1158.28 (h) Any step therapy protocol requirements established by the commissioner must comply
1158.29 with section 62Q.1841.

1158.30 (i) Notwithstanding any law to the contrary, prior authorization or step therapy shall not
1158.31 be required or utilized for any class of drugs that is approved by the United States Food and
1158.32 Drug Administration for the treatment or prevention of HIV and AIDS.

1158.33 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1159.1 Sec. 23. Minnesota Statutes 2022, section 256B.0625, subdivision 39, is amended to read:

1159.2 Subd. 39. **Childhood immunizations.** (a) Providers who administer pediatric vaccines
1159.3 within the scope of their licensure, and who are enrolled as a medical assistance provider,
1159.4 must enroll in the pediatric vaccine administration program established by section 13631
1159.5 of the Omnibus Budget Reconciliation Act of 1993. Medical assistance shall pay for
1159.6 administration of the vaccine to children eligible for medical assistance. Medical assistance
1159.7 does not pay for vaccines that are available at no cost from the pediatric vaccine
1159.8 administration program unless the vaccines qualify for 100 percent federal funding or are
1159.9 mandated by the Centers for Medicare and Medicaid Services to be covered outside of the
1159.10 Vaccines for Children program.

1159.11 (b) Medical assistance covers vaccines initiated, ordered, or administered by a licensed
1159.12 pharmacist, according to the requirements of section 151.01, subdivision 27, clause (6), at
1159.13 no less than the rate for which the same services are covered when provided by any other
1159.14 licensed practitioner.

1159.15 **EFFECTIVE DATE.** The amendment to paragraph (a) is effective July 1, 2024.
1159.16 Paragraph (b) is effective January 1, 2025, or upon federal approval, whichever is later. The
1159.17 commissioner of human services shall notify the revisor of statutes when federal approval
1159.18 is obtained.

1159.19 Sec. 24. **DIRECTION TO THE COMMISSIONER; ASSESSMENT OF LICENSED**
1159.20 **OUTPATIENT PHARMACIES; REPORT.**

1159.21 The commissioner of health, in consultation with the Board of Pharmacy, must conduct
1159.22 an assessment of licensed outpatient pharmacies and vendors of audible container labels
1159.23 and prescription readers to determine: (1) the approximate number of such pharmacies
1159.24 currently providing accessible labels to individuals who cannot access large print or Braille
1159.25 labels; and (2) the approximate cost to such pharmacies to provide accessible labels to
1159.26 individuals who cannot access large print or Braille labels. By January 15, 2025, the
1159.27 commissioner must submit a report to the chairs and ranking minority members of the
1159.28 legislative committees with jurisdiction over health and human services finance and policy.
1159.29 The report must include the assessment results and recommendations for providing accessible
1159.30 labels to those who cannot access large print or Braille labels.

1159.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1160.1 **Sec. 25. RULEMAKING; BOARD OF PHARMACY.**

1160.2 The Board of Pharmacy must amend Minnesota Rules, part 6800.3400, to permit and
1160.3 promote the inclusion of the following on a prescription label:

1160.4 (1) the complete and unabbreviated generic name of the drug; and

1160.5 (2) instructions written in plain language explaining the patient-specific indications for
1160.6 the drug if the patient-specific indications are indicated on the prescription.

1160.7 The Board of Pharmacy must comply with Minnesota Statutes, section 14.389, in adopting
1160.8 the amendment to the rule.

1160.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1160.10

ARTICLE 61

1160.11

BEHAVIORAL HEALTH

1160.12 Section 1. Minnesota Statutes 2022, section 245.462, subdivision 6, is amended to read:

1160.13 Subd. 6. **Community support services program.** "Community support services program"
1160.14 means services, other than inpatient or residential treatment services, provided or coordinated
1160.15 by an identified program and staff under the treatment supervision of a mental health
1160.16 professional designed to help adults with serious and persistent mental illness to function
1160.17 and remain in the community. A community support services program includes:

1160.18 (1) client outreach,

1160.19 (2) medication monitoring,

1160.20 (3) assistance in independent living skills,

1160.21 (4) development of employability and work-related opportunities,

1160.22 (5) crisis assistance,

1160.23 (6) psychosocial rehabilitation,

1160.24 (7) help in applying for government benefits, and

1160.25 (8) housing support services.

1160.26 The community support services program must be coordinated with the case management
1160.27 services specified in section 245.4711. A program that meets the accreditation standards
1160.28 for Clubhouse International model programs meets the requirements of this subdivision.

1161.1 Sec. 2. Minnesota Statutes 2022, section 245.4663, subdivision 2, is amended to read:

1161.2 Subd. 2. **Eligible providers.** In order to be eligible for a grant under this section, a mental
1161.3 health provider must:

1161.4 (1) provide at least 25 percent of the provider's yearly patient encounters to state public
1161.5 program enrollees or patients receiving sliding fee schedule discounts through a formal
1161.6 sliding fee schedule meeting the standards established by the United States Department of
1161.7 Health and Human Services under Code of Federal Regulations, title 42, section 51c.303;
1161.8 ~~or~~

1161.9 (2) primarily serve underrepresented communities as defined in section 148E.010,
1161.10 subdivision 20; or

1161.11 (3) provide services to people in a city or township that is not within the seven-county
1161.12 metropolitan area as defined in section 473.121, subdivision 2, and is not the city of Duluth,
1161.13 Mankato, Moorhead, Rochester, or St. Cloud.

1161.14 Sec. 3. Minnesota Statutes 2023 Supplement, section 245.4889, subdivision 1, is amended
1161.15 to read:

1161.16 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
1161.17 make grants from available appropriations to assist:

1161.18 (1) counties;

1161.19 (2) Indian tribes;

1161.20 (3) children's collaboratives under section 124D.23 or 245.493; or

1161.21 (4) mental health service providers.

1161.22 (b) The following services are eligible for grants under this section:

1161.23 (1) services to children with emotional disturbances as defined in section 245.4871,
1161.24 subdivision 15, and their families;

1161.25 (2) transition services under section 245.4875, subdivision 8, for young adults under
1161.26 age 21 and their families;

1161.27 (3) respite care services for children with emotional disturbances or severe emotional
1161.28 disturbances who are at risk of ~~out-of-home placement or residential treatment or~~
1161.29 hospitalization, who are already in out-of-home placement in family foster settings as defined
1161.30 in chapter 245A and at risk of change in out-of-home placement or placement in a residential
1161.31 facility or other higher level of care, who have utilized crisis services or emergency room

1162.1 services, or who have experienced a loss of in-home staffing support. Allowable activities
1162.2 and expenses for respite care services are defined under subdivision 4. A child is not required
1162.3 to have case management services to receive respite care services. Counties must work to
1162.4 provide access to regularly scheduled respite care;

1162.5 (4) children's mental health crisis services;

1162.6 (5) child-, youth-, and family-specific mobile response and stabilization services models;

1162.7 (6) mental health services for people from cultural and ethnic minorities, including
1162.8 supervision of clinical trainees who are Black, indigenous, or people of color;

1162.9 (7) children's mental health screening and follow-up diagnostic assessment and treatment;

1162.10 (8) services to promote and develop the capacity of providers to use evidence-based
1162.11 practices in providing children's mental health services;

1162.12 (9) school-linked mental health services under section 245.4901;

1162.13 (10) building evidence-based mental health intervention capacity for children birth to
1162.14 age five;

1162.15 (11) suicide prevention and counseling services that use text messaging statewide;

1162.16 (12) mental health first aid training;

1162.17 (13) training for parents, collaborative partners, and mental health providers on the
1162.18 impact of adverse childhood experiences and trauma and development of an interactive
1162.19 website to share information and strategies to promote resilience and prevent trauma;

1162.20 (14) transition age services to develop or expand mental health treatment and supports
1162.21 for adolescents and young adults 26 years of age or younger;

1162.22 (15) early childhood mental health consultation;

1162.23 (16) evidence-based interventions for youth at risk of developing or experiencing a first
1162.24 episode of psychosis, and a public awareness campaign on the signs and symptoms of
1162.25 psychosis;

1162.26 (17) psychiatric consultation for primary care practitioners; and

1162.27 (18) providers to begin operations and meet program requirements when establishing a
1162.28 new children's mental health program. These may be start-up grants.

1162.29 (c) Services under paragraph (b) must be designed to help each child to function and
1162.30 remain with the child's family in the community and delivered consistent with the child's

1163.1 treatment plan. Transition services to eligible young adults under this paragraph must be
1163.2 designed to foster independent living in the community.

1163.3 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
1163.4 reimbursement sources, if applicable.

1163.5 (e) The commissioner may establish and design a pilot program to expand the mobile
1163.6 response and stabilization services model for children, youth, and families. The commissioner
1163.7 may use grant funding to consult with a qualified expert entity to assist in the formulation
1163.8 of measurable outcomes and explore and position the state to submit a Medicaid state plan
1163.9 amendment to scale the model statewide.

1163.10 Sec. 4. Minnesota Statutes 2023 Supplement, section 245.735, subdivision 3, is amended
1163.11 to read:

1163.12 Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall
1163.13 establish state certification and recertification processes for certified community behavioral
1163.14 health clinics (CCBHCs) that satisfy all federal requirements necessary for CCBHCs certified
1163.15 under this section to be eligible for reimbursement under medical assistance, without service
1163.16 area limits based on geographic area or region. The commissioner shall consult with CCBHC
1163.17 stakeholders before establishing and implementing changes in the certification or
1163.18 recertification process and requirements. Any changes to the certification or recertification
1163.19 process or requirements must be consistent with the most recently issued Certified
1163.20 Community Behavioral Health Clinic Certification Criteria published by the Substance
1163.21 Abuse and Mental Health Services Administration. The commissioner must allow a transition
1163.22 period for CCBHCs to meet the revised criteria ~~prior to July 1, 2024~~ on or before January
1163.23 1, 2025. The commissioner is authorized to amend the state's Medicaid state plan or the
1163.24 terms of the demonstration to comply with federal requirements.

1163.25 (b) As part of the state CCBHC certification and recertification processes, the
1163.26 commissioner shall provide to entities applying for certification or requesting recertification
1163.27 the standard requirements of the community needs assessment and the staffing plan that are
1163.28 consistent with the most recently issued Certified Community Behavioral Health Clinic
1163.29 Certification Criteria published by the Substance Abuse and Mental Health Services
1163.30 Administration.

1163.31 (c) The commissioner shall schedule a certification review that includes a site visit within
1163.32 90 calendar days of receipt of an application for certification or recertification.

1163.33 (d) Entities that choose to be CCBHCs must:

1164.1 (1) complete a community needs assessment and complete a staffing plan that is
1164.2 responsive to the needs identified in the community needs assessment and update both the
1164.3 community needs assessment and the staffing plan no less frequently than every 36 months;

1164.4 (2) comply with state licensing requirements and other requirements issued by the
1164.5 commissioner;

1164.6 (3) employ or contract with a medical director. A medical director must be a physician
1164.7 licensed under chapter 147 and either certified by the American Board of Psychiatry and
1164.8 Neurology, certified by the American Osteopathic Board of Neurology and Psychiatry, or
1164.9 eligible for board certification in psychiatry. A registered nurse who is licensed under
1164.10 sections 148.171 to 148.285 and is certified as a nurse practitioner in adult or family
1164.11 psychiatric and mental health nursing by a national nurse certification organization may
1164.12 serve as the medical director when a CCBHC is unable to employ or contract a qualified
1164.13 physician;

1164.14 (4) employ or contract for clinic staff who have backgrounds in diverse disciplines,
1164.15 including licensed mental health professionals and licensed alcohol and drug counselors,
1164.16 and staff who are culturally and linguistically trained to meet the needs of the population
1164.17 the clinic serves;

1164.18 (5) ensure that clinic services are available and accessible to individuals and families of
1164.19 all ages and genders with access on evenings and weekends and that crisis management
1164.20 services are available 24 hours per day;

1164.21 (6) establish fees for clinic services for individuals who are not enrolled in medical
1164.22 assistance using a sliding fee scale that ensures that services to patients are not denied or
1164.23 limited due to an individual's inability to pay for services;

1164.24 (7) comply with quality assurance reporting requirements and other reporting
1164.25 requirements included in the most recently issued Certified Community Behavioral Health
1164.26 Clinic Certification Criteria published by the Substance Abuse and Mental Health Services
1164.27 Administration;

1164.28 (8) provide crisis mental health and substance use services, withdrawal management
1164.29 services, emergency crisis intervention services, and stabilization services through existing
1164.30 mobile crisis services; screening, assessment, and diagnosis services, including risk
1164.31 assessments and level of care determinations; person- and family-centered treatment planning;
1164.32 outpatient mental health and substance use services; targeted case management; psychiatric
1164.33 rehabilitation services; peer support and counselor services and family support services;
1164.34 and intensive community-based mental health services, including mental health services

1165.1 for members of the armed forces and veterans. CCBHCs must directly provide the majority
1165.2 of these services to enrollees, but may coordinate some services with another entity through
1165.3 a collaboration or agreement, pursuant to subdivision 3a;

1165.4 (9) provide coordination of care across settings and providers to ensure seamless
1165.5 transitions for individuals being served across the full spectrum of health services, including
1165.6 acute, chronic, and behavioral needs;

1165.7 (10) be certified as a mental health clinic under section 245I.20;

1165.8 (11) comply with standards established by the commissioner relating to CCBHC
1165.9 screenings, assessments, and evaluations that are consistent with this section;

1165.10 (12) be licensed to provide substance use disorder treatment under chapter 245G;

1165.11 (13) be certified to provide children's therapeutic services and supports under section
1165.12 256B.0943;

1165.13 (14) be certified to provide adult rehabilitative mental health services under section
1165.14 256B.0623;

1165.15 (15) be enrolled to provide mental health crisis response services under section
1165.16 256B.0624;

1165.17 (16) be enrolled to provide mental health targeted case management under section
1165.18 256B.0625, subdivision 20;

1165.19 (17) provide services that comply with the evidence-based practices described in
1165.20 subdivision 3d;

1165.21 (18) provide peer services as defined in sections 256B.0615, 256B.0616, and 245G.07,
1165.22 subdivision 2, clause (8), as applicable when peer services are provided; and

1165.23 (19) inform all clients upon initiation of care of the full array of services available under
1165.24 the CCBHC model.

1165.25 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
1165.26 of human services shall notify the revisor of statutes when federal approval is obtained.

1165.27 Sec. 5. Minnesota Statutes 2022, section 245I.02, subdivision 17, is amended to read:

1165.28 Subd. 17. **Functional assessment.** "Functional assessment" means the assessment of a
1165.29 client's current level of functioning relative to functioning that is appropriate for someone
1165.30 the client's age. ~~For a client five years of age or younger, a functional assessment is the~~
1165.31 ~~Early Childhood Service Intensity Instrument (ESCI). For a client six to 17 years of age,~~

1166.1 ~~a functional assessment is the Child and Adolescent Service Intensity Instrument (CASH).~~
1166.2 ~~For a client 18 years of age or older, a functional assessment is the functional assessment~~
1166.3 ~~described in section 245I.10, subdivision 9.~~

1166.4 Sec. 6. Minnesota Statutes 2022, section 245I.02, subdivision 19, is amended to read:

1166.5 Subd. 19. **Level of care assessment.** "Level of care assessment" means the level of care
1166.6 decision support tool appropriate to the client's age. ~~For a client five years of age or younger,~~
1166.7 ~~a level of care assessment is the Early Childhood Service Intensity Instrument (ESCI).~~ For
1166.8 ~~a client six to 17 years of age, a level of care assessment is the Child and Adolescent Service~~
1166.9 ~~Intensity Instrument (CASH).~~ For a client 18 years of age or older, a level of care assessment
1166.10 ~~is the Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS)~~
1166.11 ~~or another tool authorized by the commissioner.~~

1166.12 Sec. 7. Minnesota Statutes 2022, section 245I.04, subdivision 6, is amended to read:

1166.13 Subd. 6. **Clinical trainee qualifications.** (a) A clinical trainee is a staff person who: (1)
1166.14 is enrolled in an accredited graduate program of study to prepare the staff person for
1166.15 independent licensure as a mental health professional and who is participating in a practicum
1166.16 or internship with the license holder through the individual's graduate program; ~~or~~ (2) has
1166.17 completed an accredited graduate program of study to prepare the staff person for independent
1166.18 licensure as a mental health professional and who is in compliance with the requirements
1166.19 of the applicable health-related licensing board, including requirements for supervised
1166.20 practice; or (3) has completed an accredited graduate program of study to prepare the staff
1166.21 person for independent licensure as a mental health professional, has completed a practicum
1166.22 or internship and has not yet taken or received the results from the required test or is waiting
1166.23 for the final licensure decision.

1166.24 (b) A clinical trainee is responsible for notifying and applying to a health-related licensing
1166.25 board to ensure that the trainee meets the requirements of the health-related licensing board.
1166.26 As permitted by a health-related licensing board, treatment supervision under this chapter
1166.27 may be integrated into a plan to meet the supervisory requirements of the health-related
1166.28 licensing board but does not supersede those requirements.

1166.29 Sec. 8. Minnesota Statutes 2022, section 245I.10, subdivision 9, is amended to read:

1166.30 Subd. 9. **Functional assessment; required elements.** (a) When a license holder is
1166.31 completing a functional assessment for an adult client, the license holder must:

- 1167.1 (1) complete a functional assessment of the client after completing the client's diagnostic
1167.2 assessment;
- 1167.3 (2) use a collaborative process that allows the client and the client's family and other
1167.4 natural supports, the client's referral sources, and the client's providers to provide information
1167.5 about how the client's symptoms of mental illness impact the client's functioning;
- 1167.6 (3) if applicable, document the reasons that the license holder did not contact the client's
1167.7 family and other natural supports;
- 1167.8 (4) assess and document how the client's symptoms of mental illness impact the client's
1167.9 functioning in the following areas:
- 1167.10 (i) the client's mental health symptoms;
- 1167.11 (ii) the client's mental health service needs;
- 1167.12 (iii) the client's substance use;
- 1167.13 (iv) the client's vocational and educational functioning;
- 1167.14 (v) the client's social functioning, including the use of leisure time;
- 1167.15 (vi) the client's interpersonal functioning, including relationships with the client's family
1167.16 and other natural supports;
- 1167.17 (vii) the client's ability to provide self-care and live independently;
- 1167.18 (viii) the client's medical and dental health;
- 1167.19 (ix) the client's financial assistance needs; and
- 1167.20 (x) the client's housing and transportation needs;
- 1167.21 ~~(5) include a narrative summarizing the client's strengths, resources, and all areas of~~
1167.22 ~~functional impairment;~~
- 1167.23 ~~(6)~~ (5) complete the client's functional assessment before the client's initial individual
1167.24 treatment plan unless a service specifies otherwise; and
- 1167.25 ~~(7)~~ (6) update the client's functional assessment with the client's current functioning
1167.26 whenever there is a significant change in the client's functioning or at least every ~~180~~ 365
1167.27 days, unless a service specifies otherwise.
- 1167.28 (b) A license holder may use any available, validated measurement tool, including but
1167.29 not limited to the Daily Living Activities-20, when completing the required elements of a
1167.30 functional assessment under this subdivision.

1168.1 Sec. 9. Minnesota Statutes 2022, section 245I.11, subdivision 1, is amended to read:

1168.2 Subdivision 1. **Generally.** (a) If a license holder is licensed as a residential program,
1168.3 stores or administers client medications, or observes clients self-administer medications,
1168.4 the license holder must ensure that a staff person who is a registered nurse or licensed
1168.5 prescriber is responsible for overseeing storage and administration of client medications
1168.6 and observing as a client self-administers medications, including training according to
1168.7 section 245I.05, subdivision 6, and documenting the occurrence according to section 245I.08,
1168.8 subdivision 5.

1168.9 (b) For purposes of this section, "observed self-administration" means the preparation
1168.10 and administration of a medication by a client to themselves under the direct supervision
1168.11 of a registered nurse or a staff member to whom a registered nurse delegates supervision
1168.12 duty. Observed self-administration does not include a client's use of a medication that they
1168.13 keep in their own possession while participating in a program.

1168.14 Sec. 10. Minnesota Statutes 2022, section 245I.11, is amended by adding a subdivision
1168.15 to read:

1168.16 Subd. 6. **Medication administration in children's day treatment settings.** (a) For a
1168.17 program providing children's day treatment services under section 256B.0943, the license
1168.18 holder must maintain policies and procedures that state whether the program will store
1168.19 medication and administer or allow observed self-administration.

1168.20 (b) For a program providing children's day treatment services under section 256B.0943
1168.21 that does not store medications but allows clients to use a medication that they keep in their
1168.22 own possession while participating in a program, the license holder must maintain
1168.23 documentation from a licensed prescriber regarding the safety of medications held by clients,
1168.24 including:

1168.25 (1) an evaluation that the client is capable of holding and administering the medication
1168.26 safely;

1168.27 (2) an evaluation of whether the medication is prone to diversion, misuse, or self-injury;
1168.28 and

1168.29 (3) any conditions under which the license holder should no longer allow the client to
1168.30 maintain the medication in their own possession.

1169.1 Sec. 11. Minnesota Statutes 2022, section 245I.20, subdivision 4, is amended to read:

1169.2 Subd. 4. **Minimum staffing standards.** (a) A certification holder's treatment team must
1169.3 consist of at least four mental health professionals. At least two of the mental health
1169.4 professionals must be employed by or under contract with the mental health clinic for a
1169.5 minimum of 35 hours per week each. ~~Each of the two mental health professionals must~~
1169.6 ~~specialize in a different mental health discipline.~~

1169.7 (b) The treatment team must include:

1169.8 (1) a physician qualified as a mental health professional according to section 245I.04,
1169.9 subdivision 2, clause (4), or a nurse qualified as a mental health professional according to
1169.10 section 245I.04, subdivision 2, clause (1); and

1169.11 (2) a psychologist qualified as a mental health professional according to section 245I.04,
1169.12 subdivision 2, clause (3).

1169.13 (c) The staff persons fulfilling the requirement in paragraph (b) must provide clinical
1169.14 services at least:

1169.15 (1) eight hours every two weeks if the mental health clinic has over 25.0 full-time
1169.16 equivalent treatment team members;

1169.17 (2) eight hours each month if the mental health clinic has 15.1 to 25.0 full-time equivalent
1169.18 treatment team members;

1169.19 (3) four hours each month if the mental health clinic has 5.1 to 15.0 full-time equivalent
1169.20 treatment team members; or

1169.21 (4) two hours each month if the mental health clinic has 2.0 to 5.0 full-time equivalent
1169.22 treatment team members or only provides in-home services to clients.

1169.23 (d) The certification holder must maintain a record that demonstrates compliance with
1169.24 this subdivision.

1169.25 Sec. 12. Minnesota Statutes 2022, section 245I.23, subdivision 14, is amended to read:

1169.26 Subd. 14. **Weekly team meetings.** (a) The license holder must hold weekly team meetings
1169.27 and ancillary meetings according to this subdivision.

1169.28 (b) A mental health professional or certified rehabilitation specialist must hold at least
1169.29 one team meeting each calendar week ~~and~~. The mental health professional or certified
1169.30 rehabilitation specialist must lead and be physically present at the team meeting, except as
1169.31 permitted under paragraph (e). All treatment team members, including treatment team

1170.1 members who work on a part-time or intermittent basis, must participate in a minimum of
1170.2 one team meeting during each calendar week when the treatment team member is working
1170.3 for the license holder. The license holder must document all weekly team meetings, including
1170.4 the names of meeting attendees, and indicate whether the meeting was conducted remotely
1170.5 under paragraph (e).

1170.6 (c) If a treatment team member cannot participate in a weekly team meeting, the treatment
1170.7 team member must participate in an ancillary meeting. A mental health professional, certified
1170.8 rehabilitation specialist, clinical trainee, or mental health practitioner who participated in
1170.9 the most recent weekly team meeting may lead the ancillary meeting. During the ancillary
1170.10 meeting, the treatment team member leading the ancillary meeting must review the
1170.11 information that was shared at the most recent weekly team meeting, including revisions
1170.12 to client treatment plans and other information that the treatment supervisors exchanged
1170.13 with treatment team members. The license holder must document all ancillary meetings,
1170.14 including the names of meeting attendees.

1170.15 (d) If a treatment team member working only one shift during a week cannot participate
1170.16 in a weekly team meeting or participate in an ancillary meeting, the treatment team member
1170.17 must read the minutes of the weekly team meeting required to be documented in paragraph
1170.18 (b). The treatment team member must sign to acknowledge receipt of this information, and
1170.19 document pertinent information or questions. The mental health professional or certified
1170.20 rehabilitation specialist must review any documented questions or pertinent information
1170.21 before the next weekly team meeting.

1170.22 (e) A license holder may permit a mental health professional or certified rehabilitation
1170.23 specialist to lead the weekly meeting remotely due to medical or weather conditions. If the
1170.24 conditions that do not permit physical presence persist for longer than one week, the license
1170.25 holder must request a variance to conduct additional meetings remotely.

1170.26 Sec. 13. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 1a, is amended
1170.27 to read:

1170.28 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
1170.29 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
1170.30 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
1170.31 fund services. State money appropriated for this paragraph must be placed in a separate
1170.32 account established for this purpose.

1170.33 (b) Persons with dependent children who are determined to be in need of substance use
1170.34 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in

1171.1 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
1171.2 subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment
1171.3 services. Treatment services must be appropriate for the individual or family, which may
1171.4 include long-term care treatment or treatment in a facility that allows the dependent children
1171.5 to stay in the treatment facility. The county shall pay for out-of-home placement costs, if
1171.6 applicable.

1171.7 (c) Notwithstanding paragraph (a), ~~persons~~ any person enrolled in medical assistance
1171.8 ~~are~~ or MinnesotaCare is eligible for room and board services under section 254B.05,
1171.9 subdivision 5, paragraph (b), clause ~~(12)~~ (9).

1171.10 (d) A client is eligible to have substance use disorder treatment paid for with funds from
1171.11 the behavioral health fund when the client:

1171.12 (1) is eligible for MFIP as determined under chapter 256J;

1171.13 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
1171.14 9505.0010 to 9505.0150;

1171.15 (3) is eligible for general assistance, general assistance medical care, or work readiness
1171.16 as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

1171.17 (4) has income that is within current household size and income guidelines for entitled
1171.18 persons, as defined in this subdivision and subdivision 7.

1171.19 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
1171.20 a third-party payment source are eligible for the behavioral health fund if the third-party
1171.21 payment source pays less than 100 percent of the cost of treatment services for eligible
1171.22 clients.

1171.23 (f) A client is ineligible to have substance use disorder treatment services paid for with
1171.24 behavioral health fund money if the client:

1171.25 (1) has an income that exceeds current household size and income guidelines for entitled
1171.26 persons as defined in this subdivision and subdivision 7; or

1171.27 (2) has an available third-party payment source that will pay the total cost of the client's
1171.28 treatment.

1171.29 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
1171.30 is eligible for continued treatment service that is paid for by the behavioral health fund until
1171.31 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
1171.32 if the client:

1172.1 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
1172.2 medical care; or

1172.3 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local
1172.4 agency under section 254B.04.

1172.5 (h) When a county commits a client under chapter 253B to a regional treatment center
1172.6 for substance use disorder services and the client is ineligible for the behavioral health fund,
1172.7 the county is responsible for the payment to the regional treatment center according to
1172.8 section 254B.05, subdivision 4.

1172.9 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
1172.10 provided through intensive residential treatment services and residential crisis services under
1172.11 section 256B.0622.

1172.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1172.13 Sec. 14. **[256B.0617] MENTAL HEALTH SERVICES PROVIDER**

1172.14 **CERTIFICATION.**

1172.15 (a) The commissioner of human services shall establish an initial provider entity
1172.16 application and certification and recertification processes to determine whether a provider
1172.17 entity has administrative and clinical infrastructures that meet the certification requirements.
1172.18 This process applies to providers of the following services:

1172.19 (1) children's intensive behavioral health services under section 256B.0946; and

1172.20 (2) intensive nonresidential rehabilitative mental health services under section 256B.0947.

1172.21 (b) The commissioner shall recertify a provider entity every three years using the
1172.22 individual provider's certification anniversary or the calendar year end. The commissioner
1172.23 may approve a recertification extension in the interest of sustaining services when a certain
1172.24 date for recertification is identified.

1172.25 (c) The commissioner shall establish a process for decertification of a provider entity
1172.26 and shall require corrective action, medical assistance repayment, or decertification of a
1172.27 provider entity that no longer meets the requirements in this section or that fails to meet the
1172.28 clinical quality standards or administrative standards provided by the commissioner in the
1172.29 application and certification process.

1172.30 (d) The commissioner must provide the following to provider entities for the certification,
1172.31 recertification, and decertification processes:

1172.32 (1) a structured listing of required provider certification criteria;

1173.1 (2) a formal written letter with a determination of certification, recertification, or
1173.2 decertification signed by the commissioner or the appropriate division director; and

1173.3 (3) a formal written communication outlining the process for necessary corrective action
1173.4 and follow-up by the commissioner signed by the commissioner or their designee, if
1173.5 applicable. In the case of corrective action, the commissioner may schedule interim
1173.6 recertification site reviews to confirm certification or decertification.

1173.7 **EFFECTIVE DATE.** This section is effective July 1, 2024, and the commissioner of
1173.8 human services must implement all requirements of this section by September 1, 2024.

1173.9 Sec. 15. Minnesota Statutes 2022, section 256B.0622, subdivision 2a, is amended to read:

1173.10 Subd. 2a. **Eligibility for assertive community treatment.** (a) An eligible client for
1173.11 assertive community treatment is an individual who meets the following criteria as assessed
1173.12 by an ACT team:

1173.13 (1) is age 18 or older. Individuals ages 16 and 17 may be eligible upon approval by the
1173.14 commissioner;

1173.15 (2) has a primary diagnosis of schizophrenia, schizoaffective disorder, major depressive
1173.16 disorder with psychotic features, other psychotic disorders, or bipolar disorder. Individuals
1173.17 with other psychiatric illnesses may qualify for assertive community treatment if they have
1173.18 a serious mental illness and meet the criteria outlined in clauses (3) and (4), but no more
1173.19 than ten percent of an ACT team's clients may be eligible based on this criteria. Individuals
1173.20 with a primary diagnosis of a substance use disorder, intellectual developmental disabilities,
1173.21 borderline personality disorder, antisocial personality disorder, traumatic brain injury, or
1173.22 an autism spectrum disorder are not eligible for assertive community treatment;

1173.23 (3) has significant functional impairment as demonstrated by at least one of the following
1173.24 conditions:

1173.25 (i) significant difficulty consistently performing the range of routine tasks required for
1173.26 basic adult functioning in the community or persistent difficulty performing daily living
1173.27 tasks without significant support or assistance;

1173.28 (ii) significant difficulty maintaining employment at a self-sustaining level or significant
1173.29 difficulty consistently carrying out the head-of-household responsibilities; or

1173.30 (iii) significant difficulty maintaining a safe living situation;

1173.31 (4) has a need for continuous high-intensity services as evidenced by at least two of the
1173.32 following:

- 1174.1 (i) two or more psychiatric hospitalizations or residential crisis stabilization services in
1174.2 the previous 12 months;
- 1174.3 (ii) frequent utilization of mental health crisis services in the previous six months;
- 1174.4 (iii) 30 or more consecutive days of psychiatric hospitalization in the previous 24 months;
- 1174.5 (iv) intractable, persistent, or prolonged severe psychiatric symptoms;
- 1174.6 (v) coexisting mental health and substance use disorders lasting at least six months;
- 1174.7 (vi) recent history of involvement with the criminal justice system or demonstrated risk
1174.8 of future involvement;
- 1174.9 (vii) significant difficulty meeting basic survival needs;
- 1174.10 (viii) residing in substandard housing, experiencing homelessness, or facing imminent
1174.11 risk of homelessness;
- 1174.12 (ix) significant impairment with social and interpersonal functioning such that basic
1174.13 needs are in jeopardy;
- 1174.14 (x) coexisting mental health and physical health disorders lasting at least six months;
- 1174.15 (xi) residing in an inpatient or supervised community residence but clinically assessed
1174.16 to be able to live in a more independent living situation if intensive services are provided;
- 1174.17 (xii) requiring a residential placement if more intensive services are not available; or
- 1174.18 (xiii) difficulty effectively using traditional office-based outpatient services;
- 1174.19 (5) there are no indications that other available community-based services would be
1174.20 equally or more effective as evidenced by consistent and extensive efforts to treat the
1174.21 individual; and
- 1174.22 (6) in the written opinion of a licensed mental health professional, has the need for mental
1174.23 health services that cannot be met with other available community-based services, or is
1174.24 likely to experience a mental health crisis or require a more restrictive setting if assertive
1174.25 community treatment is not provided.
- 1174.26 (b) An individual meets the criteria for assertive community treatment under this section
1174.27 if they have participated within the last year or are currently participating in a first episode
1174.28 of psychosis program if the individual:
- 1174.29 (1) meets the eligibility requirements outlined in paragraph (a), clauses (1), (2), (5), and
1174.30 (6); and

1175.1 (2) needs the level of intensity provided by an ACT team, in the opinion of the individual's
1175.2 first episode of psychosis program, in order to prevent crisis services use, hospitalization,
1175.3 homelessness, and involvement with the criminal justice system.

1175.4 Sec. 16. Minnesota Statutes 2022, section 256B.0622, subdivision 3a, is amended to read:

1175.5 Subd. 3a. **Provider certification and contract requirements for assertive community**
1175.6 **treatment.** (a) The assertive community treatment provider must:

1175.7 ~~(1) have a contract with the host county to provide assertive community treatment~~
1175.8 ~~services; and~~

1175.9 ~~(2)~~ have each ACT team be certified by the state following the certification process and
1175.10 procedures developed by the commissioner. The certification process determines whether
1175.11 the ACT team meets the standards for assertive community treatment under this section,
1175.12 the standards in chapter 245I as required in section 245I.011, subdivision 5, and minimum
1175.13 program fidelity standards as measured by a nationally recognized fidelity tool approved
1175.14 by the commissioner. Recertification must occur at least every three years.

1175.15 (b) An ACT team certified under this subdivision must meet the following standards:

1175.16 (1) have capacity to recruit, hire, manage, and train required ACT team members;

1175.17 (2) have adequate administrative ability to ensure availability of services;

1175.18 (3) ensure flexibility in service delivery to respond to the changing and intermittent care
1175.19 needs of a client as identified by the client and the individual treatment plan;

1175.20 (4) keep all necessary records required by law;

1175.21 (5) be an enrolled Medicaid provider; and

1175.22 (6) establish and maintain a quality assurance plan to determine specific service outcomes
1175.23 and the client's satisfaction with services.

1175.24 (c) The commissioner may intervene at any time and decertify an ACT team with cause.
1175.25 The commissioner shall establish a process for decertification of an ACT team and shall
1175.26 require corrective action, medical assistance repayment, or decertification of an ACT team
1175.27 that no longer meets the requirements in this section or that fails to meet the clinical quality
1175.28 standards or administrative standards provided by the commissioner in the application and
1175.29 certification process. The decertification is subject to appeal to the state.

1176.1 Sec. 17. Minnesota Statutes 2022, section 256B.0622, subdivision 7a, is amended to read:

1176.2 Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a)

1176.3 The required treatment staff qualifications and roles for an ACT team are:

1176.4 (1) the team leader:

1176.5 (i) shall be a mental health professional. Individuals who are not licensed but who are
1176.6 eligible for licensure and are otherwise qualified may also fulfill this role ~~but must obtain~~
1176.7 ~~full licensure within 24 months of assuming the role of team leader;~~

1176.8 (ii) must be an active member of the ACT team and provide some direct services to
1176.9 clients;

1176.10 (iii) must be a single full-time staff member, dedicated to the ACT team, who is
1176.11 responsible for overseeing the administrative operations of the team, ~~providing treatment~~
1176.12 ~~supervision of services in conjunction with the psychiatrist or psychiatric care provider,~~ and
1176.13 supervising team members to ensure delivery of best and ethical practices; and

1176.14 (iv) must be available to ~~provide~~ ensure that overall treatment supervision to the ACT
1176.15 team is available after regular business hours and on weekends and holidays. ~~The team~~
1176.16 ~~leader may delegate this duty to another~~ and is provided by a qualified member of the ACT
1176.17 team;

1176.18 (2) the psychiatric care provider:

1176.19 (i) must be a mental health professional permitted to prescribe psychiatric medications
1176.20 as part of the mental health professional's scope of practice. The psychiatric care provider
1176.21 must have demonstrated clinical experience working with individuals with serious and
1176.22 persistent mental illness;

1176.23 (ii) shall collaborate with the team leader in sharing overall clinical responsibility for
1176.24 screening and admitting clients; monitoring clients' treatment and team member service
1176.25 delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects,
1176.26 and health-related conditions; actively collaborating with nurses; and helping provide
1176.27 treatment supervision to the team;

1176.28 (iii) shall fulfill the following functions for assertive community treatment clients:
1176.29 provide assessment and treatment of clients' symptoms and response to medications, including
1176.30 side effects; provide brief therapy to clients; provide diagnostic and medication education
1176.31 to clients, with medication decisions based on shared decision making; monitor clients'
1176.32 nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and
1176.33 community visits;

1177.1 (iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized
1177.2 for mental health treatment and shall communicate directly with the client's inpatient
1177.3 psychiatric care providers to ensure continuity of care;

1177.4 (v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per
1177.5 50 clients. Part-time psychiatric care providers shall have designated hours to work on the
1177.6 team, with sufficient blocks of time on consistent days to carry out the provider's clinical,
1177.7 supervisory, and administrative responsibilities. No more than two psychiatric care providers
1177.8 may share this role; and

1177.9 (vi) shall provide psychiatric backup to the program after regular business hours and on
1177.10 weekends and holidays. The psychiatric care provider may delegate this duty to another
1177.11 qualified psychiatric provider;

1177.12 (3) the nursing staff:

1177.13 (i) shall consist of one to three registered nurses or advanced practice registered nurses,
1177.14 of whom at least one has a minimum of one-year experience working with adults with
1177.15 serious mental illness and a working knowledge of psychiatric medications. No more than
1177.16 two individuals can share a full-time equivalent position;

1177.17 (ii) are responsible for managing medication, administering and documenting medication
1177.18 treatment, and managing a secure medication room; and

1177.19 (iii) shall develop strategies, in collaboration with clients, to maximize taking medications
1177.20 as prescribed; screen and monitor clients' mental and physical health conditions and
1177.21 medication side effects; engage in health promotion, prevention, and education activities;
1177.22 communicate and coordinate services with other medical providers; facilitate the development
1177.23 of the individual treatment plan for clients assigned; and educate the ACT team in monitoring
1177.24 psychiatric and physical health symptoms and medication side effects;

1177.25 (4) the co-occurring disorder specialist:

1177.26 (i) shall be a full-time equivalent co-occurring disorder specialist who has received
1177.27 specific training on co-occurring disorders that is consistent with national evidence-based
1177.28 practices. The training must include practical knowledge of common substances and how
1177.29 they affect mental illnesses, the ability to assess substance use disorders and the client's
1177.30 stage of treatment, motivational interviewing, and skills necessary to provide counseling to
1177.31 clients at all different stages of change and treatment. The co-occurring disorder specialist
1177.32 may also be an individual who is a licensed alcohol and drug counselor as described in
1177.33 section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience,

1178.1 and other requirements in section 245G.11, subdivision 5. No more than two co-occurring
1178.2 disorder specialists may occupy this role; and

1178.3 (ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients.

1178.4 The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT
1178.5 team members on co-occurring disorders;

1178.6 (5) the vocational specialist:

1178.7 (i) shall be a full-time vocational specialist who has at least one-year experience providing
1178.8 employment services or advanced education that involved field training in vocational services
1178.9 to individuals with mental illness. An individual who does not meet these qualifications
1178.10 may also serve as the vocational specialist upon completing a training plan approved by the
1178.11 commissioner;

1178.12 (ii) shall provide or facilitate the provision of vocational services to clients. The vocational
1178.13 specialist serves as a consultant and educator to fellow ACT team members on these services;
1178.14 and

1178.15 (iii) must not refer individuals to receive any type of vocational services or linkage by
1178.16 providers outside of the ACT team;

1178.17 (6) the mental health certified peer specialist:

1178.18 (i) shall be a full-time equivalent. No more than two individuals can share this position.
1178.19 The mental health certified peer specialist is a fully integrated team member who provides
1178.20 highly individualized services in the community and promotes the self-determination and
1178.21 shared decision-making abilities of clients. This requirement may be waived due to workforce
1178.22 shortages upon approval of the commissioner;

1178.23 (ii) must provide coaching, mentoring, and consultation to the clients to promote recovery,
1178.24 self-advocacy, and self-direction, promote wellness management strategies, and assist clients
1178.25 in developing advance directives; and

1178.26 (iii) must model recovery values, attitudes, beliefs, and personal action to encourage
1178.27 wellness and resilience, provide consultation to team members, promote a culture where
1178.28 the clients' points of view and preferences are recognized, understood, respected, and
1178.29 integrated into treatment, and serve in a manner equivalent to other team members;

1178.30 (7) the program administrative assistant shall be a full-time office-based program
1178.31 administrative assistant position assigned to solely work with the ACT team, providing a
1178.32 range of supports to the team, clients, and families; and

1179.1 (8) additional staff:

1179.2 (i) shall be based on team size. Additional treatment team staff may include mental
1179.3 health professionals; clinical trainees; certified rehabilitation specialists; mental health
1179.4 practitioners; or mental health rehabilitation workers. These individuals shall have the
1179.5 knowledge, skills, and abilities required by the population served to carry out rehabilitation
1179.6 and support functions; and

1179.7 (ii) shall be selected based on specific program needs or the population served.

1179.8 (b) Each ACT team must clearly document schedules for all ACT team members.

1179.9 (c) Each ACT team member must serve as a primary team member for clients assigned
1179.10 by the team leader and are responsible for facilitating the individual treatment plan process
1179.11 for those clients. The primary team member for a client is the responsible team member
1179.12 knowledgeable about the client's life and circumstances and writes the individual treatment
1179.13 plan. The primary team member provides individual supportive therapy or counseling, and
1179.14 provides primary support and education to the client's family and support system.

1179.15 (d) Members of the ACT team must have strong clinical skills, professional qualifications,
1179.16 experience, and competency to provide a full breadth of rehabilitation services. Each staff
1179.17 member shall be proficient in their respective discipline and be able to work collaboratively
1179.18 as a member of a multidisciplinary team to deliver the majority of the treatment,
1179.19 rehabilitation, and support services clients require to fully benefit from receiving assertive
1179.20 community treatment.

1179.21 (e) Each ACT team member must fulfill training requirements established by the
1179.22 commissioner.

1179.23 Sec. 18. Minnesota Statutes 2023 Supplement, section 256B.0622, subdivision 7b, is
1179.24 amended to read:

1179.25 Subd. 7b. **Assertive community treatment program size and opportunities scores.** (a)
1179.26 Each ACT team ~~shall maintain an annual average caseload that does not exceed 100 clients.~~
1179.27 ~~Staff to client ratios shall be based on team size as follows:~~ must demonstrate that the team
1179.28 attained a passing score according to the most recently issued Tool for Measurement of
1179.29 Assertive Community Treatment (TMACT).

1179.30 ~~(1) a small ACT team must:~~

1179.31 ~~(i) employ at least six but no more than seven full-time treatment team staff, excluding~~
1179.32 ~~the program assistant and the psychiatric care provider;~~

- 1180.1 ~~(ii) serve an annual average maximum of no more than 50 clients;~~
- 1180.2 ~~(iii) ensure at least one full-time equivalent position for every eight clients served;~~
- 1180.3 ~~(iv) schedule ACT team staff on weekdays and on-call duty to provide crisis services~~
1180.4 ~~and deliver services after hours when staff are not working;~~
- 1180.5 ~~(v) provide crisis services during business hours if the small ACT team does not have~~
1180.6 ~~sufficient staff numbers to operate an after-hours on-call system. During all other hours,~~
1180.7 ~~the ACT team may arrange for coverage for crisis assessment and intervention services~~
1180.8 ~~through a reliable crisis-intervention provider as long as there is a mechanism by which the~~
1180.9 ~~ACT team communicates routinely with the crisis-intervention provider and the on-call~~
1180.10 ~~ACT team staff are available to see clients face-to-face when necessary or if requested by~~
1180.11 ~~the crisis-intervention services provider;~~
- 1180.12 ~~(vi) adjust schedules and provide staff to carry out the needed service activities in the~~
1180.13 ~~evenings or on weekend days or holidays, when necessary;~~
- 1180.14 ~~(vii) arrange for and provide psychiatric backup during all hours the psychiatric care~~
1180.15 ~~provider is not regularly scheduled to work. If availability of the ACT team's psychiatric~~
1180.16 ~~care provider during all hours is not feasible, alternative psychiatric prescriber backup must~~
1180.17 ~~be arranged and a mechanism of timely communication and coordination established in~~
1180.18 ~~writing; and~~
- 1180.19 ~~(viii) be composed of, at minimum, one full-time team leader, at least 16 hours each~~
1180.20 ~~week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full-time~~
1180.21 ~~equivalent nursing, one full-time co-occurring disorder specialist, one full-time equivalent~~
1180.22 ~~mental health certified peer specialist, one full-time vocational specialist, one full-time~~
1180.23 ~~program assistant, and at least one additional full-time ACT team member who has mental~~
1180.24 ~~health professional, certified rehabilitation specialist, clinical trainee, or mental health~~
1180.25 ~~practitioner status; and~~
- 1180.26 ~~(2) a midsize ACT team shall:~~
- 1180.27 ~~(i) be composed of, at minimum, one full-time team leader, at least 16 hours of psychiatry~~
1180.28 ~~time for 51 clients, with an additional two hours for every six clients added to the team, 1.5~~
1180.29 ~~to two full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one~~
1180.30 ~~full-time equivalent mental health certified peer specialist, one full-time vocational specialist,~~
1180.31 ~~one full-time program assistant, and at least 1.5 to two additional full-time equivalent ACT~~
1180.32 ~~members, with at least one dedicated full-time staff member with mental health professional~~

- 1181.1 ~~status. Remaining team members may have mental health professional, certified rehabilitation~~
1181.2 ~~specialist, clinical trainee, or mental health practitioner status;~~
- 1181.3 ~~(ii) employ seven or more treatment team full-time equivalents, excluding the program~~
1181.4 ~~assistant and the psychiatric care provider;~~
- 1181.5 ~~(iii) serve an annual average maximum caseload of 51 to 74 clients;~~
- 1181.6 ~~(iv) ensure at least one full-time equivalent position for every nine clients served;~~
- 1181.7 ~~(v) schedule ACT team staff for a minimum of ten-hour shift coverage on weekdays~~
1181.8 ~~and six to eight-hour shift coverage on weekends and holidays. In addition to these minimum~~
1181.9 ~~specifications, staff are regularly scheduled to provide the necessary services on a~~
1181.10 ~~client-by-client basis in the evenings and on weekends and holidays;~~
- 1181.11 ~~(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services~~
1181.12 ~~when staff are not working;~~
- 1181.13 ~~(vii) have the authority to arrange for coverage for crisis assessment and intervention~~
1181.14 ~~services through a reliable crisis intervention provider as long as there is a mechanism by~~
1181.15 ~~which the ACT team communicates routinely with the crisis intervention provider and the~~
1181.16 ~~on-call ACT team staff are available to see clients face-to-face when necessary or if requested~~
1181.17 ~~by the crisis intervention services provider; and~~
- 1181.18 ~~(viii) arrange for and provide psychiatric backup during all hours the psychiatric care~~
1181.19 ~~provider is not regularly scheduled to work. If availability of the psychiatric care provider~~
1181.20 ~~during all hours is not feasible, alternative psychiatric prescriber backup must be arranged~~
1181.21 ~~and a mechanism of timely communication and coordination established in writing;~~
- 1181.22 ~~(3) a large ACT team must:~~
- 1181.23 ~~(i) be composed of, at minimum, one full-time team leader, at least 32 hours each week~~
1181.24 ~~per 100 clients, or equivalent of psychiatry time, three full-time equivalent nursing staff,~~
1181.25 ~~one full-time co-occurring disorder specialist, one full-time equivalent mental health certified~~
1181.26 ~~peer specialist, one full-time vocational specialist, one full-time program assistant, and at~~
1181.27 ~~least two additional full-time equivalent ACT team members, with at least one dedicated~~
1181.28 ~~full-time staff member with mental health professional status. Remaining team members~~
1181.29 ~~may have mental health professional or mental health practitioner status;~~
- 1181.30 ~~(ii) employ nine or more treatment team full-time equivalents, excluding the program~~
1181.31 ~~assistant and psychiatric care provider;~~
- 1181.32 ~~(iii) serve an annual average maximum caseload of 75 to 100 clients;~~

- 1182.1 ~~(iv) ensure at least one full-time equivalent position for every nine individuals served;~~
1182.2 ~~(v) schedule staff to work two eight-hour shifts, with a minimum of two staff on the~~
1182.3 ~~second shift providing services at least 12 hours per day weekdays. For weekends and~~
1182.4 ~~holidays, the team must operate and schedule ACT team staff to work one eight-hour shift,~~
1182.5 ~~with a minimum of two staff each weekend day and every holiday;~~
1182.6 ~~(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services~~
1182.7 ~~when staff are not working; and~~
1182.8 ~~(vii) arrange for and provide psychiatric backup during all hours the psychiatric care~~
1182.9 ~~provider is not regularly scheduled to work. If availability of the ACT team psychiatric care~~
1182.10 ~~provider during all hours is not feasible, alternative psychiatric backup must be arranged~~
1182.11 ~~and a mechanism of timely communication and coordination established in writing.~~
1182.12 ~~(b) An ACT team of any size may have a staff-to-client ratio that is lower than the~~
1182.13 ~~requirements described in paragraph (a) upon approval by the commissioner, but may not~~
1182.14 ~~exceed a one-to-ten staff-to-client ratio.~~

1182.15 Sec. 19. Minnesota Statutes 2022, section 256B.0622, subdivision 7d, is amended to read:

1182.16 Subd. 7d. **Assertive community treatment assessment and individual treatment**
1182.17 **plan.** (a) An initial assessment shall be completed the day of the client's admission to
1182.18 assertive community treatment by the ACT team leader or the psychiatric care provider,
1182.19 with participation by designated ACT team members and the client. The initial assessment
1182.20 must include obtaining or completing a standard diagnostic assessment according to section
1182.21 245I.10, subdivision 6, and completing a 30-day individual treatment plan. The team leader,
1182.22 psychiatric care provider, or other mental health professional designated by the team leader
1182.23 or psychiatric care provider, must update the client's diagnostic assessment ~~at least annually~~
1182.24 as required under section 245I.10, subdivision 2, paragraphs (f) and (g).

1182.25 (b) A functional assessment must be completed according to section 245I.10, subdivision
1182.26 9. Each part of the functional assessment areas shall be completed by each respective team
1182.27 specialist or an ACT team member with skill and knowledge in the area being assessed.

1182.28 (c) Between 30 and 45 days after the client's admission to assertive community treatment,
1182.29 the entire ACT team must hold a comprehensive case conference, where all team members,
1182.30 including the psychiatric provider, present information discovered from the completed
1182.31 assessments and provide treatment recommendations. The conference must serve as the
1182.32 basis for the first individual treatment plan, which must be written by the primary team
1182.33 member.

1183.1 (d) The client's psychiatric care provider, primary team member, and individual treatment
1183.2 team members shall assume responsibility for preparing the written narrative of the results
1183.3 from the psychiatric and social functioning history timeline and the comprehensive
1183.4 assessment.

1183.5 (e) The primary team member and individual treatment team members shall be assigned
1183.6 by the team leader in collaboration with the psychiatric care provider by the time of the first
1183.7 treatment planning meeting or 30 days after admission, whichever occurs first.

1183.8 (f) Individual treatment plans must be developed through the following treatment planning
1183.9 process:

1183.10 (1) The individual treatment plan shall be developed in collaboration with the client and
1183.11 the client's preferred natural supports, and guardian, if applicable and appropriate. The ACT
1183.12 team shall evaluate, together with each client, the client's needs, strengths, and preferences
1183.13 and develop the individual treatment plan collaboratively. The ACT team shall make every
1183.14 effort to ensure that the client and the client's family and natural supports, with the client's
1183.15 consent, are in attendance at the treatment planning meeting, are involved in ongoing
1183.16 meetings related to treatment, and have the necessary supports to fully participate. The
1183.17 client's participation in the development of the individual treatment plan shall be documented.

1183.18 (2) The client and the ACT team shall work together to formulate and prioritize the
1183.19 issues, set goals, research approaches and interventions, and establish the plan. The plan is
1183.20 individually tailored so that the treatment, rehabilitation, and support approaches and
1183.21 interventions achieve optimum symptom reduction, help fulfill the personal needs and
1183.22 aspirations of the client, take into account the cultural beliefs and realities of the individual,
1183.23 and improve all the aspects of psychosocial functioning that are important to the client. The
1183.24 process supports strengths, rehabilitation, and recovery.

1183.25 (3) Each client's individual treatment plan shall identify service needs, strengths and
1183.26 capacities, and barriers, and set specific and measurable short- and long-term goals for each
1183.27 service need. The individual treatment plan must clearly specify the approaches and
1183.28 interventions necessary for the client to achieve the individual goals, when the interventions
1183.29 shall happen, and identify which ACT team member shall carry out the approaches and
1183.30 interventions.

1183.31 (4) The primary team member and the individual treatment team, together with the client
1183.32 and the client's family and natural supports with the client's consent, are responsible for
1183.33 reviewing and rewriting the treatment goals and individual treatment plan whenever there
1183.34 is a major decision point in the client's course of treatment or at least every six months.

1184.1 (5) The primary team member shall prepare a summary that thoroughly describes in
1184.2 writing the client's and the individual treatment team's evaluation of the client's progress
1184.3 and goal attainment, the effectiveness of the interventions, and the satisfaction with services
1184.4 since the last individual treatment plan. The client's most recent diagnostic assessment must
1184.5 be included with the treatment plan summary.

1184.6 (6) The individual treatment plan and review must be approved or acknowledged by the
1184.7 client, the primary team member, the team leader, the psychiatric care provider, and all
1184.8 individual treatment team members. A copy of the approved individual treatment plan must
1184.9 be made available to the client.

1184.10 Sec. 20. Minnesota Statutes 2022, section 256B.0623, subdivision 5, is amended to read:

1184.11 Subd. 5. **Qualifications of provider staff.** Adult rehabilitative mental health services
1184.12 must be provided by qualified individual provider staff of a certified provider entity.

1184.13 Individual provider staff must be qualified as:

1184.14 (1) a mental health professional who is qualified according to section 245I.04, subdivision
1184.15 2;

1184.16 (2) a certified rehabilitation specialist who is qualified according to section 245I.04,
1184.17 subdivision 8;

1184.18 (3) a clinical trainee who is qualified according to section 245I.04, subdivision 6;

1184.19 (4) a mental health practitioner qualified according to section 245I.04, subdivision 4;

1184.20 (5) a mental health certified peer specialist who is qualified according to section 245I.04,
1184.21 subdivision 10; ~~or~~

1184.22 (6) a mental health rehabilitation worker who is qualified according to section 245I.04,
1184.23 subdivision 14; or

1184.24 (7) a licensed occupational therapist, as defined in section 148.6402, subdivision 14.

1184.25 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
1184.26 of human services must notify the revisor of statutes when federal approval is obtained.

1184.27 Sec. 21. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 5m, is
1184.28 amended to read:

1184.29 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical
1184.30 assistance covers services provided by a not-for-profit certified community behavioral health
1184.31 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

1185.1 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
1185.2 eligible service is delivered using the CCBHC daily bundled rate system for medical
1185.3 assistance payments as described in paragraph (c). The commissioner shall include a quality
1185.4 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
1185.5 There is no county share for medical assistance services when reimbursed through the
1185.6 CCBHC daily bundled rate system.

1185.7 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
1185.8 payments under medical assistance meets the following requirements:

1185.9 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
1185.10 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable
1185.11 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
1185.12 payment rate, total annual visits include visits covered by medical assistance and visits not
1185.13 covered by medical assistance. Allowable costs include but are not limited to the salaries
1185.14 and benefits of medical assistance providers; the cost of CCBHC services provided under
1185.15 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as
1185.16 insurance or supplies needed to provide CCBHC services;

1185.17 (2) payment shall be limited to one payment per day per medical assistance enrollee
1185.18 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
1185.19 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph
1185.20 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or
1185.21 licensed agency employed by or under contract with a CCBHC;

1185.22 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,
1185.23 subdivision 3, shall be established by the commissioner using a provider-specific rate based
1185.24 on the newly certified CCBHC's audited historical cost report data adjusted for the expected
1185.25 cost of delivering CCBHC services. Estimates are subject to review by the commissioner
1185.26 and must include the expected cost of providing the full scope of CCBHC services and the
1185.27 expected number of visits for the rate period;

1185.28 (4) the commissioner shall rebase CCBHC rates once every two years following the last
1185.29 rebasing and no less than 12 months following an initial rate or a rate change due to a change
1185.30 in the scope of services. For CCBHCs certified after September 31, 2020, and before January
1185.31 1, 2021, the commissioner shall rebase rates according to this clause for services provided
1185.32 on or after January 1, 2024;

1185.33 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
1185.34 of the rebasing;

1186.1 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal
1186.2 Medicaid rate is not eligible for the CCBHC rate methodology;

1186.3 (7) payments for CCBHC services to individuals enrolled in managed care shall be
1186.4 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
1186.5 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
1186.6 of the CCBHC daily bundled rate system in the Medicaid Management Information System
1186.7 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
1186.8 due made payable to CCBHCs no later than 18 months thereafter;

1186.9 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
1186.10 provider-specific rate by the Medicare Economic Index for primary care services. This
1186.11 update shall occur each year in between rebasing periods determined by the commissioner
1186.12 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
1186.13 annually using the CCBHC cost report established by the commissioner; and

1186.14 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
1186.15 services when such changes are expected to result in an adjustment to the CCBHC payment
1186.16 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
1186.17 regarding the changes in the scope of services, including the estimated cost of providing
1186.18 the new or modified services and any projected increase or decrease in the number of visits
1186.19 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
1186.20 adjustments for changes in scope shall occur no more than once per year in between rebasing
1186.21 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

1186.22 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
1186.23 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of
1186.24 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
1186.25 any contract year, federal approval is not received for this paragraph, the commissioner
1186.26 must adjust the capitation rates paid to managed care plans and county-based purchasing
1186.27 plans for that contract year to reflect the removal of this provision. Contracts between
1186.28 managed care plans and county-based purchasing plans and providers to whom this paragraph
1186.29 applies must allow recovery of payments from those providers if capitation rates are adjusted
1186.30 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
1186.31 to any increase in rates that results from this provision. This paragraph expires if federal
1186.32 approval is not received for this paragraph at any time.

1186.33 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
1186.34 that meets the following requirements:

1187.1 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
1187.2 thresholds for performance metrics established by the commissioner, in addition to payments
1187.3 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
1187.4 paragraph (c);

1187.5 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement
1187.6 year to be eligible for incentive payments;

1187.7 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
1187.8 receive quality incentive payments at least 90 days prior to the measurement year; and

1187.9 (4) a CCBHC must provide the commissioner with data needed to determine incentive
1187.10 payment eligibility within six months following the measurement year. The commissioner
1187.11 shall notify CCBHC providers of their performance on the required measures and the
1187.12 incentive payment amount within 12 months following the measurement year.

1187.13 (f) All claims to managed care plans for CCBHC services as provided under this section
1187.14 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
1187.15 than January 1 of the following calendar year, if:

1187.16 (1) one or more managed care plans does not comply with the federal requirement for
1187.17 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
1187.18 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
1187.19 days of noncompliance; and

1187.20 (2) the total amount of clean claims not paid in accordance with federal requirements
1187.21 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
1187.22 eligible for payment by managed care plans.

1187.23 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
1187.24 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
1187.25 the following year. If the conditions in this paragraph are met between July 1 and December
1187.26 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
1187.27 on July 1 of the following year.

1187.28 (g) Peer services provided by a CCBHC certified under section 245.735 are a covered
1187.29 service under medical assistance when a licensed mental health professional or alcohol and
1187.30 drug counselor determines that peer services are medically necessary. Eligibility under this
1187.31 subdivision for peer services provided by a CCBHC supersede eligibility standards under
1187.32 sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

1188.1 Sec. 22. Minnesota Statutes 2023 Supplement, section 256B.0671, subdivision 3, is
1188.2 amended to read:

1188.3 Subd. 3. **Adult day treatment services.** (a) Medical assistance covers adult day treatment
1188.4 (ADT) services that are provided under contract with the county board. Adult day treatment
1188.5 payment is subject to the conditions in paragraphs (b) to (e). The provider must make
1188.6 reasonable and good faith efforts to report individual client outcomes to the commissioner
1188.7 using instruments, protocols, and forms approved by the commissioner.

1188.8 (b) Adult day treatment is an intensive psychotherapeutic treatment to reduce or relieve
1188.9 the effects of mental illness on a client to enable the client to benefit from a lower level of
1188.10 care and to live and function more independently in the community. Adult day treatment
1188.11 services must be provided to a client to stabilize the client's mental health and to improve
1188.12 the client's independent living and socialization skills. Adult day treatment must consist of
1188.13 at least one hour of group psychotherapy and must include group time focused on
1188.14 rehabilitative interventions or other therapeutic services that a multidisciplinary team provides
1188.15 to each client. Adult day treatment services are not a part of inpatient or residential treatment
1188.16 services. The following providers may apply to become adult day treatment providers:

1188.17 (1) a hospital ~~accredited by the Joint Commission on Accreditation of Health~~
1188.18 ~~Organizations~~ with Centers for Medicare and Medicaid Services approved hospital
1188.19 accreditation and licensed under sections 144.50 to 144.55;

1188.20 (2) a community mental health center under section 256B.0625, subdivision 5; or

1188.21 (3) an entity that is under contract with the county board to operate a program that meets
1188.22 the requirements of section 245.4712, subdivision 2, and Minnesota Rules, parts 9505.0170
1188.23 to 9505.0475.

1188.24 (c) An adult day treatment services provider must:

1188.25 (1) ensure that the commissioner has approved of the organization as an adult day
1188.26 treatment provider organization;

1188.27 (2) ensure that a multidisciplinary team provides ADT services to a group of clients. A
1188.28 mental health professional must supervise each multidisciplinary staff person who provides
1188.29 ADT services;

1188.30 (3) make ADT services available to the client at least two days a week for at least three
1188.31 consecutive hours per day. ADT services may be longer than three hours per day, but medical
1188.32 assistance may not reimburse a provider for more than 15 hours per week;

1189.1 (4) provide ADT services to each client that includes group psychotherapy by a mental
1189.2 health professional or clinical trainee and daily rehabilitative interventions by a mental
1189.3 health professional, clinical trainee, or mental health practitioner; and

1189.4 (5) include ADT services in the client's individual treatment plan, when appropriate.

1189.5 The adult day treatment provider must:

1189.6 (i) complete a functional assessment of each client under section 245I.10, subdivision
1189.7 9;

1189.8 (ii) notwithstanding section 245I.10, subdivision 8, review the client's progress and
1189.9 update the individual treatment plan at least every 90 days until the client is discharged
1189.10 from the program; and

1189.11 (iii) include a discharge plan for the client in the client's individual treatment plan.

1189.12 (d) To be eligible for adult day treatment, a client must:

1189.13 (1) be 18 years of age or older;

1189.14 (2) not reside in a nursing facility, hospital, institute of mental disease, or state-operated
1189.15 treatment center unless the client has an active discharge plan that indicates a move to an
1189.16 independent living setting within 180 days;

1189.17 (3) have the capacity to engage in rehabilitative programming, skills activities, and
1189.18 psychotherapy in the structured, therapeutic setting of an adult day treatment program and
1189.19 demonstrate measurable improvements in functioning resulting from participation in the
1189.20 adult day treatment program;

1189.21 (4) have a level of care assessment under section 245I.02, subdivision 19, recommending
1189.22 that the client participate in services with the level of intensity and duration of an adult day
1189.23 treatment program; and

1189.24 (5) have the recommendation of a mental health professional for adult day treatment
1189.25 services. The mental health professional must find that adult day treatment services are
1189.26 medically necessary for the client.

1189.27 (e) Medical assistance does not cover the following services as adult day treatment
1189.28 services:

1189.29 (1) services that are primarily recreational or that are provided in a setting that is not
1189.30 under medical supervision, including sports activities, exercise groups, craft hours, leisure
1189.31 time, social hours, meal or snack time, trips to community activities, and tours;

1190.1 (2) social or educational services that do not have or cannot reasonably be expected to
1190.2 have a therapeutic outcome related to the client's mental illness;

1190.3 (3) consultations with other providers or service agency staff persons about the care or
1190.4 progress of a client;

1190.5 (4) prevention or education programs that are provided to the community;

1190.6 (5) day treatment for clients with a primary diagnosis of a substance use disorder;

1190.7 (6) day treatment provided in the client's home;

1190.8 (7) psychotherapy for more than two hours per day; and

1190.9 (8) participation in meal preparation and eating that is not part of a clinical treatment
1190.10 plan to address the client's eating disorder.

1190.11 Sec. 23. Minnesota Statutes 2023 Supplement, section 256B.0671, subdivision 5, is
1190.12 amended to read:

1190.13 Subd. 5. **Child and family psychoeducation services.** (a) Medical assistance covers
1190.14 child and family psychoeducation services provided to a child up to under age 21 with and
1190.15 the child's family members, when determined to be medically necessary due to a diagnosed
1190.16 mental health condition when or diagnosed mental illness identified in the child's individual
1190.17 treatment plan and provided by a mental health professional who is qualified under section
1190.18 245I.04, subdivision 2, and practicing within the scope of practice under section 245I.04,
1190.19 subdivision 3; a mental health practitioner who is qualified under section 245I.04, subdivision
1190.20 4, and practicing within the scope of practice under section 245I.04, subdivision 5; or a
1190.21 clinical trainee who has determined it medically necessary to involve family members in
1190.22 the child's care is qualified under section 245I.04, subdivision 6, and practicing within the
1190.23 scope of practice under section 245I.04, subdivision 7.

1190.24 (b) "Child and family psychoeducation services" means information or demonstration
1190.25 provided to an individual or family as part of an individual, family, multifamily group, or
1190.26 peer group session to explain, educate, and support the child and family in understanding
1190.27 a child's symptoms of mental illness, the impact on the child's development, and needed
1190.28 components of treatment and skill development so that the individual, family, or group can
1190.29 help the child to prevent relapse, prevent the acquisition of comorbid disorders, and achieve
1190.30 optimal mental health and long-term resilience.

1190.31 (c) Child and family psychoeducation services include individual, family, or group skills
1190.32 development or training to:

1191.1 (1) support the development of psychosocial skills that are medically necessary to
1191.2 rehabilitate the child to an age-appropriate developmental trajectory when the child's
1191.3 development was disrupted by a mental health condition or diagnosed mental illness; or

1191.4 (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace
1191.5 skills deficits or maladaptive skills acquired over the course of the child's mental health
1191.6 condition or mental illness.

1191.7 (d) Skills development or training delivered to a child or the child's family under this
1191.8 subdivision must be targeted to the specific deficits related to the child's mental health
1191.9 condition or mental illness and must be prescribed in the child's individual treatment plan.
1191.10 Group skills training may be provided to multiple recipients who, because of the nature of
1191.11 their emotional, behavioral, or social functional ability, may benefit from interaction in a
1191.12 group setting.

1191.13 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1191.14 whichever is later. The commissioner of human services shall notify the revisor of statutes
1191.15 when federal approval is obtained.

1191.16 Sec. 24. Minnesota Statutes 2022, section 256B.0943, subdivision 3, is amended to read:

1191.17 **Subd. 3. Determination of client eligibility.** (a) A client's eligibility to receive children's
1191.18 therapeutic services and supports under this section shall be determined based on a standard
1191.19 diagnostic assessment by a mental health professional or a clinical trainee that is performed
1191.20 within one year before the initial start of service and updated as required under section
1191.21 245I.10, subdivision 2. The standard diagnostic assessment must:

1191.22 (1) determine whether a child under age 18 has a diagnosis of emotional disturbance or,
1191.23 if the person is between the ages of 18 and 21, whether the person has a mental illness;

1191.24 (2) document children's therapeutic services and supports as medically necessary to
1191.25 address an identified disability, functional impairment, and the individual client's needs and
1191.26 goals; and

1191.27 (3) be used in the development of the individual treatment plan.

1191.28 (b) Notwithstanding paragraph (a), a client may be determined to be eligible for up to
1191.29 five days of day treatment under this section based on a hospital's medical history and
1191.30 presentation examination of the client.

1191.31 (c) Children's therapeutic services and supports include development and rehabilitative
1191.32 services that support a child's developmental treatment needs.

1192.1 Sec. 25. Minnesota Statutes 2022, section 256B.0943, subdivision 12, is amended to read:

1192.2 Subd. 12. **Excluded services.** The following services are not eligible for medical
1192.3 assistance payment as children's therapeutic services and supports:

1192.4 (1) service components of children's therapeutic services and supports simultaneously
1192.5 provided by more than one provider entity unless prior authorization is obtained;

1192.6 (2) treatment by multiple providers within the same agency at the same clock time,
1192.7 unless one service is delivered to the child and the other service is delivered to the child's
1192.8 family or treatment team without the child present;

1192.9 (3) children's therapeutic services and supports provided in violation of medical assistance
1192.10 policy in Minnesota Rules, part 9505.0220;

1192.11 (4) mental health behavioral aide services provided by a personal care assistant who is
1192.12 not qualified as a mental health behavioral aide and employed by a certified children's
1192.13 therapeutic services and supports provider entity;

1192.14 (5) service components of CTSS that are the responsibility of a residential or program
1192.15 license holder, including foster care providers under the terms of a service agreement or
1192.16 administrative rules governing licensure; and

1192.17 (6) adjunctive activities that may be offered by a provider entity but are not otherwise
1192.18 covered by medical assistance, including:

1192.19 (i) a service that is primarily recreation oriented or that is provided in a setting that is
1192.20 not medically supervised. This includes sports activities, exercise groups, activities such as
1192.21 craft hours, leisure time, social hours, meal or snack time, trips to community activities,
1192.22 and tours;

1192.23 (ii) a social or educational service that does not have or cannot reasonably be expected
1192.24 to have a therapeutic outcome related to the client's emotional disturbance;

1192.25 (iii) prevention or education programs provided to the community; and

1192.26 (iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

1192.27 Sec. 26. Minnesota Statutes 2022, section 256B.0947, subdivision 5, is amended to read:

1192.28 Subd. 5. **Standards for intensive nonresidential rehabilitative providers.** (a) Services
1192.29 must meet the standards in this section and chapter 245I as required in section 245I.011,
1192.30 subdivision 5.

1193.1 (b) The treatment team must have specialized training in providing services to the specific
1193.2 age group of youth that the team serves. An individual treatment team must serve youth
1193.3 who are: (1) at least eight years of age or older and under 16 years of age, or (2) at least 14
1193.4 years of age or older and under 21 years of age.

1193.5 (c) The treatment team for intensive nonresidential rehabilitative mental health services
1193.6 comprises both permanently employed core team members and client-specific team members
1193.7 as follows:

1193.8 (1) Based on professional qualifications and client needs, clinically qualified core team
1193.9 members are assigned on a rotating basis as the client's lead worker to coordinate a client's
1193.10 care. The core team must comprise at least four full-time equivalent direct care staff and
1193.11 must minimally include:

1193.12 (i) a mental health professional who serves as team leader to provide administrative
1193.13 direction and treatment supervision to the team;

1193.14 (ii) an advanced-practice registered nurse with certification in psychiatric or mental
1193.15 health care or a board-certified child and adolescent psychiatrist, either of which must be
1193.16 credentialed to prescribe medications;

1193.17 ~~(iii) a licensed alcohol and drug counselor who is also trained in mental health~~
1193.18 ~~interventions; and~~

1193.19 ~~(iv)~~ (iii) a mental health certified peer specialist who is qualified according to section
1193.20 245I.04, subdivision 10, and is also a former children's mental health consumer; and

1193.21 (iv) a co-occurring disorder specialist who meets the requirements under section
1193.22 256B.0622, subdivision 7a, paragraph (a), clause (4), who will provide or facilitate the
1193.23 provision of co-occurring disorder treatment to clients.

1193.24 (2) The core team may also include any of the following:

1193.25 (i) additional mental health professionals;

1193.26 (ii) a vocational specialist;

1193.27 (iii) an educational specialist with knowledge and experience working with youth
1193.28 regarding special education requirements and goals, special education plans, and coordination
1193.29 of educational activities with health care activities;

1193.30 (iv) a child and adolescent psychiatrist who may be retained on a consultant basis;

1193.31 (v) a clinical trainee qualified according to section 245I.04, subdivision 6;

- 1194.1 (vi) a mental health practitioner qualified according to section 245I.04, subdivision 4;
- 1194.2 (vii) a case management service provider, as defined in section 245.4871, subdivision
1194.3 4;
- 1194.4 (viii) a housing access specialist; and
- 1194.5 (ix) a family peer specialist as defined in subdivision 2, paragraph (j).
- 1194.6 (3) A treatment team may include, in addition to those in clause (1) or (2), ad hoc
1194.7 members not employed by the team who consult on a specific client and who must accept
1194.8 overall clinical direction from the treatment team for the duration of the client's placement
1194.9 with the treatment team and must be paid by the provider agency at the rate for a typical
1194.10 session by that provider with that client or at a rate negotiated with the client-specific
1194.11 member. Client-specific treatment team members may include:
- 1194.12 (i) the mental health professional treating the client prior to placement with the treatment
1194.13 team;
- 1194.14 (ii) the client's current substance use counselor, if applicable;
- 1194.15 (iii) a lead member of the client's individualized education program team or school-based
1194.16 mental health provider, if applicable;
- 1194.17 (iv) a representative from the client's health care home or primary care clinic, as needed
1194.18 to ensure integration of medical and behavioral health care;
- 1194.19 (v) the client's probation officer or other juvenile justice representative, if applicable;
1194.20 and
- 1194.21 (vi) the client's current vocational or employment counselor, if applicable.
- 1194.22 (d) The treatment supervisor shall be an active member of the treatment team and shall
1194.23 function as a practicing clinician at least on a part-time basis. The treatment team shall meet
1194.24 with the treatment supervisor at least weekly to discuss recipients' progress and make rapid
1194.25 adjustments to meet recipients' needs. The team meeting must include client-specific case
1194.26 reviews and general treatment discussions among team members. Client-specific case
1194.27 reviews and planning must be documented in the individual client's treatment record.
- 1194.28 (e) The staffing ratio must not exceed ten clients to one full-time equivalent treatment
1194.29 team position.
- 1194.30 (f) The treatment team shall serve no more than 80 clients at any one time. Should local
1194.31 demand exceed the team's capacity, an additional team must be established rather than
1194.32 exceed this limit.

1195.1 (g) Nonclinical staff shall have prompt access in person or by telephone to a mental
1195.2 health practitioner, clinical trainee, or mental health professional. The provider shall have
1195.3 the capacity to promptly and appropriately respond to emergent needs and make any
1195.4 necessary staffing adjustments to ensure the health and safety of clients.

1195.5 (h) The intensive nonresidential rehabilitative mental health services provider shall
1195.6 participate in evaluation of the assertive community treatment for youth (Youth ACT) model
1195.7 as conducted by the commissioner, including the collection and reporting of data and the
1195.8 reporting of performance measures as specified by contract with the commissioner.

1195.9 (i) A regional treatment team may serve multiple counties.

1195.10 Sec. 27. Minnesota Statutes 2022, section 256B.76, subdivision 6, is amended to read:

1195.11 Subd. 6. **Medicare relative value units.** (a) Effective for services rendered on or after
1195.12 January 1, 2007, the commissioner shall make payments for physician and professional
1195.13 services based on the Medicare relative value units (~~RVU's~~) (RVUs). This change shall be
1195.14 budget neutral and the cost of implementing ~~RVU's~~ RVUs will be incorporated in the
1195.15 established conversion factor.

1195.16 (b) Effective for services rendered on or after January 1, 2025, rates for mental health
1195.17 services reimbursed under the resource-based relative value scale (RBRVS) must be equal
1195.18 to 83 percent of the Medicare Physician Fee Schedule.

1195.19 (c) Effective for services rendered on or after January 1, 2025, the commissioner shall
1195.20 increase capitation payments made to managed care plans and county-based purchasing
1195.21 plans to reflect the rate increases provided under this subdivision. Managed care plans and
1195.22 county-based purchasing plans must use the capitation rate increase provided under this
1195.23 paragraph to increase payment rates to the providers corresponding to the rate increases.
1195.24 The commissioner must monitor the effect of this rate increase on enrollee access to services
1195.25 under this subdivision. If for any contract year federal approval is not received for this
1195.26 paragraph, the commissioner must adjust the capitation rates paid to managed care plans
1195.27 and county-based purchasing plans for that contract year to reflect the removal of this
1195.28 paragraph. Contracts between managed care plans and county-based purchasing plans and
1195.29 providers to whom this paragraph applies must allow recovery of payments from those
1195.30 providers if capitation rates are adjusted in accordance with this paragraph. Payment
1195.31 recoveries must not exceed the amount equal to any increase in rates that results from this
1195.32 paragraph.

1196.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1196.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
1196.3 when federal approval is obtained.

1196.4 Sec. 28. Laws 2023, chapter 70, article 1, section 35, is amended to read:

1196.5 Sec. 35. Minnesota Statutes 2022, section 256B.761, is amended to read:

1196.6 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

1196.7 (a) Effective for services rendered on or after July 1, 2001, payment for medication
1196.8 management provided to psychiatric patients, outpatient mental health services, day treatment
1196.9 services, home-based mental health services, and family community support services shall
1196.10 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of
1196.11 1999 charges.

1196.12 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
1196.13 services provided by an entity that operates: (1) a Medicare-certified comprehensive
1196.14 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993,
1196.15 with at least 33 percent of the clients receiving rehabilitation services in the most recent
1196.16 calendar year who are medical assistance recipients, will be increased by 38 percent, when
1196.17 those services are provided within the comprehensive outpatient rehabilitation facility and
1196.18 provided to residents of nursing facilities owned by the entity.

1196.19 (c) In addition to rate increases otherwise provided, the commissioner may restructure
1196.20 coverage policy and rates to improve access to adult rehabilitative mental health services
1196.21 under section 256B.0623 and related mental health support services under section 256B.021,
1196.22 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected
1196.23 state share of increased costs due to this paragraph is transferred from adult mental health
1196.24 grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent
1196.25 base adjustment for subsequent fiscal years. Payments made to managed care plans and
1196.26 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect
1196.27 the rate changes described in this paragraph.

1196.28 (d) Any rates effective before July 1, 2015, do not apply to early intensive
1196.29 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

1196.30 (e) Effective for services rendered on or after January 1, 2024, payment rates for
1196.31 behavioral health services included in the rate analysis required by Laws 2021, First Special
1196.32 Session chapter 7, article 17, section 18, except for adult day treatment services under section

1197.1 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services
1197.2 under section 256B.0949; and substance use disorder services under chapter 254B, must be
1197.3 increased by three percent from the rates in effect on December 31, 2023. Effective for
1197.4 services rendered on or after January 1, 2025, payment rates for behavioral health services
1197.5 included in the rate analysis required by Laws 2021, First Special Session chapter 7, article
1197.6 17, section 18, ~~except for adult day treatment services under section 256B.0671, subdivision~~
1197.7 ~~3~~; early intensive developmental behavioral intervention services under section 256B.0949;
1197.8 and substance use disorder services under chapter 254B, must be annually adjusted according
1197.9 to the change from the midpoint of the previous rate year to the midpoint of the rate year
1197.10 for which the rate is being determined using the Centers for Medicare and Medicaid Services
1197.11 Medicare Economic Index as forecasted in the fourth quarter of the calendar year before
1197.12 the rate year. For payments made in accordance with this paragraph, if and to the extent
1197.13 that the commissioner identifies that the state has received federal financial participation
1197.14 for behavioral health services in excess of the amount allowed under United States Code,
1197.15 title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare
1197.16 and Medicaid Services with state money and maintain the full payment rate under this
1197.17 paragraph. This paragraph does not apply to federally qualified health centers, rural health
1197.18 centers, Indian health services, certified community behavioral health clinics, cost-based
1197.19 rates, and rates that are negotiated with the county. This paragraph expires upon legislative
1197.20 implementation of the new rate methodology resulting from the rate analysis required by
1197.21 Laws 2021, First Special Session chapter 7, article 17, section 18.

1197.22 (f) Effective January 1, 2024, the commissioner shall increase capitation payments made
1197.23 to managed care plans and county-based purchasing plans to reflect the behavioral health
1197.24 service rate increase provided in paragraph (e). Managed care and county-based purchasing
1197.25 plans must use the capitation rate increase provided under this paragraph to increase payment
1197.26 rates to behavioral health services providers. The commissioner must monitor the effect of
1197.27 this rate increase on enrollee access to behavioral health services. If for any contract year
1197.28 federal approval is not received for this paragraph, the commissioner must adjust the
1197.29 capitation rates paid to managed care plans and county-based purchasing plans for that
1197.30 contract year to reflect the removal of this provision. Contracts between managed care plans
1197.31 and county-based purchasing plans and providers to whom this paragraph applies must
1197.32 allow recovery of payments from those providers if capitation rates are adjusted in accordance
1197.33 with this paragraph. Payment recoveries must not exceed the amount equal to any increase
1197.34 in rates that results from this provision.

1198.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
1198.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
1198.3 when federal approval is obtained.

1198.4 Sec. 29. **FIRST EPISODE PSYCHOSIS COORDINATED SPECIALITY CARE**
1198.5 **MEDICAL ASSISTANCE BENEFIT.**

1198.6 (a) The commissioner of human services must develop a First Episode Psychosis
1198.7 Coordinated Specialty Care (FEP-CSC) medical assistance benefit.

1198.8 (b) The benefit must cover medically necessary treatment. Services must include:

1198.9 (1) assertive outreach and engagement strategies encouraging individuals' involvement;

1198.10 (2) person-centered care, delivered in the home and community, extending beyond
1198.11 typical hours of operation, such as evenings and weekends;

1198.12 (3) crisis planning and intervention;

1198.13 (4) team leadership from a mental health professional who provides ongoing consultation
1198.14 to the team members, coordinates admission screening, and leads the weekly team meetings
1198.15 to facilitate case review and entry to the program;

1198.16 (5) employment and education services that enable individuals to function in workplace
1198.17 and educational settings that support individual preferences;

1198.18 (6) family education and support that builds on an individual's identified family and
1198.19 natural support systems;

1198.20 (7) individual and group psychotherapy that include but are not limited to cognitive
1198.21 behavioral therapies;

1198.22 (8) care coordination services in clinic, community, and home settings to assist individuals
1198.23 with practical problem solving, such as securing transportation, addressing housing and
1198.24 other basic needs, managing money, obtaining medical care, and coordinating care with
1198.25 other providers; and

1198.26 (9) pharmacotherapy, medication management, and primary care coordination provided
1198.27 by a mental health professional who is permitted to prescribe psychiatric medications.

1198.28 (c) An eligible recipient is an individual who:

1198.29 (1) is between the ages of 15 and 40;

1198.30 (2) is experiencing early signs of psychosis with the duration of onset being less than
1198.31 two years; and

1199.1 (3) has been on antipsychotic medications for less than a total of 12 months.
1199.2 (d) By December 1, 2026, the commissioner must submit a report to the chairs and
1199.3 ranking minority members of the legislative committees with jurisdiction over human
1199.4 services policy and finance. The report must include:

- 1199.5 (1) an overview of the recommended benefit;
1199.6 (2) eligibility requirements;
1199.7 (3) program standards;
1199.8 (4) a reimbursement methodology that covers team-based bundled costs;
1199.9 (5) performance evaluation criteria for programs; and
1199.10 (6) draft legislation with the statutory changes necessary to implement the benefit.
1199.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1199.12 **Sec. 30. MEDICAL ASSISTANCE CHILDREN'S RESIDENTIAL MENTAL**
1199.13 **HEALTH CRISIS STABILIZATION.**

1199.14 (a) The commissioner of human services must consult with providers, advocates, Tribal
1199.15 Nations, counties, people with lived experience as or with a child in a mental health crisis,
1199.16 and other interested community members to develop a covered benefit under medical
1199.17 assistance to provide residential mental health crisis stabilization for children. The benefit
1199.18 must:

- 1199.19 (1) consist of evidence-based promising practices, or culturally responsive treatment
1199.20 services for children under the age of 21 experiencing a mental health crisis;
1199.21 (2) embody an integrative care model that supports individuals experiencing a mental
1199.22 health crisis who may also be experiencing co-occurring conditions;
1199.23 (3) qualify for federal financial participation; and
1199.24 (4) include services that support children and families, including but not limited to:
1199.25 (i) an assessment of the child's immediate needs and factors that led to the mental health
1199.26 crisis;
1199.27 (ii) individualized care to address immediate needs and restore the child to a precrisis
1199.28 level of functioning;
1199.29 (iii) 24-hour on-site staff and assistance;
1199.30 (iv) supportive counseling and clinical services;

- 1200.1 (v) skills training and positive support services, as identified in the child's individual
1200.2 crisis stabilization plan;
- 1200.3 (vi) referrals to other service providers in the community as needed and to support the
1200.4 child's transition from residential crisis stabilization services;
- 1200.5 (vii) development of an individualized and culturally responsive crisis response action
1200.6 plan; and
- 1200.7 (viii) assistance to access and store medication.
- 1200.8 (b) When developing the new benefit, the commissioner must make recommendations
1200.9 for providers to be reimbursed for room and board.
- 1200.10 (c) The commissioner must consult with or contract with rate-setting experts to develop
1200.11 a prospective data-based rate methodology for the children's residential mental health crisis
1200.12 stabilization benefit.
- 1200.13 (d) No later than October 1, 2025, the commissioner must submit to the chairs and
1200.14 ranking minority members of the legislative committees with jurisdiction over human
1200.15 services policy and finance a report detailing the children's residential mental health crisis
1200.16 stabilization benefit and must include:
- 1200.17 (1) eligibility criteria, clinical and service requirements, provider standards, licensing
1200.18 requirements, and reimbursement rates;
- 1200.19 (2) the process for community engagement, community input, and crisis models studied
1200.20 in other states;
- 1200.21 (3) a deadline for the commissioner to submit a state plan amendment to the Centers for
1200.22 Medicare and Medicaid Services; and
- 1200.23 (4) draft legislation with the statutory changes necessary to implement the benefit.
- 1200.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1200.25 **Sec. 31. MEDICAL ASSISTANCE CLUBHOUSE BENEFIT ANALYSIS.**

1200.26 The commissioner of human services must conduct an analysis to identify existing or
1200.27 pending Medicaid Clubhouse benefits in other states, federal authorities used, populations
1200.28 served, service and reimbursement design, and accreditation standards. By December 1,
1200.29 2025, the commissioner must submit a report to the chairs and ranking minority members
1200.30 of the legislative committees with jurisdiction over health and human services finance and

1201.1 policy. The report must include a comparative analysis of Medicaid Clubhouse programs
1201.2 and recommendations for designing a medical assistance benefit in Minnesota.

1201.3 Sec. 32. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; MENTAL**
1201.4 **HEALTH PROCEDURE CODES.**

1201.5 The commissioner of human services must develop recommendations, in consultation
1201.6 with external partners and medical coding and compliance experts, on simplifying mental
1201.7 health procedure codes and the feasibility of converting mental health procedure codes to
1201.8 the current procedural terminology (CPT) code structure. By October 1, 2025, the
1201.9 commissioner must submit a report to the chairs and ranking minority members of the
1201.10 legislative committees with jurisdiction over mental health on the recommendations and
1201.11 methodology to simplify and restructure mental health procedure codes with corresponding
1201.12 resource-based relative value scale (RBRVS) values.

1201.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1201.14 Sec. 33. **MENTAL HEALTH SERVICES FORMULA-BASED ALLOCATION.**

1201.15 The commissioner of human services shall consult with the commissioner of management
1201.16 and budget, counties, Tribes, mental health providers, and advocacy organizations to develop
1201.17 recommendations for moving from the children's and adult mental health grant funding
1201.18 structure to a formula-based allocation structure for mental health services. The
1201.19 recommendations must consider formula-based allocations for grants for respite care,
1201.20 school-linked behavioral health, mobile crisis teams, and first episode of psychosis programs.

1201.21 Sec. 34. **REVISOR INSTRUCTION.**

1201.22 The revisor of statutes, in consultation with the Office of Senate Counsel, Research and
1201.23 Fiscal Analysis; the House Research Department; and the commissioner of human services
1201.24 shall prepare legislation for the 2025 legislative session to recodify Minnesota Statutes,
1201.25 section 256B.0622, to move provisions related to assertive community treatment and intensive
1201.26 residential treatment services into separate sections of statute. The revisor shall correct any
1201.27 cross-references made necessary by this recodification.

1202.1

ARTICLE 62

1202.2

DEPARTMENT OF HUMAN SERVICES POLICY

1202.3 Section 1. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 2, as
1202.4 amended by Laws 2024, chapter 85, section 52, and Laws 2024, chapter 80, article 2, section
1202.5 35, is amended to read:

1202.6 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

1202.7 (1) residential or nonresidential programs that are provided to a person by an individual
1202.8 who is related;

1202.9 (2) nonresidential programs that are provided by an unrelated individual to persons from
1202.10 a single related family;

1202.11 (3) residential or nonresidential programs that are provided to adults who do not misuse
1202.12 substances or have a substance use disorder, a mental illness, a developmental disability, a
1202.13 functional impairment, or a physical disability;

1202.14 (4) sheltered workshops or work activity programs that are certified by the commissioner
1202.15 of employment and economic development;

1202.16 (5) programs operated by a public school for children 33 months or older;

1202.17 (6) nonresidential programs primarily for children that provide care or supervision for
1202.18 periods of less than three hours a day while the child's parent or legal guardian is in the
1202.19 same building as the nonresidential program or present within another building that is
1202.20 directly contiguous to the building in which the nonresidential program is located;

1202.21 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
1202.22 under section 245A.02;

1202.23 (8) board and lodge facilities licensed by the commissioner of health that do not provide
1202.24 children's residential services under Minnesota Rules, chapter 2960, mental health or
1202.25 substance use disorder treatment;

1202.26 (9) programs licensed by the commissioner of corrections;

1202.27 (10) recreation programs for children or adults that are operated or approved by a park
1202.28 and recreation board whose primary purpose is to provide social and recreational activities;

1202.29 (11) noncertified boarding care homes unless they provide services for five or more
1202.30 persons whose primary diagnosis is mental illness or a developmental disability;

- 1203.1 (12) programs for children such as scouting, boys clubs, girls clubs, and sports and art
1203.2 programs, and nonresidential programs for children provided for a cumulative total of less
1203.3 than 30 days in any 12-month period;
- 1203.4 (13) residential programs for persons with mental illness, that are located in hospitals;
- 1203.5 (14) camps licensed by the commissioner of health under Minnesota Rules, chapter
1203.6 4630;
- 1203.7 (15) mental health outpatient services for adults with mental illness or children with
1203.8 emotional disturbance;
- 1203.9 (16) residential programs serving school-age children whose sole purpose is cultural or
1203.10 educational exchange, until the commissioner adopts appropriate rules;
- 1203.11 (17) community support services programs as defined in section 245.462, subdivision
1203.12 6, and family community support services as defined in section 245.4871, subdivision 17;
- 1203.13 (18) ~~settings registered under chapter 144D which provide home care services licensed~~
1203.14 ~~by the commissioner of health to fewer than seven adults~~ assisted living facilities licensed
1203.15 by the commissioner of health under chapter 144G;
- 1203.16 (19) substance use disorder treatment activities of licensed professionals in private
1203.17 practice as defined in section 245G.01, subdivision 17;
- 1203.18 (20) consumer-directed community support service funded under the Medicaid waiver
1203.19 for persons with developmental disabilities when the individual who provided the service
1203.20 is:
- 1203.21 (i) the same individual who is the direct payee of these specific waiver funds or paid by
1203.22 a fiscal agent, fiscal intermediary, or employer of record; and
- 1203.23 (ii) not otherwise under the control of a residential or nonresidential program that is
1203.24 required to be licensed under this chapter when providing the service;
- 1203.25 (21) a county that is an eligible vendor under section 254B.05 to provide care coordination
1203.26 and comprehensive assessment services;
- 1203.27 (22) a recovery community organization that is an eligible vendor under section 254B.05
1203.28 to provide peer recovery support services; or
- 1203.29 (23) programs licensed by the commissioner of children, youth, and families in chapter
1203.30 142B.

1204.1 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
1204.2 building in which a nonresidential program is located if it shares a common wall with the
1204.3 building in which the nonresidential program is located or is attached to that building by
1204.4 skyway, tunnel, atrium, or common roof.

1204.5 ~~(b)~~ (c) Except for the home and community-based services identified in section 245D.03,
1204.6 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
1204.7 provided and funded according to an approved federal waiver plan where licensure is
1204.8 specifically identified as not being a condition for the services and funding.

1204.9 Sec. 3. Minnesota Statutes 2022, section 245A.04, is amended by adding a subdivision to
1204.10 read:

1204.11 Subd. 7b. Notification to commissioner of changes in key staff positions; children's
1204.12 residential facilities and detoxification programs. (a) A license holder must notify the
1204.13 commissioner within five business days of a change or vacancy in a key staff position under
1204.14 paragraph (b) or (c). The license holder must notify the commissioner of the staffing change
1204.15 on a form approved by the commissioner and include the name of the staff person now
1204.16 assigned to the key staff position and the staff person's qualifications for the position. The
1204.17 license holder must notify the program licensor of a vacancy to discuss how the duties of
1204.18 the key staff position will be fulfilled during the vacancy.

1204.19 (b) The key staff position for a children's residential facility licensed according to
1204.20 Minnesota Rules, parts 2960.0130 to 2960.0220, is a program director; and

1204.21 (c) The key staff positions for a detoxification program licensed according to Minnesota
1204.22 Rules, parts 9530.6510 to 9530.6590, are:

1204.23 (1) a program director as required by Minnesota Rules, part 9530.6560, subpart 1;

1204.24 (2) a registered nurse as required by Minnesota Rules, part 9530.6560, subpart 4; and

1204.25 (3) a medical director as required by Minnesota Rules, part 9530.6560, subpart 5.

1204.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1204.27 Sec. 2. Minnesota Statutes 2022, section 245A.043, subdivision 2, is amended to read:

1204.28 Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change
1204.29 in ownership, the commissioner shall require submission of a new license application. This
1204.30 subdivision does not apply to a licensed program or service located in a home where the
1204.31 license holder resides. A change in ownership occurs when:

1205.1 (1) except as provided in paragraph (b), the license holder sells or transfers 100 percent
1205.2 of the property, stock, or assets;

1205.3 (2) the license holder merges with another organization;

1205.4 (3) the license holder consolidates with two or more organizations, resulting in the
1205.5 creation of a new organization;

1205.6 (4) there is a change to the federal tax identification number associated with the license
1205.7 holder; or

1205.8 (5) except as provided in paragraph (b), all controlling individuals ~~associated with~~ for
1205.9 the original ~~application~~ license have changed.

1205.10 (b) ~~Notwithstanding~~ For changes under paragraph (a), clauses (1) and or (5), no change
1205.11 in ownership has occurred and a new license application is not required if at least one
1205.12 controlling individual has been listed affiliated as a controlling individual for the license
1205.13 for at least the previous 12 months immediately preceding the change.

1205.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1205.15 Sec. 3. Minnesota Statutes 2023 Supplement, section 245A.043, subdivision 3, is amended
1205.16 to read:

1205.17 Subd. 3. **Standard change of ownership process.** (a) When a change in ownership is
1205.18 proposed and the party intends to assume operation without an interruption in service longer
1205.19 than 60 days after acquiring the program or service, the license holder must provide the
1205.20 commissioner with written notice of the proposed change on a form provided by the
1205.21 commissioner at least ~~60~~ 90 days before the anticipated date of the change in ownership.
1205.22 For purposes of this ~~subdivision and subdivision 4~~ section, "party" means the party that
1205.23 intends to operate the service or program.

1205.24 (b) The party must submit a license application under this chapter on the form and in
1205.25 the manner prescribed by the commissioner at least ~~30~~ 90 days before the change in
1205.26 ownership is anticipated to be complete; and must include documentation to support the
1205.27 upcoming change. The party must comply with background study requirements under chapter
1205.28 245C and shall pay the application fee required under section 245A.10.

1205.29 (c) A party that intends to assume operation without an interruption in service longer
1205.30 than 60 days after acquiring the program or service is exempt from the requirements of
1205.31 sections 245G.03, subdivision 2, paragraph (b), and 254B.03, subdivision 2, paragraphs (c)
1205.32 and (d).

1206.1 ~~(e)~~ (d) The commissioner may streamline application procedures when the party is an
1206.2 existing license holder under this chapter and is acquiring a program licensed under this
1206.3 chapter or service in the same service class as one or more licensed programs or services
1206.4 the party operates and those licenses are in substantial compliance. For purposes of this
1206.5 subdivision, "substantial compliance" means within the previous 12 months the commissioner
1206.6 did not (1) issue a sanction under section 245A.07 against a license held by the party, or
1206.7 (2) make a license held by the party conditional according to section 245A.06.

1206.8 ~~(d) Except when a temporary change in ownership license is issued pursuant to~~
1206.9 ~~subdivision 4~~ (e) While the standard change of ownership process is pending, the existing
1206.10 license holder ~~is solely~~ remains responsible for operating the program according to applicable
1206.11 laws and rules until a license under this chapter is issued to the party.

1206.12 ~~(e)~~ (f) If a licensing inspection of the program or service was conducted within the
1206.13 previous 12 months and the existing license holder's license record demonstrates substantial
1206.14 compliance with the applicable licensing requirements, the commissioner may waive the
1206.15 party's inspection required by section 245A.04, subdivision 4. The party must submit to the
1206.16 commissioner (1) proof that the premises was inspected by a fire marshal or that the fire
1206.17 marshal deemed that an inspection was not warranted, and (2) proof that the premises was
1206.18 inspected for compliance with the building code or that no inspection was deemed warranted.

1206.19 ~~(f)~~ (g) If the party is seeking a license for a program or service that has an outstanding
1206.20 action under section 245A.06 or 245A.07, the party must submit a ~~letter~~ written plan as part
1206.21 of the application process identifying how the party has or will come into full compliance
1206.22 with the licensing requirements.

1206.23 ~~(g)~~ (h) The commissioner shall evaluate the party's application according to section
1206.24 245A.04, subdivision 6. If the commissioner determines that the party has remedied or
1206.25 demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07
1206.26 and has determined that the program otherwise complies with all applicable laws and rules,
1206.27 the commissioner shall issue a license or conditional license under this chapter. A conditional
1206.28 license issued under this section is final and not subject to reconsideration under section
1206.29 245A.06, subdivision 4. The conditional license remains in effect until the commissioner
1206.30 determines that the grounds for the action are corrected or no longer exist.

1206.31 ~~(h)~~ (i) The commissioner may deny an application as provided in section 245A.05. An
1206.32 applicant whose application was denied by the commissioner may appeal the denial according
1206.33 to section 245A.05.

1207.1 ~~(j)~~ (j) This subdivision does not apply to a licensed program or service located in a home
1207.2 where the license holder resides.

1207.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1207.4 Sec. 4. Minnesota Statutes 2022, section 245A.043, is amended by adding a subdivision
1207.5 to read:

1207.6 **Subd. 3a. Emergency change in ownership process.** (a) In the event of a death of a
1207.7 license holder or sole controlling individual or a court order or other event that results in
1207.8 the license holder being inaccessible or unable to operate the program or service, a party
1207.9 may submit a request to the commissioner to allow the party to assume operation of the
1207.10 program or service under an emergency change in ownership process to ensure persons
1207.11 continue to receive services while the commissioner evaluates the party's license application.

1207.12 (b) To request the emergency change of ownership process, the party must immediately:

1207.13 (1) notify the commissioner of the event resulting in the inability of the license holder
1207.14 to operate the program and of the party's intent to assume operations; and

1207.15 (2) provide the commissioner with documentation that demonstrates the party has a legal
1207.16 or legitimate ownership interest in the program or service if applicable and is able to operate
1207.17 the program or service.

1207.18 (c) If the commissioner approves the party to continue operating the program or service
1207.19 under an emergency change in ownership process, the party must:

1207.20 (1) request to be added as a controlling individual or license holder to the existing license;

1207.21 (2) notify persons receiving services of the emergency change in ownership in a manner
1207.22 approved by the commissioner;

1207.23 (3) submit an application for a new license within 30 days of approval;

1207.24 (4) comply with the background study requirements under chapter 245C; and

1207.25 (5) pay the application fee required under section 245A.10.

1207.26 (d) While the emergency change of ownership process is pending, a party approved
1207.27 under this subdivision is responsible for operating the program under the existing license
1207.28 according to applicable laws and rules until a new license under this chapter is issued.

1207.29 (e) The provisions in subdivision 3, paragraphs (c), (d), and (f) to (i) apply to this
1207.30 subdivision.

1208.1 (f) Once a party is issued a new license or has decided not to seek a new license, the
1208.2 commissioner must close the existing license.

1208.3 (g) This subdivision applies to any program or service licensed under this chapter.

1208.4 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1208.5 Sec. 5. Minnesota Statutes 2022, section 245A.043, subdivision 4, is amended to read:

1208.6 Subd. 4. **Temporary ~~change in ownership~~ transitional license.** ~~(a) After receiving the~~
1208.7 ~~party's application pursuant to subdivision 3, upon the written request of the existing license~~
1208.8 ~~holder and the party, the commissioner may issue a temporary change in ownership license~~
1208.9 ~~to the party while the commissioner evaluates the party's application. Until a decision is~~
1208.10 ~~made to grant or deny a license under this chapter, the existing license holder and the party~~
1208.11 ~~shall both be responsible for operating the program or service according to applicable laws~~
1208.12 ~~and rules, and the sale or transfer of the existing license holder's ownership interest in the~~
1208.13 ~~licensed program or service does not terminate the existing license.~~

1208.14 ~~(b) The commissioner may issue a temporary change in ownership license when a license~~
1208.15 ~~holder's death, divorce, or other event affects the ownership of the program and an applicant~~
1208.16 ~~seeks to assume operation of the program or service to ensure continuity of the program or~~
1208.17 ~~service while a license application is evaluated.~~

1208.18 ~~(c) This subdivision applies to any program or service licensed under this chapter.~~

1208.19 If a party's application under subdivision 2 is for a satellite license for a community
1208.20 residential setting under section 245D.23 or day services facility under 245D.27 and if the
1208.21 party already holds an active license to provide services under chapter 245D, the
1208.22 commissioner may issue a temporary transitional license to the party for the community
1208.23 residential setting or day services facility while the commissioner evaluates the party's
1208.24 application. Until a decision is made to grant or deny a community residential setting or
1208.25 day services facility satellite license, the party must be solely responsible for operating the
1208.26 program according to applicable laws and rules, and the existing license must be closed.
1208.27 The temporary transitional license expires after 12 months from the date it was issued or
1208.28 upon issuance of the community residential setting or day services facility satellite license,
1208.29 whichever occurs first.

1208.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1209.1 Sec. 6. Minnesota Statutes 2022, section 245A.043, is amended by adding a subdivision
1209.2 to read:

1209.3 Subd. 5. **Failure to comply.** If the commissioner finds that the applicant or license holder
1209.4 has not fully complied with this section, the commissioner may impose a licensing sanction
1209.5 under section 245A.05, 245A.06, or 245A.07.

1209.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1209.7 Sec. 7. Minnesota Statutes 2023 Supplement, section 245A.07, subdivision 1, as amended
1209.8 by Laws 2024, chapter 80, article 2, section 44, is amended to read:

1209.9 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
1209.10 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
1209.11 or secure an injunction against the continuing operation of the program of a license holder
1209.12 who does not comply with applicable law or rule.

1209.13 When applying sanctions authorized under this section, the commissioner shall consider
1209.14 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
1209.15 on the health, safety, or rights of persons served by the program.

1209.16 (b) If a license holder appeals the suspension or revocation of a license and the license
1209.17 holder continues to operate the program pending a final order on the appeal, the commissioner
1209.18 shall issue the license holder a temporary provisional license. The commissioner may include
1209.19 terms the license holder must follow pending a final order on the appeal. Unless otherwise
1209.20 specified by the commissioner, variances in effect on the date of the license sanction under
1209.21 appeal continue under the temporary provisional license. If a license holder fails to comply
1209.22 with applicable law or rule while operating under a temporary provisional license, the
1209.23 commissioner may impose additional sanctions under this section and section 245A.06, and
1209.24 may terminate any prior variance. If a temporary provisional license is set to expire, a new
1209.25 temporary provisional license shall be issued to the license holder upon payment of any fee
1209.26 required under section 245A.10. The temporary provisional license shall expire on the date
1209.27 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
1209.28 license shall be issued for the remainder of the current license period.

1209.29 (c) If a license holder is under investigation and the license issued under this chapter is
1209.30 due to expire before completion of the investigation, the program shall be issued a new
1209.31 license upon completion of the reapplication requirements and payment of any applicable
1209.32 license fee. Upon completion of the investigation, a licensing sanction may be imposed
1209.33 against the new license under this section, section 245A.06, or 245A.08.

1210.1 (d) Failure to reapply or closure of a license issued under this chapter by the license
1210.2 holder prior to the completion of any investigation shall not preclude the commissioner
1210.3 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
1210.4 of the investigation.

1210.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1210.6 Sec. 8. Minnesota Statutes 2022, section 245A.07, subdivision 6, is amended to read:

1210.7 Subd. 6. **Appeal of multiple sanctions.** (a) When the license holder appeals more than
1210.8 one licensing action or sanction that were simultaneously issued by the commissioner, the
1210.9 license holder shall specify the actions or sanctions that are being appealed.

1210.10 (b) If there are different timelines prescribed in statutes for the licensing actions or
1210.11 sanctions being appealed, the license holder must submit the appeal within the longest of
1210.12 those timelines specified in statutes.

1210.13 (c) The appeal must be made in writing by certified mail ~~or~~, by personal service, or
1210.14 through the provider licensing and reporting hub. If mailed, the appeal must be postmarked
1210.15 and sent to the commissioner within the prescribed timeline with the first day beginning
1210.16 the day after the license holder receives the certified letter. If a request is made by personal
1210.17 service, it must be received by the commissioner within the prescribed timeline with the
1210.18 first day beginning the day after the license holder receives the certified letter. If the appeal
1210.19 is made through the provider licensing and reporting hub, it must be received by the
1210.20 commissioner within the prescribed timeline with the first day beginning the day after the
1210.21 commissioner issued the order through the hub.

1210.22 (d) When there are different timelines prescribed in statutes for the appeal of licensing
1210.23 actions or sanctions simultaneously issued by the commissioner, the commissioner shall
1210.24 specify in the notice to the license holder the timeline for appeal as specified under paragraph
1210.25 (b).

1210.26 Sec. 9. Minnesota Statutes 2023 Supplement, section 245A.11, subdivision 7, is amended
1210.27 to read:

1210.28 Subd. 7. **Adult foster care and community residential setting; variance for alternate**
1210.29 **overnight supervision.** (a) The commissioner may grant a variance under section 245A.04,
1210.30 subdivision 9, to statute or rule parts requiring a caregiver to be present in an adult foster
1210.31 care home or a community residential setting during normal sleeping hours to allow for
1210.32 alternative methods of overnight supervision. The commissioner may grant the variance if

1211.1 the local county licensing agency recommends the variance and the county recommendation
1211.2 includes documentation verifying that:

1211.3 (1) the county has approved the license holder's plan for alternative methods of providing
1211.4 overnight supervision and determined the plan protects the residents' health, safety, and
1211.5 rights;

1211.6 (2) the license holder has obtained written and signed informed consent from each
1211.7 resident or each resident's legal representative documenting the resident's or legal
1211.8 representative's agreement with the alternative method of overnight supervision; and

1211.9 (3) the alternative method of providing overnight supervision, which may include the
1211.10 use of technology, is specified for each resident in the resident's: (i) individualized plan of
1211.11 care; (ii) ~~individual service~~ support plan under section 256B.092, subdivision 1b, if required;
1211.12 or (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105,
1211.13 subpart 19, if required.

1211.14 (b) To be eligible for a variance under paragraph (a), the adult foster care or community
1211.15 residential setting license holder must not have had a conditional license issued under section
1211.16 245A.06, or any other licensing sanction issued under section 245A.07 during the prior 24
1211.17 months based on failure to provide adequate supervision, health care services, or resident
1211.18 safety in the adult foster care home or a community residential setting.

1211.19 (c) A license holder requesting a variance under this subdivision to utilize technology
1211.20 as a component of a plan for alternative overnight supervision may request the commissioner's
1211.21 review in the absence of a county recommendation. Upon receipt of such a request from a
1211.22 license holder, the commissioner shall review the variance request with the county.

1211.23 ~~(d) The variance requirements under this subdivision for alternative overnight supervision~~
1211.24 ~~do not apply to community residential settings licensed under chapter 245D.~~

1211.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1211.26 Sec. 10. Minnesota Statutes 2023 Supplement, section 245A.16, subdivision 1, as amended
1211.27 by Laws 2024, chapter 80, article 2, section 65, is amended to read:

1211.28 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been
1211.29 designated by the commissioner to perform licensing functions and activities under section
1211.30 245A.04; to recommend denial of applicants under section 245A.05; to issue correction
1211.31 orders, to issue variances, and recommend a conditional license under section 245A.06; or
1211.32 to recommend suspending or revoking a license or issuing a fine under section 245A.07,
1211.33 shall comply with rules and directives of the commissioner governing those functions and

1212.1 with this section. The following variances are excluded from the delegation of variance
1212.2 authority and may be issued only by the commissioner:

1212.3 (1) dual licensure of family child foster care and family adult foster care, dual licensure
1212.4 of child foster residence setting and community residential setting, and dual licensure of
1212.5 family adult foster care and family child care;

1212.6 (2) adult foster care or community residential setting maximum capacity;

1212.7 (3) adult foster care or community residential setting minimum age requirement;

1212.8 (4) child foster care maximum age requirement;

1212.9 (5) variances regarding disqualified individuals;

1212.10 (6) the required presence of a caregiver in the adult foster care residence during normal
1212.11 sleeping hours;

1212.12 (7) variances to requirements relating to chemical use problems of a license holder or a
1212.13 household member of a license holder; and

1212.14 (8) variances to section 142B.46 for the use of a cradleboard for a cultural
1212.15 accommodation.

1212.16 (b) For family adult day services programs, the commissioner may authorize licensing
1212.17 reviews every two years after a licensee has had at least one annual review.

1212.18 (c) A license issued under this section may be issued for up to two years.

1212.19 (d) During implementation of chapter 245D, the commissioner shall consider:

1212.20 (1) the role of counties in quality assurance;

1212.21 (2) the duties of county licensing staff; and

1212.22 (3) the possible use of joint powers agreements, according to section 471.59, with counties
1212.23 through which some licensing duties under chapter 245D may be delegated by the
1212.24 commissioner to the counties.

1212.25 Any consideration related to this paragraph must meet all of the requirements of the corrective
1212.26 action plan ordered by the federal Centers for Medicare and Medicaid Services.

1212.27 (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
1212.28 successor provisions; and section 245D.061 or successor provisions, for family child foster
1212.29 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
1212.30 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

1213.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1213.2 Sec. 11. Minnesota Statutes 2023 Supplement, section 245A.211, subdivision 4, is amended
1213.3 to read:

1213.4 Subd. 4. **Contraindicated physical restraints.** A license or certification holder must
1213.5 not implement a restraint on a person receiving services in a program in a way that is
1213.6 contraindicated for any of the person's known medical or psychological conditions. Prior
1213.7 to using restraints on a person, ~~the license or certification holder must assess and document~~
1213.8 ~~a determination of any~~ with a known medical or psychological conditions that restraints are
1213.9 contraindicated for, the license or certification holder must document the contraindication
1213.10 and the type of restraints that will not be used on the person based on this determination.

1213.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1213.12 Sec. 12. Minnesota Statutes 2023 Supplement, section 245A.242, subdivision 2, is amended
1213.13 to read:

1213.14 Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply
1213.15 of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency
1213.16 treatment of opioid overdose and must have a written standing order protocol by a physician
1213.17 who is licensed under chapter 147, advanced practice registered nurse who is licensed under
1213.18 chapter 148, or physician assistant who is licensed under chapter 147A, that permits the
1213.19 license holder to maintain a supply of opiate antagonists on site. A license holder must
1213.20 require staff to undergo training in the specific mode of administration used at the program,
1213.21 which may include intranasal administration, intramuscular injection, or both.

1213.22 (b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960
1213.23 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

1213.24 (1) emergency opiate antagonist medications are not required to be stored in a locked
1213.25 area and staff and adult clients may carry this medication on them and store it in an unlocked
1213.26 location;

1213.27 (2) staff persons who only administer emergency opiate antagonist medications only
1213.28 require the training required by paragraph (a), which any knowledgeable trainer may provide.
1213.29 The trainer is not required to be a registered nurse or part of an accredited educational
1213.30 institution; and

1213.31 (3) nonresidential substance use disorder treatment programs that do not administer
1213.32 client medications beyond emergency opiate antagonist medications are not required to

1214.1 have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and
1214.2 must instead describe the program's procedures for administering opiate antagonist
1214.3 medications in the license holder's description of health care services under section 245G.08,
1214.4 subdivision 1.

1214.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1214.6 Sec. 13. Minnesota Statutes 2023 Supplement, section 245C.02, subdivision 13e, is
1214.7 amended to read:

1214.8 Subd. 13e. **NETStudy 2.0.** (a) "NETStudy 2.0" means the commissioner's system that
1214.9 replaces both NETStudy and the department's internal background study processing system.
1214.10 NETStudy 2.0 is designed to enhance protection of children and vulnerable adults by
1214.11 improving the accuracy of background studies through fingerprint-based criminal record
1214.12 checks and expanding the background studies to include a review of information from the
1214.13 Minnesota Court Information System and the national crime information database. NETStudy
1214.14 2.0 is also designed to increase efficiencies in and the speed of the hiring process by:

1214.15 (1) providing access to and updates from public web-based data related to employment
1214.16 eligibility;

1214.17 (2) decreasing the need for repeat studies through electronic updates of background
1214.18 study subjects' criminal records;

1214.19 (3) supporting identity verification using subjects' Social Security numbers and
1214.20 photographs;

1214.21 (4) using electronic employer notifications;

1214.22 (5) issuing immediate verification of subjects' eligibility to provide services as more
1214.23 studies are completed under the NETStudy 2.0 system; and

1214.24 (6) providing electronic access to certain notices for entities and background study
1214.25 subjects.

1214.26 (b) Information obtained by entities from public web-based data through NETStudy 2.0
1214.27 under paragraph (a), clause (1), or any other source that is not direct correspondence from
1214.28 the commissioner is not a notice of disqualification from the commissioner under this
1214.29 chapter.

1215.1 Sec. 14. [245C.041] EMERGENCY WAIVER TO TEMPORARILY MODIFY
1215.2 BACKGROUND STUDY REQUIREMENTS.

1215.3 (a) In the event of an emergency identified by the commissioner, the commissioner may
1215.4 temporarily waive or modify provisions in this chapter, except that the commissioner shall
1215.5 not waive or modify:

1215.6 (1) disqualification standards in section 245C.14 or 245C.15; or

1215.7 (2) any provision regarding the scope of individuals required to be subject to a background
1215.8 study conducted under this chapter.

1215.9 (b) For the purposes of this section, an emergency may include, but is not limited to a
1215.10 public health emergency, environmental emergency, natural disaster, or other unplanned
1215.11 event that the commissioner has determined prevents the requirements in this chapter from
1215.12 being met. This authority shall not exceed the amount of time needed to respond to the
1215.13 emergency and reinstate the requirements of this chapter. The commissioner has the authority
1215.14 to establish the process and time frame for returning to full compliance with this chapter.
1215.15 The commissioner shall determine the length of time an emergency study is valid.

1215.16 (c) At the conclusion of the emergency, entities must submit a new, compliant background
1215.17 study application and fee for each individual who was the subject of background study
1215.18 affected by the powers created in this section, referred to as an "emergency study" to have
1215.19 a new study that fully complies with this chapter within a time frame and notice period
1215.20 established by the commissioner.

1215.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1215.22 Sec. 15. Minnesota Statutes 2022, section 245C.05, subdivision 5, is amended to read:

1215.23 Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph ~~(b)~~ (c), for
1215.24 background studies conducted by the commissioner for child foster care, children's residential
1215.25 facilities, adoptions, or a transfer of permanent legal and physical custody of a child, the
1215.26 subject of the background study, who is 18 years of age or older, shall provide the
1215.27 commissioner with a set of classifiable fingerprints obtained from an authorized agency for
1215.28 a national criminal history record check.

1215.29 (b) Notwithstanding paragraph (c), for background studies conducted by the commissioner
1215.30 for Head Start programs, the subject of the background study shall provide the commissioner
1215.31 with a set of classifiable fingerprints obtained from an authorized agency for a national
1215.32 criminal history record check.

1216.1 ~~(b)~~ (c) For background studies initiated on or after the implementation of NETStudy
1216.2 2.0, except as provided under subdivision 5a, every subject of a background study must
1216.3 provide the commissioner with a set of the background study subject's classifiable fingerprints
1216.4 and photograph. The photograph and fingerprints must be recorded at the same time by the
1216.5 authorized fingerprint collection vendor or vendors and sent to the commissioner through
1216.6 the commissioner's secure data system described in section 245C.32, subdivision 1a,
1216.7 paragraph (b).

1216.8 ~~(e)~~ (d) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal
1216.9 Apprehension and, when specifically required by law, submitted to the Federal Bureau of
1216.10 Investigation for a national criminal history record check.

1216.11 ~~(d)~~ (e) The fingerprints must not be retained by the Department of Public Safety, Bureau
1216.12 of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will
1216.13 not retain background study subjects' fingerprints.

1216.14 ~~(e)~~ (f) The authorized fingerprint collection vendor or vendors shall, for purposes of
1216.15 verifying the identity of the background study subject, be able to view the identifying
1216.16 information entered into NETStudy 2.0 by the entity that initiated the background study,
1216.17 but shall not retain the subject's fingerprints, photograph, or information from NETStudy
1216.18 2.0. The authorized fingerprint collection vendor or vendors shall retain no more than the
1216.19 name and date and time the subject's fingerprints were recorded and sent, only as necessary
1216.20 for auditing and billing activities.

1216.21 ~~(f)~~ (g) For any background study conducted under this chapter, the subject shall provide
1216.22 the commissioner with a set of classifiable fingerprints when the commissioner has reasonable
1216.23 cause to require a national criminal history record check as defined in section 245C.02,
1216.24 subdivision 15a.

1216.25 Sec. 16. Minnesota Statutes 2023 Supplement, section 245C.08, subdivision 1, is amended
1216.26 to read:

1216.27 Subdivision 1. **Background studies conducted by Department of Human Services.** (a)
1216.28 For a background study conducted by the Department of Human Services, the commissioner
1216.29 shall review:

1216.30 (1) information related to names of substantiated perpetrators of maltreatment of
1216.31 vulnerable adults that has been received by the commissioner as required under section
1216.32 626.557, subdivision 9c, paragraph (j);

1217.1 (2) the commissioner's records relating to the maltreatment of minors in licensed
1217.2 programs, and from findings of maltreatment of minors as indicated through the social
1217.3 service information system;

1217.4 (3) information from juvenile courts as required ~~in subdivision 4 for individuals listed~~
1217.5 ~~in section 245C.03, subdivision 1, paragraph (a),~~ for studies under this chapter when there
1217.6 is reasonable cause;

1217.7 (4) information from the Bureau of Criminal Apprehension, including information
1217.8 regarding a background study subject's registration in Minnesota as a predatory offender
1217.9 under section 243.166;

1217.10 (5) except as provided in clause (6), information received as a result of submission of
1217.11 fingerprints for a national criminal history record check, as defined in section 245C.02,
1217.12 subdivision 13c, when the commissioner has reasonable cause for a national criminal history
1217.13 record check as defined under section 245C.02, subdivision 15a, or as required under section
1217.14 144.057, subdivision 1, clause (2);

1217.15 (6) for a background study related to a child foster family setting application for licensure,
1217.16 foster residence settings, children's residential facilities, a transfer of permanent legal and
1217.17 physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a
1217.18 background study required for family child care, certified license-exempt child care, child
1217.19 care centers, and legal nonlicensed child care authorized under chapter 119B, the
1217.20 commissioner shall also review:

1217.21 (i) information from the child abuse and neglect registry for any state in which the
1217.22 background study subject has resided for the past five years;

1217.23 (ii) when the background study subject is 18 years of age or older, or a minor under
1217.24 section 245C.05, subdivision 5a, paragraph (c), information received following submission
1217.25 of fingerprints for a national criminal history record check; and

1217.26 (iii) when the background study subject is 18 years of age or older or a minor under
1217.27 section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified
1217.28 license-exempt child care, licensed child care centers, and legal nonlicensed child care
1217.29 authorized under chapter 119B, information obtained using non-fingerprint-based data
1217.30 including information from the criminal and sex offender registries for any state in which
1217.31 the background study subject resided for the past five years and information from the national
1217.32 crime information database and the national sex offender registry;

1218.1 (7) for a background study required for family child care, certified license-exempt child
1218.2 care centers, licensed child care centers, and legal nonlicensed child care authorized under
1218.3 chapter 119B, the background study shall also include, to the extent practicable, a name
1218.4 and date-of-birth search of the National Sex Offender Public website; and

1218.5 (8) for a background study required for treatment programs for sexual psychopathic
1218.6 personalities or sexually dangerous persons, the background study shall only include a
1218.7 review of the information required under paragraph (a), clauses (1) to (4).

1218.8 (b) Except as otherwise provided in this paragraph, notwithstanding expungement by a
1218.9 court, the commissioner may consider information obtained under paragraph (a), clauses
1218.10 (3) and (4), unless:

1218.11 (1) the commissioner received notice of the petition for expungement and the court order
1218.12 for expungement is directed specifically to the commissioner; or

1218.13 (2) the commissioner received notice of the expungement order issued pursuant to section
1218.14 609A.017, 609A.025, or 609A.035, and the order for expungement is directed specifically
1218.15 to the commissioner.

1218.16 The commissioner may not consider information obtained under paragraph (a), clauses (3)
1218.17 and (4), or from any other source that identifies a violation of chapter 152 without
1218.18 determining if the offense involved the possession of marijuana or tetrahydrocannabinol
1218.19 and, if so, whether the person received a grant of expungement or order of expungement,
1218.20 or the person was resentenced to a lesser offense. If the person received a grant of
1218.21 expungement or order of expungement, the commissioner may not consider information
1218.22 related to that violation but may consider any other relevant information arising out of the
1218.23 same incident.

1218.24 (c) The commissioner shall also review criminal case information received according
1218.25 to section 245C.04, subdivision 4a, from the Minnesota court information system that relates
1218.26 to individuals who have already been studied under this chapter and who remain affiliated
1218.27 with the agency that initiated the background study.

1218.28 (d) When the commissioner has reasonable cause to believe that the identity of a
1218.29 background study subject is uncertain, the commissioner may require the subject to provide
1218.30 a set of classifiable fingerprints for purposes of completing a fingerprint-based record check
1218.31 with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph
1218.32 shall not be saved by the commissioner after they have been used to verify the identity of
1218.33 the background study subject against the particular criminal record in question.

1219.1 (e) The commissioner may inform the entity that initiated a background study under
1219.2 NETStudy 2.0 of the status of processing of the subject's fingerprints.

1219.3 Sec. 17. Minnesota Statutes 2022, section 245C.10, subdivision 18, is amended to read:

1219.4 Subd. 18. **Applicants, licensees, and other occupations regulated by commissioner**
1219.5 **of health.** The applicant or license holder is responsible for paying to the Department of
1219.6 Human Services all fees associated with the preparation of the fingerprints, the criminal
1219.7 records check consent form, and, through a fee of no more than \$44 per study, the criminal
1219.8 background check.

1219.9 Sec. 18. Minnesota Statutes 2022, section 245C.14, subdivision 1, is amended to read:

1219.10 Subdivision 1. **Disqualification from direct contact.** (a) The commissioner shall
1219.11 disqualify an individual who is the subject of a background study from any position allowing
1219.12 direct contact with persons receiving services from the license holder or entity identified in
1219.13 section 245C.03, upon receipt of information showing, or when a background study
1219.14 completed under this chapter shows any of the following:

1219.15 (1) a conviction of, admission to, or Alford plea to one or more crimes listed in section
1219.16 245C.15, regardless of whether the conviction or admission is a felony, gross misdemeanor,
1219.17 or misdemeanor level crime;

1219.18 (2) a preponderance of the evidence indicates the individual has committed an act or
1219.19 acts that meet the definition of any of the crimes listed in section 245C.15, regardless of
1219.20 whether the preponderance of the evidence is for a felony, gross misdemeanor, or
1219.21 misdemeanor level crime; ~~or~~

1219.22 (3) an investigation results in an administrative determination listed under section
1219.23 245C.15, subdivision 4, paragraph (b); or

1219.24 (4) the individual's parental rights have been terminated under section 260C.301,
1219.25 subdivision 1, paragraph (b), or section 260C.301, subdivision 3.

1219.26 (b) No individual who is disqualified following a background study under section
1219.27 245C.03, subdivisions 1 and 2, may be retained in a position involving direct contact with
1219.28 persons served by a program or entity identified in section 245C.03, unless the commissioner
1219.29 has provided written notice under section 245C.17 stating that:

1219.30 (1) the individual may remain in direct contact during the period in which the individual
1219.31 may request reconsideration as provided in section 245C.21, subdivision 2;

1220.1 (2) the commissioner has set aside the individual's disqualification for that program or
1220.2 entity identified in section 245C.03, as provided in section 245C.22, subdivision 4; or

1220.3 (3) the license holder has been granted a variance for the disqualified individual under
1220.4 section 245C.30.

1220.5 (c) Notwithstanding paragraph (a), for the purposes of a background study affiliated
1220.6 with a licensed family foster setting, the commissioner shall disqualify an individual who
1220.7 is the subject of a background study from any position allowing direct contact with persons
1220.8 receiving services from the license holder or entity identified in section 245C.03, upon
1220.9 receipt of information showing or when a background study completed under this chapter
1220.10 shows reason for disqualification under section 245C.15, subdivision 4a.

1220.11 Sec. 19. Minnesota Statutes 2022, section 245C.14, is amended by adding a subdivision
1220.12 to read:

1220.13 Subd. 5. **Basis for disqualification.** Information obtained by entities from public
1220.14 web-based data through NETStudy 2.0 or any other source that is not direct correspondence
1220.15 from the commissioner is not a notice of disqualification from the commissioner under this
1220.16 chapter.

1220.17 Sec. 20. Minnesota Statutes 2023 Supplement, section 245C.15, subdivision 2, is amended
1220.18 to read:

1220.19 Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245C.14
1220.20 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any,
1220.21 for the offense; and (2) the individual has committed a felony-level violation of any of the
1220.22 following offenses: sections 152.021, subdivision 1 or 2b, (aggravated controlled substance
1220.23 crime in the first degree; sale crimes); 152.022, subdivision 1 (controlled substance crime
1220.24 in the second degree; sale crimes); 152.023, subdivision 1 (controlled substance crime in
1220.25 the third degree; sale crimes); 152.024, subdivision 1 (controlled substance crime in the
1220.26 fourth degree; sale crimes); 256.98 (wrongfully obtaining assistance); 268.182 (fraud);
1220.27 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 518B.01, subdivision 14
1220.28 (violation of an order for protection); 609.165 (felon ineligible to possess firearm); 609.2112,
1220.29 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.215 (suicide); 609.223
1220.30 or 609.2231 (assault in the third or fourth degree); repeat offenses under 609.224 (assault
1220.31 in the fifth degree); 609.229 (crimes committed for benefit of a gang); 609.2325 (criminal
1220.32 abuse of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.235
1220.33 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.247, subdivision

1221.1 4 (carjacking in the third degree); 609.255 (false imprisonment); 609.2664 (manslaughter
1221.2 of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the
1221.3 second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault
1221.4 of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the
1221.5 commission of a crime); 609.27 (coercion); 609.275 (attempt to coerce); 609.466 (medical
1221.6 assistance fraud); 609.495 (aiding an offender); 609.498, subdivision 1 or 1b (aggravated
1221.7 first-degree or first-degree tampering with a witness); 609.52 (theft); 609.521 (possession
1221.8 of shoplifting gear); 609.522 (organized retail theft); 609.525 (bringing stolen goods into
1221.9 Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance
1221.10 of dishonored checks); 609.562 (arson in the second degree); 609.563 (arson in the third
1221.11 degree); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance
1221.12 fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a
1221.13 forged check); 609.635 (obtaining signature by false pretense); 609.66 (dangerous weapons);
1221.14 609.67 (machine guns and short-barreled shotguns); 609.687 (adulteration); 609.71 (riot);
1221.15 609.713 (terroristic threats); 609.746 (interference with privacy); 609.82 (fraud in obtaining
1221.16 credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving
1221.17 a minor; repeat offenses under 617.241 (obscene materials and performances; distribution
1221.18 and exhibition prohibited; penalty); or 624.713 (certain persons not to possess firearms).

1221.19 (b) An individual is disqualified under section 245C.14 if less than 15 years has passed
1221.20 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
1221.21 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

1221.22 (c) An individual is disqualified under section 245C.14 if less than 15 years has passed
1221.23 since the termination of the individual's parental rights under section 260C.301, subdivision
1221.24 1, paragraph (b), or subdivision 3.

1221.25 (d) An individual is disqualified under section 245C.14 if less than 15 years has passed
1221.26 since the discharge of the sentence imposed for an offense in any other state or country, the
1221.27 elements of which are substantially similar to the elements of the offenses listed in paragraph
1221.28 (a) or since the termination of parental rights in any other state or country, the elements of
1221.29 which are substantially similar to the elements listed in paragraph (c).

1221.30 (e) If the individual studied commits one of the offenses listed in paragraph (a), but the
1221.31 sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is
1221.32 disqualified but the disqualification look-back period for the offense is the period applicable
1221.33 to the gross misdemeanor or misdemeanor disposition.

1222.1 (f) When a disqualification is based on a judicial determination other than a conviction,
1222.2 the disqualification period begins from the date of the court order. When a disqualification
1222.3 is based on an admission, the disqualification period begins from the date of an admission
1222.4 in court. When a disqualification is based on an Alford Plea, the disqualification period
1222.5 begins from the date the Alford Plea is entered in court. When a disqualification is based
1222.6 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
1222.7 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
1222.8 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

1222.9 Sec. 21. Minnesota Statutes 2022, section 245C.15, subdivision 3, is amended to read:

1222.10 Subd. 3. **Ten-year disqualification.** (a) An individual is disqualified under section
1222.11 245C.14 if: (1) less than ten years have passed since the discharge of the sentence imposed,
1222.12 if any, for the offense; and (2) the individual has committed a gross misdemeanor-level
1222.13 violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance);
1222.14 260B.425 (criminal jurisdiction for contributing to status as a juvenile petty offender or
1222.15 delinquency); 260C.425 (criminal jurisdiction for contributing to need for protection or
1222.16 services); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud);
1222.17 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 or 609.222
1222.18 (assault in the first or second degree); 609.223 or 609.2231 (assault in the third or fourth
1222.19 degree); 609.224 (assault in the fifth degree); 609.224, subdivision 2, paragraph (c) (assault
1222.20 in the fifth degree by a caregiver against a vulnerable adult); 609.2242 and 609.2243
1222.21 (domestic assault); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of
1222.22 residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal
1222.23 neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult);
1222.24 609.234 (failure to report maltreatment of a vulnerable adult); 609.265 (abduction); 609.275
1222.25 (attempt to coerce); 609.324, subdivision 1a (other prohibited acts; minor engaged in
1222.26 prostitution); 609.33 (disorderly house); 609.377 (malicious punishment of a child); 609.378
1222.27 (neglect or endangerment of a child); 609.466 (medical assistance fraud); 609.52 (theft);
1222.28 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527
1222.29 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks);
1222.30 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.631
1222.31 (check forgery; offering a forged check); 609.66 (dangerous weapons); 609.71 (riot); 609.72,
1222.32 subdivision 3 (disorderly conduct against a vulnerable adult); ~~repeat offenses under 609.746~~
1222.33 (~~interference with privacy~~); 609.749, subdivision 2 (harassment); 609.82 (fraud in obtaining
1222.34 credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving
1222.35 a minor; 617.241 (obscene materials and performances); 617.243 (indecent literature,

1223.1 distribution); 617.293 (harmful materials; dissemination and display to minors prohibited);
1223.2 or Minnesota Statutes 2012, section 609.21; or violation of an order for protection under
1223.3 section 518B.01, subdivision 14.

1223.4 (b) An individual is disqualified under section 245C.14 if less than ten years has passed
1223.5 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
1223.6 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

1223.7 (c) An individual is disqualified under section 245C.14 if less than ten years has passed
1223.8 since the discharge of the sentence imposed for an offense in any other state or country, the
1223.9 elements of which are substantially similar to the elements of any of the offenses listed in
1223.10 paragraph (a).

1223.11 (d) If the individual studied commits one of the offenses listed in paragraph (a), but the
1223.12 sentence or level of offense is a misdemeanor disposition, the individual is disqualified but
1223.13 the disqualification lookback period for the offense is the period applicable to misdemeanors.

1223.14 (e) When a disqualification is based on a judicial determination other than a conviction,
1223.15 the disqualification period begins from the date of the court order. When a disqualification
1223.16 is based on an admission, the disqualification period begins from the date of an admission
1223.17 in court. When a disqualification is based on an Alford Plea, the disqualification period
1223.18 begins from the date the Alford Plea is entered in court. When a disqualification is based
1223.19 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
1223.20 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
1223.21 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

1223.22 Sec. 22. Minnesota Statutes 2022, section 245C.15, subdivision 4, is amended to read:

1223.23 Subd. 4. **Seven-year disqualification.** (a) An individual is disqualified under section
1223.24 245C.14 if: (1) less than seven years has passed since the discharge of the sentence imposed,
1223.25 if any, for the offense; and (2) the individual has committed a misdemeanor-level violation
1223.26 of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 260B.425
1223.27 (criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency);
1223.28 260C.425 (criminal jurisdiction for contributing to need for protection or services); 268.182
1223.29 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112, 609.2113,
1223.30 or 609.2114 (criminal vehicular homicide or injury); 609.221 (assault in the first degree);
1223.31 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231
1223.32 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic
1223.33 assault); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report
1223.34 maltreatment of a vulnerable adult); 609.2672 (assault of an unborn child in the third degree);

1224.1 609.27 (coercion); violation of an order for protection under 609.3232 (protective order
1224.2 authorized; procedures; penalties); 609.466 (medical assistance fraud); 609.52 (theft);
1224.3 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527
1224.4 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks);
1224.5 609.611 (insurance fraud); 609.66 (dangerous weapons); 609.665 (spring guns); 609.746
1224.6 (interference with privacy); 609.79 (obscene or harassing telephone calls); 609.795 (letter,
1224.7 telegram, or package; opening; harassment); 609.82 (fraud in obtaining credit); 609.821
1224.8 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.293
1224.9 (harmful materials; dissemination and display to minors prohibited); or Minnesota Statutes
1224.10 2012, section 609.21; or violation of an order for protection under section 518B.01 (Domestic
1224.11 Abuse Act).

1224.12 (b) An individual is disqualified under section 245C.14 if less than seven years has
1224.13 passed since a determination or disposition of the individual's:

1224.14 (1) failure to make required reports under section 260E.06 or 626.557, subdivision 3,
1224.15 for incidents in which: (i) the final disposition under section 626.557 or chapter 260E was
1224.16 substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or

1224.17 (2) substantiated serious or recurring maltreatment of a minor under chapter 260E, a
1224.18 vulnerable adult under section 626.557, or serious or recurring maltreatment in any other
1224.19 state, the elements of which are substantially similar to the elements of maltreatment under
1224.20 section 626.557 or chapter 260E for which: (i) there is a preponderance of evidence that
1224.21 the maltreatment occurred, and (ii) the subject was responsible for the maltreatment.

1224.22 (c) An individual is disqualified under section 245C.14 if less than seven years has
1224.23 passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of
1224.24 the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota
1224.25 Statutes.

1224.26 (d) An individual is disqualified under section 245C.14 if less than seven years has
1224.27 passed since the discharge of the sentence imposed for an offense in any other state or
1224.28 country, the elements of which are substantially similar to the elements of any of the offenses
1224.29 listed in paragraphs (a) and (b).

1224.30 (e) When a disqualification is based on a judicial determination other than a conviction,
1224.31 the disqualification period begins from the date of the court order. When a disqualification
1224.32 is based on an admission, the disqualification period begins from the date of an admission
1224.33 in court. When a disqualification is based on an Alford Plea, the disqualification period
1224.34 begins from the date the Alford Plea is entered in court. When a disqualification is based

1225.1 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
1225.2 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
1225.3 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

1225.4 (f) An individual is disqualified under section 245C.14 if less than seven years has passed
1225.5 since the individual was disqualified under section 256.98, subdivision 8.

1225.6 Sec. 23. Minnesota Statutes 2023 Supplement, section 245C.15, subdivision 4a, is amended
1225.7 to read:

1225.8 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding
1225.9 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,
1225.10 regardless of how much time has passed, an individual is disqualified under section 245C.14
1225.11 if the individual committed an act that resulted in a felony-level conviction for sections:
1225.12 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder
1225.13 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in
1225.14 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first
1225.15 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);
1225.16 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense
1225.17 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or
1225.18 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
1225.19 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
1225.20 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
1225.21 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
1225.22 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
1225.23 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
1225.24 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
1225.25 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child
1225.26 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
1225.27 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
1225.28 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
1225.29 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
1225.30 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
1225.31 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
1225.32 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
1225.33 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
1225.34 conduct); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of
1225.35 a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first

1226.1 degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of
1226.2 minors in sexual performance prohibited); or 617.247 (possession of pictorial representations
1226.3 of minors).

1226.4 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated
1226.5 with a licensed family foster setting, an individual is disqualified under section 245C.14,
1226.6 regardless of how much time has passed, if the individual:

1226.7 (1) committed an action under paragraph (e) that resulted in death or involved sexual
1226.8 abuse, as defined in section 260E.03, subdivision 20;

1226.9 (2) committed an act that resulted in a gross misdemeanor-level conviction for section
1226.10 609.3451 (criminal sexual conduct in the fifth degree);

1226.11 (3) committed an act against or involving a minor that resulted in a felony-level conviction
1226.12 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the
1226.13 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);
1226.14 or

1226.15 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level
1226.16 conviction for section 617.293 (dissemination and display of harmful materials to minors).

1226.17 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
1226.18 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20
1226.19 years have passed since the termination of the individual's parental rights under section
1226.20 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of
1226.21 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to
1226.22 involuntarily terminate parental rights. An individual is disqualified under section 245C.14
1226.23 if fewer than 20 years have passed since the termination of the individual's parental rights
1226.24 in any other state or country, where the conditions for the individual's termination of parental
1226.25 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph
1226.26 (b).

1226.27 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
1226.28 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
1226.29 years have passed since a felony-level violation for sections: 152.021 (controlled substance
1226.30 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
1226.31 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
1226.32 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
1226.33 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
1226.34 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision

1227.1 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
1227.2 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
1227.3 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related
1227.4 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
1227.5 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
1227.6 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
1227.7 child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal
1227.8 abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal
1227.9 neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery);
1227.10 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation,
1227.11 inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498,
1227.12 subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b
1227.13 (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563
1227.14 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66
1227.15 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749,
1227.16 subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting
1227.17 at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

1227.18 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
1227.19 background study affiliated with a licensed family child foster care license, an individual
1227.20 is disqualified under section 245C.14 if fewer than five years have passed since:

1227.21 (1) a felony-level violation for an act not against or involving a minor that constitutes:
1227.22 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
1227.23 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
1227.24 fifth degree);

1227.25 (2) a violation of an order for protection under section 518B.01, subdivision 14;

1227.26 (3) a determination or disposition of the individual's failure to make required reports
1227.27 under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition
1227.28 under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment
1227.29 was recurring or serious;

1227.30 (4) a determination or disposition of the individual's substantiated serious or recurring
1227.31 maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or
1227.32 serious or recurring maltreatment in any other state, the elements of which are substantially
1227.33 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet
1227.34 the definition of serious maltreatment or recurring maltreatment;

1228.1 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in
1228.2 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);
1228.3 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);
1228.4 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

1228.5 (6) committing an act against or involving a minor that resulted in a misdemeanor-level
1228.6 violation of section 609.224, subdivision 1 (assault in the fifth degree).

1228.7 (f) For purposes of this subdivision, the disqualification begins from:

1228.8 (1) the date of the alleged violation, if the individual was not convicted;

1228.9 (2) the date of conviction, if the individual was convicted of the violation but not
1228.10 committed to the custody of the commissioner of corrections; or

1228.11 (3) the date of release from prison, if the individual was convicted of the violation and
1228.12 committed to the custody of the commissioner of corrections.

1228.13 Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation
1228.14 of the individual's supervised release, the disqualification begins from the date of release
1228.15 from the subsequent incarceration.

1228.16 (g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
1228.17 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota
1228.18 Statutes, permanently disqualifies the individual under section 245C.14. An individual is
1228.19 disqualified under section 245C.14 if fewer than five years have passed since the individual's
1228.20 aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs
1228.21 (d) and (e).

1228.22 (h) An individual's offense in any other state or country, where the elements of the
1228.23 offense are substantially similar to any of the offenses listed in paragraphs (a) and (b),
1228.24 permanently disqualifies the individual under section 245C.14. An individual is disqualified
1228.25 under section 245C.14 if fewer than five years have passed since an offense in any other
1228.26 state or country, the elements of which are substantially similar to the elements of any
1228.27 offense listed in paragraphs (d) and (e).

1228.28 Sec. 24. Minnesota Statutes 2022, section 245C.22, subdivision 4, is amended to read:

1228.29 Subd. 4. **Risk of harm; set aside.** (a) The commissioner may set aside the disqualification
1228.30 if the commissioner finds that the individual has submitted sufficient information to
1228.31 demonstrate that the individual does not pose a risk of harm to any person served by the
1228.32 applicant, license holder, or other entities as provided in this chapter.

1229.1 (b) In determining whether the individual has met the burden of proof by demonstrating
1229.2 the individual does not pose a risk of harm, the commissioner shall consider:

1229.3 (1) the nature, severity, and consequences of the event or events that led to the
1229.4 disqualification;

1229.5 (2) whether there is more than one disqualifying event;

1229.6 (3) the age and vulnerability of the victim at the time of the event;

1229.7 (4) the harm suffered by the victim;

1229.8 (5) vulnerability of persons served by the program;

1229.9 (6) the similarity between the victim and persons served by the program;

1229.10 (7) the time elapsed without a repeat of the same or similar event;

1229.11 (8) documentation of successful completion by the individual studied of training or
1229.12 rehabilitation pertinent to the event; and

1229.13 (9) any other information relevant to reconsideration.

1229.14 (c) For an individual seeking a child foster care license who is a relative of the child,
1229.15 the commissioner shall consider the importance of maintaining the child's relationship with
1229.16 relatives as an additional significant factor in determining whether a background study
1229.17 disqualification should be set aside.

1229.18 ~~(e)~~ (d) If the individual requested reconsideration on the basis that the information relied
1229.19 upon to disqualify the individual was incorrect or inaccurate and the commissioner determines
1229.20 that the information relied upon to disqualify the individual is correct, the commissioner
1229.21 must also determine if the individual poses a risk of harm to persons receiving services in
1229.22 accordance with paragraph (b).

1229.23 ~~(d)~~ (e) For an individual seeking employment in the substance use disorder treatment
1229.24 field, the commissioner shall set aside the disqualification if the following criteria are met:

1229.25 (1) the individual is not disqualified for a crime of violence as listed under section
1229.26 624.712, subdivision 5, except for the following crimes: crimes listed under section 152.021,
1229.27 subdivision 2 or 2a; 152.022, subdivision 2; 152.023, subdivision 2; 152.024; or 152.025;

1229.28 (2) the individual is not disqualified under section 245C.15, subdivision 1;

1229.29 (3) the individual is not disqualified under section 245C.15, subdivision 4, paragraph
1229.30 (b);

1230.1 (4) the individual provided documentation of successful completion of treatment, at least
1230.2 one year prior to the date of the request for reconsideration, at a program licensed under
1230.3 chapter 245G, and has had no disqualifying crimes or conduct under section 245C.15 after
1230.4 the successful completion of treatment;

1230.5 (5) the individual provided documentation demonstrating abstinence from controlled
1230.6 substances, as defined in section 152.01, subdivision 4, for the period of one year prior to
1230.7 the date of the request for reconsideration; and

1230.8 (6) the individual is seeking employment in the substance use disorder treatment field.

1230.9 Sec. 25. Minnesota Statutes 2022, section 245C.24, subdivision 2, is amended to read:

1230.10 Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in
1230.11 paragraphs (b) to ~~(f)~~ (g), the commissioner may not set aside the disqualification of any
1230.12 individual disqualified pursuant to this chapter, regardless of how much time has passed,
1230.13 if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision
1230.14 1.

1230.15 (b) For an individual in the substance use disorder or corrections field who was
1230.16 disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose
1230.17 disqualification was set aside prior to July 1, 2005, the commissioner must consider granting
1230.18 a variance pursuant to section 245C.30 for the license holder for a program dealing primarily
1230.19 with adults. A request for reconsideration evaluated under this paragraph must include a
1230.20 letter of recommendation from the license holder that was subject to the prior set-aside
1230.21 decision addressing the individual's quality of care to children or vulnerable adults and the
1230.22 circumstances of the individual's departure from that service.

1230.23 (c) If an individual who requires a background study for nonemergency medical
1230.24 transportation services under section 245C.03, subdivision 12, was disqualified for a crime
1230.25 or conduct listed under section 245C.15, subdivision 1, and if more than 40 years have
1230.26 passed since the discharge of the sentence imposed, the commissioner may consider granting
1230.27 a set-aside pursuant to section 245C.22. A request for reconsideration evaluated under this
1230.28 paragraph must include a letter of recommendation from the employer. This paragraph does
1230.29 not apply to a person disqualified based on a violation of sections 243.166; 609.185 to
1230.30 609.205; 609.25; 609.342 to 609.3453; 609.352; 617.23, subdivision 2, clause (1), or 3,
1230.31 clause (1); 617.246; or 617.247.

1230.32 (d) When a licensed foster care provider adopts an individual who had received foster
1230.33 care services from the provider for over six months, and the adopted individual is required

1231.1 to receive a background study under section 245C.03, subdivision 1, paragraph (a), clause
1231.2 (2) or (6), the commissioner may grant a variance to the license holder under section 245C.30
1231.3 to permit the adopted individual with a permanent disqualification to remain affiliated with
1231.4 the license holder under the conditions of the variance when the variance is recommended
1231.5 by the county of responsibility for each of the remaining individuals in placement in the
1231.6 home and the licensing agency for the home.

1231.7 (e) For an individual 18 years of age or older affiliated with a licensed family foster
1231.8 setting, the commissioner must not set aside or grant a variance for the disqualification of
1231.9 any individual disqualified pursuant to this chapter, regardless of how much time has passed,
1231.10 if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision
1231.11 4a, paragraphs (a) and (b).

1231.12 (f) In connection with a family foster setting license, the commissioner may grant a
1231.13 variance to the disqualification for an individual who is under 18 years of age at the time
1231.14 the background study is submitted.

1231.15 (g) In connection with foster residence settings and children's residential facilities, the
1231.16 commissioner must not set aside or grant a variance for the disqualification of any individual
1231.17 disqualified pursuant to this chapter, regardless of how much time has passed, if the individual
1231.18 was disqualified for a crime or conduct listed in section 245C.15, subdivision 4a, paragraph
1231.19 (a) or (b).

1231.20 Sec. 26. Minnesota Statutes 2022, section 245C.24, subdivision 5, is amended to read:

1231.21 Subd. 5. **Five-year bar to set aside or variance disqualification; children's residential**
1231.22 **facilities, foster residence settings.** The commissioner shall not set aside or grant a variance
1231.23 for the disqualification of an individual in connection with a license for a children's residential
1231.24 facility or foster residence setting who was convicted of a felony within the past five years
1231.25 for: (1) physical assault or battery; or (2) a drug-related offense.

1231.26 Sec. 27. Minnesota Statutes 2022, section 245C.30, is amended by adding a subdivision
1231.27 to read:

1231.28 Subd. 1b. **Child foster care variances.** For an individual seeking a child foster care
1231.29 license who is a relative of the child, the commissioner shall consider the importance of
1231.30 maintaining the child's relationship with relatives as an additional significant factor in
1231.31 determining whether the individual should be granted a variance.

1232.1 Sec. 28. Minnesota Statutes 2022, section 245F.09, subdivision 2, is amended to read:

1232.2 Subd. 2. **Protective procedures plan.** A license holder must have a written policy and
1232.3 procedure that establishes the protective procedures that program staff must follow when
1232.4 a patient is in imminent danger of harming self or others. The policy must be appropriate
1232.5 to the type of facility and the level of staff training. The protective procedures policy must
1232.6 include:

1232.7 (1) an approval signed and dated by the program director and medical director prior to
1232.8 implementation. Any changes to the policy must also be approved, signed, and dated by the
1232.9 current program director and the medical director prior to implementation;

1232.10 (2) which protective procedures the license holder will use to prevent patients from
1232.11 imminent danger of harming self or others;

1232.12 (3) the emergency conditions under which the protective procedures are permitted to be
1232.13 used, if any;

1232.14 (4) the patient's health conditions that limit the specific procedures that may be used and
1232.15 alternative means of ensuring safety;

1232.16 (5) emergency resources the program staff must contact when a patient's behavior cannot
1232.17 be controlled by the procedures established in the policy;

1232.18 (6) the training that staff must have before using any protective procedure;

1232.19 (7) documentation of approved therapeutic holds;

1232.20 (8) the use of law enforcement personnel as described in subdivision 4;

1232.21 (9) standards governing emergency use of seclusion. Seclusion must be used only when
1232.22 less restrictive measures are ineffective or not feasible. The standards in items (i) to (vii)
1232.23 must be met when seclusion is used with a patient:

1232.24 (i) seclusion must be employed solely for the purpose of preventing a patient from
1232.25 imminent danger of harming self or others;

1232.26 (ii) seclusion rooms must be equipped in a manner that prevents patients from self-harm
1232.27 using projections, windows, electrical fixtures, or hard objects, and must allow the patient
1232.28 to be readily observed without being interrupted;

1232.29 (iii) seclusion must be authorized by the program director, a licensed physician, a
1232.30 registered nurse, or a licensed physician assistant. If one of these individuals is not present
1232.31 in the facility, the program director or a licensed physician, registered nurse, or physician

1233.1 assistant must be contacted and authorization must be obtained within 30 minutes of initiating
1233.2 seclusion, according to written policies;

1233.3 (iv) patients must not be placed in seclusion for more than 12 hours at any one time;

1233.4 (v) once the condition of a patient in seclusion has been determined to be safe enough
1233.5 to end continuous observation, a patient in seclusion must be observed at a minimum of
1233.6 every 15 minutes for the duration of seclusion and must always be within hearing range of
1233.7 program staff;

1233.8 (vi) a process for program staff to use to remove a patient to other resources available
1233.9 to the facility if seclusion does not sufficiently assure patient safety; and

1233.10 (vii) a seclusion area may be used for other purposes, such as intensive observation, if
1233.11 the room meets normal standards of care for the purpose and if the room is not locked; and

1233.12 (10) physical holds may only be used when less restrictive measures are not feasible.

1233.13 The standards in items (i) to (iv) must be met when physical holds are used with a patient:

1233.14 (i) physical holds must be employed solely for preventing a patient from imminent
1233.15 danger of harming self or others;

1233.16 (ii) physical holds must be authorized by the program director, a licensed physician, a
1233.17 registered nurse, or a physician assistant. If one of these individuals is not present in the
1233.18 facility, the program director or a licensed physician, registered nurse, or physician assistant
1233.19 must be contacted and authorization must be obtained within 30 minutes of initiating a
1233.20 physical hold, according to written policies;

1233.21 (iii) the patient's health concerns must be considered in deciding whether to use physical
1233.22 holds and which holds are appropriate for the patient; and

1233.23 (iv) only approved holds may be utilized. Prone and contraindicated holds are not allowed
1233.24 according to section 245A.211 and must not be authorized.

1233.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1233.26 Sec. 29. Minnesota Statutes 2022, section 245F.14, is amended by adding a subdivision
1233.27 to read:

1233.28 **Subd. 8. Notification to commissioner of changes in key staff positions.** A license
1233.29 holder must notify the commissioner within five business days of a change or vacancy in a
1233.30 key staff position. The key positions are a program director as required by subdivision 1, a
1233.31 registered nurse as required by subdivision 4, and a medical director as required by
1233.32 subdivision 5. The license holder must notify the commissioner of the staffing change on

1234.1 a form approved by the commissioner and include the name of the staff person now assigned
1234.2 to the key staff position and the staff person's qualifications for the position. The license
1234.3 holder must notify the program licensor of a vacancy to discuss how the duties of the key
1234.4 staff position will be fulfilled during the vacancy.

1234.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1234.6 Sec. 30. Minnesota Statutes 2022, section 245F.17, is amended to read:

1234.7 **245F.17 PERSONNEL FILES.**

1234.8 A license holder must maintain a separate personnel file for each staff member. At a
1234.9 minimum, the file must contain:

1234.10 (1) a completed application for employment signed by the staff member that contains
1234.11 the staff member's qualifications for employment and documentation related to the applicant's
1234.12 background study data, as defined in chapter 245C;

1234.13 (2) documentation of the staff member's current professional license or registration, if
1234.14 relevant;

1234.15 (3) documentation of orientation and subsequent training; and

1234.16 (4) ~~documentation of a statement of freedom from substance use problems; and~~

1234.17 ~~(5) an annual job performance evaluation.~~

1234.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1234.19 Sec. 31. Minnesota Statutes 2022, section 245G.07, subdivision 4, is amended to read:

1234.20 **Subd. 4. Location of service provision.** ~~The license holder may provide services at any~~
1234.21 ~~of the license holder's licensed locations or at another suitable location including a school,~~
1234.22 ~~government building, medical or behavioral health facility, or social service organization,~~
1234.23 ~~upon notification and approval of the commissioner. If services are provided off site from~~
1234.24 ~~the licensed site, the reason for the provision of services remotely must be documented.~~
1234.25 ~~The license holder may provide additional services under subdivision 2, clauses (2) to (5),~~
1234.26 ~~off site if the license holder includes a policy and procedure detailing the off-site location~~
1234.27 ~~as a part of the treatment service description and the program abuse prevention plan.~~

1234.28 (a) The license holder must provide all treatment services a client receives at one of the
1234.29 license holder's substance use disorder treatment licensed locations or at a location allowed
1234.30 under paragraphs (b) to (f). If the services are provided at the locations in paragraphs (b) to
1234.31 (d), the license holder must document in the client record the location services were provided.

1235.1 (b) The license holder may provide nonresidential individual treatment services at a
1235.2 client's home or place of residence.

1235.3 (c) If the license holder provides treatment services by telehealth, the services must be
1235.4 provided according to this paragraph:

1235.5 (1) the license holder must maintain a licensed physical location in Minnesota where
1235.6 the license holder must offer all treatment services in subdivision 1, paragraph (a), clauses
1235.7 (1) to (4), physically in-person to each client;

1235.8 (2) the license holder must meet all requirements for the provision of telehealth in sections
1235.9 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder
1235.10 must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client
1235.11 receiving services by telehealth, regardless of payment type or whether the client is a medical
1235.12 assistance enrollee;

1235.13 (3) the license holder may provide treatment services by telehealth to clients individually;

1235.14 (4) the license holder may provide treatment services by telehealth to a group of clients
1235.15 that are each in a separate physical location;

1235.16 (5) the license holder must not provide treatment services remotely by telehealth to a
1235.17 group of clients meeting together in person, unless permitted under clause (7);

1235.18 (6) clients and staff may join an in-person group by telehealth if a staff member qualified
1235.19 to provide the treatment service is physically present with the group of clients meeting
1235.20 together in person; and

1235.21 (7) the qualified professional providing a residential group treatment service by telehealth
1235.22 must be physically present on-site at the licensed residential location while the service is
1235.23 being provided. If weather conditions or short-term illness prohibit a qualified professional
1235.24 from traveling to the residential program and another qualified professional is not available
1235.25 to provide the service, a qualified professional may provide a residential group treatment
1235.26 service by telehealth from a location away from the licensed residential location. In such
1235.27 circumstances, the license holder must ensure that a qualified professional does not provide
1235.28 a residential group treatment service by telehealth from a location away from the licensed
1235.29 residential location for more than one day at a time, must ensure that a staff person who
1235.30 qualifies as a paraprofessional is physically present with the group of clients, and must
1235.31 document the reason for providing the remote telehealth service in the records of clients
1235.32 receiving the service. The license holder must document the dates that residential group
1235.33 treatment services were provided by telehealth from a location away from the licensed

1236.1 residential location in a central log and must provide the log to the commissioner upon
1236.2 request.

1236.3 (d) The license holder may provide the additional treatment services under subdivision
1236.4 2, clauses (2) to (6) and (8), away from the licensed location at a suitable location appropriate
1236.5 to the treatment service.

1236.6 (e) Upon written approval from the commissioner for each satellite location, the license
1236.7 holder may provide nonresidential treatment services at satellite locations that are in a
1236.8 school, jail, or nursing home. A satellite location may only provide services to students of
1236.9 the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing
1236.10 homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to
1236.11 document compliance with building codes, fire and safety codes, health rules, and zoning
1236.12 ordinances.

1236.13 (f) The commissioner may approve other suitable locations as satellite locations for
1236.14 nonresidential treatment services. The commissioner may require satellite locations under
1236.15 this paragraph to meet all applicable licensing requirements. The license holder may not
1236.16 have more than two satellite locations per license under this paragraph.

1236.17 (g) The license holder must provide the commissioner access to all files, documentation,
1236.18 staff persons, and any other information the commissioner requires at the main licensed
1236.19 location for all clients served at any location under paragraphs (b) to (f).

1236.20 (h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a
1236.21 program abuse prevention plan is not required for satellite or other locations under paragraphs
1236.22 (b) to (e). An individual abuse prevention plan is still required for any client that is a
1236.23 vulnerable adult as defined in section 626.5572, subdivision 21.

1236.24 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1236.25 Sec. 32. Minnesota Statutes 2022, section 245G.08, subdivision 5, is amended to read:

1236.26 **Subd. 5. Administration of medication and assistance with self-medication.** (a) A
1236.27 license holder must meet the requirements in this subdivision if a service provided includes
1236.28 the administration of medication.

1236.29 (b) A staff member, other than a licensed practitioner or nurse, who is delegated by a
1236.30 licensed practitioner or a registered nurse the task of administration of medication or assisting
1236.31 with self-medication, must:

1237.1 (1) successfully complete a medication administration training program for unlicensed
1237.2 personnel through an accredited Minnesota postsecondary educational institution. A staff
1237.3 member's completion of the course must be documented in writing and placed in the staff
1237.4 member's personnel file;

1237.5 (2) be trained according to a formalized training program that is taught by a registered
1237.6 nurse and offered by the license holder. ~~The training must include the process for~~
1237.7 ~~administration of naloxone, if naloxone is kept on site.~~ A staff member's completion of the
1237.8 training must be documented in writing and placed in the staff member's personnel records;
1237.9 or

1237.10 (3) demonstrate to a registered nurse competency to perform the delegated activity. A
1237.11 registered nurse must be employed or contracted to develop the policies and procedures for
1237.12 administration of medication or assisting with self-administration of medication, or both.

1237.13 (c) A registered nurse must provide supervision as defined in section 148.171, subdivision
1237.14 23. The registered nurse's supervision must include, at a minimum, monthly on-site
1237.15 supervision or more often if warranted by a client's health needs. The policies and procedures
1237.16 must include:

1237.17 (1) a provision that a delegation of administration of medication is limited to a method
1237.18 a staff member has been trained to administer and limited to:

1237.19 (i) a medication that is administered orally, topically, or as a suppository, an eye drop,
1237.20 an ear drop, an inhalant, or an intranasal; and

1237.21 (ii) an intramuscular injection of ~~naloxone~~ an opiate antagonist as defined in section
1237.22 604A.04, subdivision 1, or epinephrine;

1237.23 (2) a provision that each client's file must include documentation indicating whether
1237.24 staff must conduct the administration of medication or the client must self-administer
1237.25 medication, or both;

1237.26 (3) a provision that a client may carry emergency medication such as nitroglycerin as
1237.27 instructed by the client's physician, advanced practice registered nurse, or physician assistant;

1237.28 (4) a provision for the client to self-administer medication when a client is scheduled to
1237.29 be away from the facility;

1237.30 (5) a provision that if a client self-administers medication when the client is present in
1237.31 the facility, the client must self-administer medication under the observation of a trained
1237.32 staff member;

1238.1 (6) a provision that when a license holder serves a client who is a parent with a child,
1238.2 the parent may only administer medication to the child under a staff member's supervision;

1238.3 (7) requirements for recording the client's use of medication, including staff signatures
1238.4 with date and time;

1238.5 (8) guidelines for when to inform a nurse of problems with self-administration of
1238.6 medication, including a client's failure to administer, refusal of a medication, adverse
1238.7 reaction, or error; and

1238.8 (9) procedures for acceptance, documentation, and implementation of a prescription,
1238.9 whether written, verbal, telephonic, or electronic.

1238.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1238.11 Sec. 33. Minnesota Statutes 2022, section 245G.08, subdivision 6, is amended to read:

1238.12 Subd. 6. **Control of drugs.** A license holder must have and implement written policies
1238.13 and procedures developed by a registered nurse that contain:

1238.14 (1) a requirement that each drug must be stored in a locked compartment. A Schedule
1238.15 II drug, as defined by section 152.02, subdivision 3, must be stored in a separately locked
1238.16 compartment, permanently affixed to the physical plant or medication cart;

1238.17 (2) a system which accounts for all scheduled drugs each shift;

1238.18 (3) a procedure for recording the client's use of medication, including the signature of
1238.19 the staff member who completed the administration of the medication with the time and
1238.20 date;

1238.21 (4) a procedure to destroy a discontinued, outdated, or deteriorated medication;

1238.22 (5) a statement that only authorized personnel are permitted access to the keys to a locked
1238.23 compartment;

1238.24 (6) a statement that no legend drug supply for one client shall be given to another client;
1238.25 and

1238.26 (7) a procedure for monitoring the available supply of ~~naloxone~~ an opiate antagonist as
1238.27 defined in section 604A.04, subdivision 1, on site; and replenishing the naloxone supply
1238.28 when needed, and destroying naloxone according to clause (4).

1238.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1239.1 Sec. 34. Minnesota Statutes 2022, section 245G.10, is amended by adding a subdivision
1239.2 to read:

1239.3 Subd. 6. Notification to commissioner of changes in key staff positions. A license
1239.4 holder must notify the commissioner within five business days of a change or vacancy in a
1239.5 key staff position. The key positions are a treatment director as required by subdivision 1,
1239.6 an alcohol and drug counselor supervisor as required by subdivision 2, and a registered
1239.7 nurse as required by section 245G.08, subdivision 5, paragraph (c). The license holder must
1239.8 notify the commissioner of the staffing change on a form approved by the commissioner
1239.9 and include the name of the staff person now assigned to the key staff position and the staff
1239.10 person's qualifications for the position. The license holder must notify the program licensor
1239.11 of a vacancy to discuss how the duties of the key staff position will be fulfilled during the
1239.12 vacancy.

1239.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1239.14 Sec. 35. Minnesota Statutes 2023 Supplement, section 245G.22, subdivision 2, is amended
1239.15 to read:

1239.16 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
1239.17 have the meanings given them.

1239.18 (b) "Diversion" means the use of a medication for the treatment of opioid addiction being
1239.19 diverted from intended use of the medication.

1239.20 (c) "Guest dose" means administration of a medication used for the treatment of opioid
1239.21 addiction to a person who is not a client of the program that is administering or dispensing
1239.22 the medication.

1239.23 (d) "Medical director" means a practitioner licensed to practice medicine in the
1239.24 jurisdiction that the opioid treatment program is located who assumes responsibility for
1239.25 administering all medical services performed by the program, either by performing the
1239.26 services directly or by delegating specific responsibility to a practitioner of the opioid
1239.27 treatment program.

1239.28 (e) "Medication used for the treatment of opioid use disorder" means a medication
1239.29 approved by the Food and Drug Administration for the treatment of opioid use disorder.

1239.30 (f) "Minnesota health care programs" has the meaning given in section 256B.0636.

1239.31 (g) "Opioid treatment program" has the meaning given in Code of Federal Regulations,
1239.32 title 42, section 8.12, and includes programs licensed under this chapter.

1240.1 (h) "Practitioner" means a staff member holding a current, unrestricted license to practice
1240.2 medicine issued by the Board of Medical Practice or nursing issued by the Board of Nursing
1240.3 and is currently registered with the Drug Enforcement Administration to order or dispense
1240.4 controlled substances in Schedules II to V under the Controlled Substances Act, United
1240.5 States Code, title 21, part B, section 821. ~~Practitioner includes an advanced practice registered~~
1240.6 ~~nurse and physician assistant if the staff member receives a variance by the state opioid~~
1240.7 ~~treatment authority under section 254A.03 and the federal Substance Abuse and Mental~~
1240.8 ~~Health Services Administration.~~

1240.9 (i) "Unsupervised use" or "take-home" means the use of a medication for the treatment
1240.10 of opioid use disorder dispensed for use by a client outside of the program setting.

1240.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1240.12 Sec. 36. Minnesota Statutes 2022, section 245G.22, subdivision 6, is amended to read:

1240.13 Subd. 6. **Criteria for unsupervised use.** (a) To limit the potential for diversion of
1240.14 medication used for the treatment of opioid use disorder to the illicit market, medication
1240.15 dispensed to a client for unsupervised use shall be subject to the requirements of this
1240.16 subdivision. Any client in an opioid treatment program may receive ~~a single unsupervised~~
1240.17 ~~use dose for a day that the clinic is closed for business, including Sundays and state and~~
1240.18 ~~federal holidays~~ their individualized take-home doses as ordered for days that the clinic is
1240.19 closed for business, on one weekend day (e.g., Sunday) and state and federal holidays, no
1240.20 matter their length of time in treatment, as allowed under Code of Federal Regulations, title
1240.21 42, part 8.12 (i)(1).

1240.22 (b) For take-home doses beyond those allowed by paragraph (a), a practitioner with
1240.23 authority to prescribe must review and document the criteria in this paragraph and paragraph
1240.24 ~~(e)~~ the Code of Federal Regulations, title 42, part 8.12 (i)(2), when determining whether
1240.25 dispensing medication for a client's unsupervised use is safe and it is appropriate to
1240.26 implement, increase, or extend the amount of time between visits to the program. The criteria
1240.27 are:

1240.28 ~~(1) absence of recent abuse of drugs including but not limited to opioids, non-narcotics,~~
1240.29 ~~and alcohol;~~

1240.30 ~~(2) regularity of program attendance;~~

1240.31 ~~(3) absence of serious behavioral problems at the program;~~

1240.32 ~~(4) absence of known recent criminal activity such as drug dealing;~~

- 1241.1 ~~(5) stability of the client's home environment and social relationships;~~
1241.2 ~~(6) length of time in comprehensive maintenance treatment;~~
1241.3 ~~(7) reasonable assurance that unsupervised use medication will be safely stored within~~
1241.4 ~~the client's home; and~~
1241.5 ~~(8) whether the rehabilitative benefit the client derived from decreasing the frequency~~
1241.6 ~~of program attendance outweighs the potential risks of diversion or unsupervised use.~~
1241.7 (c) The determination, including the basis of the determination must be documented by
1241.8 a practitioner in the client's medical record.

1241.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1241.10 Sec. 37. Minnesota Statutes 2022, section 245G.22, subdivision 7, is amended to read:

1241.11 Subd. 7. **Restrictions for unsupervised use of methadone hydrochloride.** (a) If a
1241.12 ~~medical director or prescribing practitioner assesses and, determines, and documents~~ that
1241.13 a client meets the criteria in subdivision 6 ~~and may be dispensed a medication used for the~~
1241.14 ~~treatment of opioid addiction, the restrictions in this subdivision must be followed when~~
1241.15 ~~the medication to be dispensed is methadone hydrochloride. The results of the assessment~~
1241.16 ~~must be contained in the client file. The number of unsupervised use medication doses per~~
1241.17 ~~week in paragraphs (b) to (d) is in addition to the number of unsupervised use medication~~
1241.18 ~~doses a client may receive for days the clinic is closed for business as allowed by subdivision~~
1241.19 ~~6, paragraph (a) and that a patient is safely able to manage unsupervised doses of methadone,~~
1241.20 the number of take-home doses the client receives must be limited by the number allowed
1241.21 by the Code of Federal Regulations, title 42, part 8.12 (i)(3).

1241.22 ~~(b) During the first 90 days of treatment, the unsupervised use medication supply must~~
1241.23 ~~be limited to a maximum of a single dose each week and the client shall ingest all other~~
1241.24 ~~doses under direct supervision.~~

1241.25 ~~(c) In the second 90 days of treatment, the unsupervised use medication supply must be~~
1241.26 ~~limited to two doses per week.~~

1241.27 ~~(d) In the third 90 days of treatment, the unsupervised use medication supply must not~~
1241.28 ~~exceed three doses per week.~~

1241.29 ~~(e) In the remaining months of the first year, a client may be given a maximum six-day~~
1241.30 ~~unsupervised use medication supply.~~

1241.31 ~~(f) After one year of continuous treatment, a client may be given a maximum two-week~~
1241.32 ~~unsupervised use medication supply.~~

1242.1 ~~(g) After two years of continuous treatment, a client may be given a maximum one-month~~
1242.2 ~~unsupervised use medication supply, but must make monthly visits to the program.~~

1242.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1242.4 Sec. 38. Minnesota Statutes 2023 Supplement, section 245G.22, subdivision 17, is amended
1242.5 to read:

1242.6 Subd. 17. **Policies and procedures.** (a) A license holder must develop and maintain the
1242.7 policies and procedures required in this subdivision.

1242.8 (b) For a program that is not open every day of the year, the license holder must maintain
1242.9 a policy and procedure that covers requirements under section 245G.22, subdivisions 6 and
1242.10 7. Unsupervised use of medication used for the treatment of opioid use disorder for days
1242.11 that the program is closed for business, ~~including but not limited to Sundays~~ on one weekend
1242.12 day and state and federal holidays, must meet the requirements under section 245G.22,
1242.13 subdivisions 6 and 7.

1242.14 (c) The license holder must maintain a policy and procedure that includes specific
1242.15 measures to reduce the possibility of diversion. The policy and procedure must:

1242.16 (1) specifically identify and define the responsibilities of the medical and administrative
1242.17 staff for performing diversion control measures; and

1242.18 (2) include a process for contacting no less than five percent of clients who have
1242.19 unsupervised use of medication, excluding clients approved solely under subdivision 6,
1242.20 paragraph (a), to require clients to physically return to the program each month. The system
1242.21 must require clients to return to the program within a stipulated time frame and turn in all
1242.22 unused medication containers related to opioid use disorder treatment. The license holder
1242.23 must document all related contacts on a central log and the outcome of the contact for each
1242.24 client in the client's record. The medical director must be informed of each outcome that
1242.25 results in a situation in which a possible diversion issue was identified.

1242.26 (d) Medication used for the treatment of opioid use disorder must be ordered,
1242.27 administered, and dispensed according to applicable state and federal regulations and the
1242.28 standards set by applicable accreditation entities. If a medication order requires assessment
1242.29 by the person administering or dispensing the medication to determine the amount to be
1242.30 administered or dispensed, the assessment must be completed by an individual whose
1242.31 professional scope of practice permits an assessment. For the purposes of enforcement of
1242.32 this paragraph, the commissioner has the authority to monitor the person administering or
1242.33 dispensing the medication for compliance with state and federal regulations and the relevant

1243.1 standards of the license holder's accreditation agency and may issue licensing actions
1243.2 according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's
1243.3 determination of noncompliance.

1243.4 (e) A counselor in an opioid treatment program must not supervise more than 50 clients.

1243.5 (f) Notwithstanding paragraph (e), from July 1, 2023, to June 30, 2024, a counselor in
1243.6 an opioid treatment program may supervise up to 60 clients. The license holder may continue
1243.7 to serve a client who was receiving services at the program on June 30, 2024, at a counselor
1243.8 to client ratio of up to one to 60 and is not required to discharge any clients in order to return
1243.9 to the counselor to client ratio of one to 50. The license holder may not, however, serve a
1243.10 new client after June 30, 2024, unless the counselor who would supervise the new client is
1243.11 supervising fewer than 50 existing clients.

1243.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1243.13 Sec. 39. Minnesota Statutes 2023 Supplement, section 256B.064, subdivision 4, is amended
1243.14 to read:

1243.15 Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2
1243.16 ~~by certified mail at~~ using a signature-verified confirmed delivery method to the address
1243.17 submitted to the department by the individual or entity. Service is complete upon mailing.

1243.18 (b) The department shall give notice in writing to a recipient placed in the Minnesota
1243.19 restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200.
1243.20 The department shall send the notice by first class mail to the recipient's current address on
1243.21 file with the department. A recipient placed in the Minnesota restricted recipient program
1243.22 may contest the placement by submitting a written request for a hearing to the department
1243.23 within 90 days of the notice being mailed.

1243.24 Sec. 40. Minnesota Statutes 2022, section 256B.0757, subdivision 4a, is amended to read:

1243.25 Subd. 4a. **Behavioral health home services provider requirements.** A behavioral
1243.26 health home services provider must:

1243.27 (1) be an enrolled Minnesota Health Care Programs provider;

1243.28 (2) provide a medical assistance covered primary care or behavioral health service;

1243.29 (3) utilize an electronic health record;

1243.30 (4) utilize an electronic patient registry that contains data elements required by the
1243.31 commissioner;

- 1244.1 (5) demonstrate the organization's capacity to administer screenings approved by the
1244.2 commissioner for substance use disorder or alcohol and tobacco use;
- 1244.3 (6) demonstrate the organization's capacity to refer an individual to resources appropriate
1244.4 to the individual's screening results;
- 1244.5 (7) have policies and procedures to track referrals to ensure that the referral met the
1244.6 individual's needs;
- 1244.7 (8) conduct a brief needs assessment when an individual begins receiving behavioral
1244.8 health home services. The brief needs assessment must be completed with input from the
1244.9 individual and the individual's identified supports. The brief needs assessment must address
1244.10 the individual's immediate safety and transportation needs and potential barriers to
1244.11 participating in behavioral health home services;
- 1244.12 (9) conduct a health wellness assessment within 60 days after intake that contains all
1244.13 required elements identified by the commissioner;
- 1244.14 (10) conduct a health action plan that contains all required elements identified by the
1244.15 commissioner. The plan must be completed within 90 days after intake and must be updated
1244.16 at least once every six months, or more frequently if significant changes to an individual's
1244.17 needs or goals occur;
- 1244.18 (11) agree to cooperate with and participate in the state's monitoring and evaluation of
1244.19 behavioral health home services; and
- 1244.20 (12) obtain the individual's ~~written~~ consent to begin receiving behavioral health home
1244.21 services using a form approved by the commissioner.

1244.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1244.23 Sec. 41. Minnesota Statutes 2022, section 256B.0757, subdivision 4d, is amended to read:

1244.24 Subd. 4d. **Behavioral health home services delivery standards.** (a) A behavioral health
1244.25 home services provider must meet the following service delivery standards:

1244.26 (1) establish and maintain processes to support the coordination of an individual's primary
1244.27 care, behavioral health, and dental care;

1244.28 (2) maintain a team-based model of care, including regular coordination and
1244.29 communication between behavioral health home services team members;

- 1245.1 (3) use evidence-based practices that recognize and are tailored to the medical, social,
1245.2 economic, behavioral health, functional impairment, cultural, and environmental factors
1245.3 affecting the individual's health and health care choices;
- 1245.4 (4) use person-centered planning practices to ensure the individual's health action plan
1245.5 accurately reflects the individual's preferences, goals, resources, and optimal outcomes for
1245.6 the individual and the individual's identified supports;
- 1245.7 (5) use the patient registry to identify individuals and population subgroups requiring
1245.8 specific levels or types of care and provide or refer the individual to needed treatment,
1245.9 intervention, or services;
- 1245.10 (6) ~~utilize the Department of Human Services Partner Portal to~~ identify past and current
1245.11 treatment or services and identify potential gaps in care using a tool approved by the
1245.12 commissioner;
- 1245.13 (7) deliver services consistent with the standards for frequency and face-to-face contact
1245.14 required by the commissioner;
- 1245.15 (8) ensure that a diagnostic assessment is completed for each individual receiving
1245.16 behavioral health home services within six months of the start of behavioral health home
1245.17 services;
- 1245.18 (9) deliver services in locations and settings that meet the needs of the individual;
- 1245.19 (10) provide a central point of contact to ensure that individuals and the individual's
1245.20 identified supports can successfully navigate the array of services that impact the individual's
1245.21 health and well-being;
- 1245.22 (11) have capacity to assess an individual's readiness for change and the individual's
1245.23 capacity to integrate new health care or community supports into the individual's life;
- 1245.24 (12) offer or facilitate the provision of wellness and prevention education on
1245.25 evidenced-based curriculums specific to the prevention and management of common chronic
1245.26 conditions;
- 1245.27 (13) help an individual set up and prepare for medical, behavioral health, social service,
1245.28 or community support appointments, including accompanying the individual to appointments
1245.29 as appropriate, and providing follow-up with the individual after these appointments;
- 1245.30 (14) offer or facilitate the provision of health coaching related to chronic disease
1245.31 management and how to navigate complex systems of care to the individual, the individual's
1245.32 family, and identified supports;

1246.1 (15) connect an individual, the individual's family, and identified supports to appropriate
1246.2 support services that help the individual overcome access or service barriers, increase
1246.3 self-sufficiency skills, and improve overall health;

1246.4 (16) provide effective referrals and timely access to services; and

1246.5 (17) establish a continuous quality improvement process for providing behavioral health
1246.6 home services.

1246.7 (b) The behavioral health home services provider must also create a plan, in partnership
1246.8 with the individual and the individual's identified supports, to support the individual after
1246.9 discharge from a hospital, residential treatment program, or other setting. The plan must
1246.10 include protocols for:

1246.11 (1) maintaining contact between the behavioral health home services team member, the
1246.12 individual, and the individual's identified supports during and after discharge;

1246.13 (2) linking the individual to new resources as needed;

1246.14 (3) reestablishing the individual's existing services and community and social supports;
1246.15 and

1246.16 (4) following up with appropriate entities to transfer or obtain the individual's service
1246.17 records as necessary for continued care.

1246.18 (c) If the individual is enrolled in a managed care plan, a behavioral health home services
1246.19 provider must:

1246.20 (1) notify the behavioral health home services contact designated by the managed care
1246.21 plan within 30 days of when the individual begins behavioral health home services; and

1246.22 (2) adhere to the managed care plan communication and coordination requirements
1246.23 described in the behavioral health home services manual.

1246.24 (d) Before terminating behavioral health home services, the behavioral health home
1246.25 services provider must:

1246.26 (1) provide a 60-day notice of termination of behavioral health home services to all
1246.27 individuals receiving behavioral health home services, the commissioner, and managed care
1246.28 plans, if applicable; and

1246.29 (2) refer individuals receiving behavioral health home services to a new behavioral
1246.30 health home services provider.

1246.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1247.1 Sec. 42. Minnesota Statutes 2023 Supplement, section 256D.01, subdivision 1a, is amended
1247.2 to read:

1247.3 Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to
1247.4 provide for single adults, childless couples, or children as defined in section 256D.02,
1247.5 subdivision 2b, ineligible for federal programs who are unable to provide for themselves.
1247.6 The minimum standard of assistance determines the total amount of the general assistance
1247.7 grant without separate standards for shelter, utilities, or other needs.

1247.8 (b) The standard of assistance for an assistance unit consisting of a recipient who is
1247.9 childless and unmarried or living apart from children and spouse and who does not live with
1247.10 a parent or parents or a legal custodian, or consisting of a childless couple, is \$350 per month
1247.11 effective October 1, 2024, and must be adjusted by a percentage equal to the change in the
1247.12 consumer price index as of January 1 every year, beginning October 1, 2025.

1247.13 (c) For an assistance unit consisting of a single adult who lives with a parent or parents,
1247.14 the general assistance standard of assistance is \$350 per month effective October 1, 2023,
1247.15 2024, and must be adjusted by a percentage equal to the change in the consumer price index
1247.16 as of January 1 every year, beginning October 1, 2025. Benefits received by a responsible
1247.17 relative of the assistance unit under the Supplemental Security Income program, a workers'
1247.18 compensation program, the Minnesota supplemental aid program, or any other program
1247.19 based on the responsible relative's disability, and any benefits received by a responsible
1247.20 relative of the assistance unit under the Social Security retirement program, may not be
1247.21 counted in the determination of eligibility or benefit level for the assistance unit. Except as
1247.22 provided below, the assistance unit is ineligible for general assistance if the available
1247.23 resources or the countable income of the assistance unit and the parent or parents with whom
1247.24 the assistance unit lives are such that a family consisting of the assistance unit's parent or
1247.25 parents, the parent or parents' other family members and the assistance unit as the only or
1247.26 additional minor child would be financially ineligible for general assistance. For the purposes
1247.27 of calculating the countable income of the assistance unit's parent or parents, the calculation
1247.28 methods must follow the provisions under section 256P.06.

1247.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1247.30 Sec. 43. Minnesota Statutes 2022, section 256I.04, subdivision 2f, is amended to read:

1247.31 Subd. 2f. **Required services.** (a) In ~~licensed and registered~~ authorized settings under
1247.32 subdivision 2a, providers shall ensure that participants have at a minimum:

1247.33 (1) food preparation and service for three nutritional meals a day on site;

1248.1 (2) a bed, clothing storage, linen, bedding, laundering, and laundry supplies or service;
1248.2 (3) housekeeping, including cleaning and lavatory supplies or service; and
1248.3 (4) maintenance and operation of the building and grounds, including heat, water, garbage
1248.4 removal, electricity, telephone for the site, cooling, supplies, and parts and tools to repair
1248.5 and maintain equipment and facilities.

1248.6 (b) In addition, when providers serve participants described in subdivision 1, paragraph
1248.7 (c), the providers are required to assist the participants in applying for continuing housing
1248.8 support payments before the end of the eligibility period.

1248.9 Sec. 44. Minnesota Statutes 2023 Supplement, section 256I.05, subdivision 1a, is amended
1248.10 to read:

1248.11 Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04,
1248.12 subdivision 3, the agency may negotiate a payment not to exceed \$494.91 for other services
1248.13 necessary to provide room and board if the residence is licensed by or registered by the
1248.14 Department of Health, or licensed by the Department of Human Services to provide services
1248.15 in addition to room and board, and if the provider of services is not also concurrently
1248.16 receiving funding for services for a recipient in the residence under the following programs
1248.17 or funding sources: (1) home and community-based waiver services under chapter 256S or
1248.18 section 256B.0913, 256B.092, or 256B.49; (2) personal care assistance under section
1248.19 256B.0659; (3) community first services and supports under section 256B.85; or (4) services
1248.20 for adults with mental illness grants under section 245.73. If funding is available for other
1248.21 necessary services through a home and community-based waiver under chapter 256S, or
1248.22 section 256B.0913, 256B.092, or 256B.49; personal care assistance services under section
1248.23 256B.0659; community first services and supports under section 256B.85; or services for
1248.24 adults with mental illness grants under section 245.73, then the housing support rate is
1248.25 limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may
1248.26 the supplementary service rate exceed \$494.91. The registration and licensure requirement
1248.27 does not apply to establishments which are exempt from state licensure because they are
1248.28 located on Indian reservations and for which the tribe has prescribed health and safety
1248.29 requirements. Service payments under this section may be prohibited under rules to prevent
1248.30 the supplanting of federal funds with state funds.

1248.31 ~~(b) The commissioner is authorized to make cost-neutral transfers from the housing~~
1248.32 ~~support fund for beds under this section to other funding programs administered by the~~
1248.33 ~~department after consultation with the agency in which the affected beds are located. The~~
1248.34 ~~commissioner may also make cost-neutral transfers from the housing support fund to agencies~~

1249.1 ~~for beds permanently removed from the housing support census under a plan submitted by~~
1249.2 ~~the agency and approved by the commissioner. The commissioner shall report the amount~~
1249.3 ~~of any transfers under this provision annually to the legislature.~~

1249.4 ~~(e)~~ (b) Agencies must not negotiate supplementary service rates with providers of housing
1249.5 support that are licensed as board and lodging with special services and that do not encourage
1249.6 a policy of sobriety on their premises and make referrals to available community services
1249.7 for volunteer and employment opportunities for residents.

1249.8 Sec. 45. Minnesota Statutes 2023 Supplement, section 256I.05, subdivision 11, is amended
1249.9 to read:

1249.10 Subd. 11. ~~Transfer of emergency shelter funds~~ Cost-neutral transfers from the
1249.11 housing support fund. (a) The commissioner is authorized to make cost-neutral transfers
1249.12 from the housing support fund for beds under this section to other funding programs
1249.13 administered by the department after consultation with the agency in which the affected
1249.14 beds are located.

1249.15 (b) The commissioner may also make cost-neutral transfers from the housing support
1249.16 fund to agencies for beds removed from the housing support census under a plan submitted
1249.17 by the agency and approved by the commissioner.

1249.18 ~~(a)~~ (c) The commissioner shall make a cost-neutral transfer of funding from the housing
1249.19 support fund to the agency for emergency shelter beds removed from the housing support
1249.20 census under a ~~biennial~~ plan submitted by the agency and approved by the commissioner.
1249.21 Plans submitted under this paragraph must include anticipated and actual outcomes for
1249.22 persons experiencing homelessness in emergency shelters.

1249.23 ~~The plan~~ (d) Plans submitted under paragraph (b) or (c) must describe: (1) anticipated
1249.24 ~~and actual outcomes for persons experiencing homelessness in emergency shelters; (2)~~
1249.25 improved efficiencies in administration; (3) (2) requirements for individual eligibility; and
1249.26 ~~(4) (3) plans for quality assurance monitoring and quality assurance outcomes. The~~
1249.27 commissioner shall review the agency plan plans to monitor implementation and outcomes
1249.28 at least biennially, and more frequently if the commissioner deems necessary.

1249.29 ~~(b)~~ (e) Funding under paragraph ~~(a)~~ (b), (c), or (d) may be used for the provision
1249.30 of room and board or supplemental services according to section 256I.03, subdivisions 14a
1249.31 and 14b. Providers must meet the requirements of section 256I.04, subdivisions 2a to 2f.
1249.32 Funding must be allocated annually, and the room and board portion of the allocation shall
1249.33 be adjusted according to the percentage change in the housing support room and board rate.

1250.1 ~~The room and board portion of the allocation shall be determined at the time of transfer.~~

1250.2 The commissioner or agency may return beds to the housing support fund with 180 days'
1250.3 notice, including financial reconciliation.

1250.4 Sec. 46. Minnesota Statutes 2022, section 260E.33, subdivision 2, as amended by Laws
1250.5 2024, chapter 80, article 8, section 44, is amended to read:

1250.6 Subd. 2. **Request for reconsideration.** (a) Except as provided under subdivision 5, an
1250.7 individual or facility that the commissioner of human services; commissioner of children,
1250.8 youth, and families; a local welfare agency; or the commissioner of education determines
1250.9 has maltreated a child, an interested person acting on behalf of the child, regardless of the
1250.10 determination, who contests the investigating agency's final determination regarding
1250.11 maltreatment may request the investigating agency to reconsider its final determination
1250.12 regarding maltreatment. The request for reconsideration must be submitted in writing or
1250.13 submitted in the provider licensing and reporting hub to the investigating agency within 15
1250.14 calendar days after receipt of notice of the final determination regarding maltreatment or,
1250.15 if the request is made by an interested person who is not entitled to notice, within 15 days
1250.16 after receipt of the notice by the parent or guardian of the child. If mailed, the request for
1250.17 reconsideration must be postmarked and sent to the investigating agency within 15 calendar
1250.18 days of the individual's or facility's receipt of the final determination. If the request for
1250.19 reconsideration is made by personal service, it must be received by the investigating agency
1250.20 within 15 calendar days after the individual's or facility's receipt of the final determination.
1250.21 Upon implementation of the provider licensing and reporting hub, the individual or facility
1250.22 must use the hub to request reconsideration. The reconsideration must be received by the
1250.23 commissioner within 15 calendar days of the individual's receipt of the notice of
1250.24 disqualification.

1250.25 (b) An individual who was determined to have maltreated a child under this chapter and
1250.26 who was disqualified on the basis of serious or recurring maltreatment under sections
1250.27 245C.14 and 245C.15 may request reconsideration of the maltreatment determination and
1250.28 the disqualification. The request for reconsideration of the maltreatment determination and
1250.29 the disqualification must be submitted within 30 calendar days of the individual's receipt
1250.30 of the notice of disqualification under sections 245C.16 and 245C.17. If mailed, the request
1250.31 for reconsideration of the maltreatment determination and the disqualification must be
1250.32 postmarked and sent to the investigating agency within 30 calendar days of the individual's
1250.33 receipt of the maltreatment determination and notice of disqualification. If the request for
1250.34 reconsideration is made by personal service, it must be received by the investigating agency
1250.35 within 30 calendar days after the individual's receipt of the notice of disqualification.

1251.1 Sec. 47. Laws 2024, chapter 80, article 2, section 6, subdivision 2, is amended to read:

1251.2 Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change
1251.3 in ownership, the commissioner shall require submission of a new license application. This
1251.4 subdivision does not apply to a licensed program or service located in a home where the
1251.5 license holder resides. A change in ownership occurs when:

1251.6 (1) except as provided in paragraph (b), the license holder sells or transfers 100 percent
1251.7 of the property, stock, or assets;

1251.8 (2) the license holder merges with another organization;

1251.9 (3) the license holder consolidates with two or more organizations, resulting in the
1251.10 creation of a new organization;

1251.11 (4) there is a change to the federal tax identification number associated with the license
1251.12 holder; or

1251.13 (5) except as provided in paragraph (b), all controlling individuals ~~associated with~~ for
1251.14 the original ~~application~~ license have changed.

1251.15 (b) ~~Notwithstanding~~ For changes under paragraph (a), clauses (1) and (5) clause (1) or
1251.16 (5), no change in ownership has occurred and a new license application is not required if
1251.17 at least one controlling individual has been ~~listed~~ affiliated as a controlling individual for
1251.18 the license for at least the previous 12 months immediately preceding the change.

1251.19 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1251.20 Sec. 48. Laws 2024, chapter 80, article 2, section 6, subdivision 3, is amended to read:

1251.21 Subd. 3. **Standard change of ownership process.** (a) When a change in ownership is
1251.22 proposed and the party intends to assume operation without an interruption in service longer
1251.23 than 60 days after acquiring the program or service, the license holder must provide the
1251.24 commissioner with written notice of the proposed change on a form provided by the
1251.25 commissioner at least ~~60~~ 90 days before the anticipated date of the change in ownership.
1251.26 For purposes of this ~~subdivision and subdivision 4~~ section, "party" means the party that
1251.27 intends to operate the service or program.

1251.28 (b) The party must submit a license application under this chapter on the form and in
1251.29 the manner prescribed by the commissioner at least ~~30~~ 90 days before the change in
1251.30 ownership is anticipated to be complete and must include documentation to support the
1251.31 upcoming change. The party must comply with background study requirements under chapter
1251.32 245C and shall pay the application fee required under section 245A.10.

1252.1 (c) The commissioner may streamline application procedures when the party is an existing
1252.2 license holder under this chapter and is acquiring a program licensed under this chapter or
1252.3 service in the same service class as one or more licensed programs or services the party
1252.4 operates and those licenses are in substantial compliance. For purposes of this subdivision,
1252.5 "substantial compliance" means within the previous 12 months the commissioner did not
1252.6 (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make
1252.7 a license held by the party conditional according to section 245A.06.

1252.8 (d) ~~Except when a temporary change in ownership license is issued pursuant to~~
1252.9 ~~subdivision 4~~ While the standard change of ownership process is pending, the existing
1252.10 license holder ~~is solely~~ remains responsible for operating the program according to applicable
1252.11 laws and rules until a license under this chapter is issued to the party.

1252.12 (e) If a licensing inspection of the program or service was conducted within the previous
1252.13 12 months and the existing license holder's license record demonstrates substantial
1252.14 compliance with the applicable licensing requirements, the commissioner may waive the
1252.15 party's inspection required by section 245A.04, subdivision 4. The party must submit to the
1252.16 commissioner (1) proof that the premises was inspected by a fire marshal or that the fire
1252.17 marshal deemed that an inspection was not warranted, and (2) proof that the premises was
1252.18 inspected for compliance with the building code or that no inspection was deemed warranted.

1252.19 (f) If the party is seeking a license for a program or service that has an outstanding action
1252.20 under section 245A.06 or 245A.07, the party must submit a letter as part of the application
1252.21 process identifying how the party has or will come into full compliance with the licensing
1252.22 requirements.

1252.23 (g) The commissioner shall evaluate the party's application according to section 245A.04,
1252.24 subdivision 6. If the commissioner determines that the party has remedied or demonstrates
1252.25 the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has
1252.26 determined that the program otherwise complies with all applicable laws and rules, the
1252.27 commissioner shall issue a license or conditional license under this chapter. A conditional
1252.28 license issued under this section is final and not subject to reconsideration under section
1252.29 142B.16, subdivision 4. The conditional license remains in effect until the commissioner
1252.30 determines that the grounds for the action are corrected or no longer exist.

1252.31 (h) The commissioner may deny an application as provided in section 245A.05. An
1252.32 applicant whose application was denied by the commissioner may appeal the denial according
1252.33 to section 245A.05.

1253.1 (i) This subdivision does not apply to a licensed program or service located in a home
1253.2 where the license holder resides.

1253.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1253.4 Sec. 49. Laws 2024, chapter 80, article 2, section 6, is amended by adding a subdivision
1253.5 to read:

1253.6 **Subd. 3a. Emergency change in ownership process.** (a) In the event of a death of a
1253.7 license holder or sole controlling individual or a court order or other event that results in
1253.8 the license holder being inaccessible or unable to operate the program or service, a party
1253.9 may submit a request to the commissioner to allow the party to assume operation of the
1253.10 program or service under an emergency change in ownership process to ensure persons
1253.11 continue to receive services while the commissioner evaluates the party's license application.

1253.12 (b) To request the emergency change of ownership process, the party must immediately:

1253.13 (1) notify the commissioner of the event resulting in the inability of the license holder
1253.14 to operate the program and of the party's intent to assume operations; and

1253.15 (2) provide the commissioner with documentation that demonstrates the party has a legal
1253.16 or legitimate ownership interest in the program or service if applicable and is able to operate
1253.17 the program or service.

1253.18 (c) If the commissioner approves the party to continue operating the program or service
1253.19 under an emergency change in ownership process, the party must:

1253.20 (1) request to be added as a controlling individual or license holder to the existing license;

1253.21 (2) notify persons receiving services of the emergency change in ownership in a manner
1253.22 approved by the commissioner;

1253.23 (3) submit an application for a new license within 30 days of approval;

1253.24 (4) comply with the background study requirements under chapter 245C; and

1253.25 (5) pay the application fee required under section 142B.12.

1253.26 (d) While the emergency change of ownership process is pending, a party approved
1253.27 under this subdivision is responsible for operating the program under the existing license
1253.28 according to applicable laws and rules until a new license under this chapter is issued.

1253.29 (e) The provisions in subdivision 3, paragraphs (c), (g), and (h), apply to this subdivision.

1253.30 (f) Once a party is issued a new license or has decided not to seek a new license, the
1253.31 commissioner must close the existing license.

1254.1 (g) This subdivision applies to any program or service licensed under this chapter.

1254.2 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1254.3 Sec. 50. Laws 2024, chapter 80, article 2, section 6, is amended by adding a subdivision
1254.4 to read:

1254.5 Subd. 5. **Failure to comply.** If the commissioner finds that the applicant or license holder
1254.6 has not fully complied with this section, the commissioner may impose a licensing sanction
1254.7 under section 142B.15, 142B.16, or 142B.18.

1254.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1254.9 Sec. 51. Laws 2024, chapter 80, article 2, section 10, subdivision 1, is amended to read:

1254.10 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
1254.11 under section 142B.16, the commissioner may suspend or revoke the license, impose a fine,
1254.12 or secure an injunction against the continuing operation of the program of a license holder
1254.13 who:

1254.14 (1) does not comply with applicable law or rule;

1254.15 (2) has nondisqualifying background study information, as described in section 245C.05,
1254.16 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
1254.17 children; or

1254.18 (3) has an individual living in the household where the licensed services are provided
1254.19 or is otherwise subject to a background study, and the individual has nondisqualifying
1254.20 background study information, as described in section 245C.05, subdivision 4, that reflects
1254.21 on the license holder's ability to safely provide care to foster children.

1254.22 When applying sanctions authorized under this section, the commissioner shall consider
1254.23 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
1254.24 on the health, safety, or rights of persons served by the program.

1254.25 (b) If a license holder appeals the suspension or revocation of a license and the license
1254.26 holder continues to operate the program pending a final order on the appeal, the commissioner
1254.27 shall issue the license holder a temporary provisional license. Unless otherwise specified
1254.28 by the commissioner, variances in effect on the date of the license sanction under appeal
1254.29 continue under the temporary provisional license. The commissioner may include terms the
1254.30 license holder must follow pending a final order on the appeal. If a license holder fails to
1254.31 comply with applicable law or rule while operating under a temporary provisional license,

1255.1 the commissioner may impose additional sanctions under this section and section 142B.16
1255.2 and may terminate any prior variance. If a temporary provisional license is set to expire, a
1255.3 new temporary provisional license shall be issued to the license holder upon payment of
1255.4 any fee required under section 142B.12. The temporary provisional license shall expire on
1255.5 the date the final order is issued. If the license holder prevails on the appeal, a new
1255.6 nonprovisional license shall be issued for the remainder of the current license period.

1255.7 (c) If a license holder is under investigation and the license issued under this chapter is
1255.8 due to expire before completion of the investigation, the program shall be issued a new
1255.9 license upon completion of the reapplication requirements and payment of any applicable
1255.10 license fee. Upon completion of the investigation, a licensing sanction may be imposed
1255.11 against the new license under this section or section 142B.16 or 142B.20.

1255.12 (d) Failure to reapply or closure of a license issued under this chapter by the license
1255.13 holder prior to the completion of any investigation shall not preclude the commissioner
1255.14 from issuing a licensing sanction under this section or section 142B.16 at the conclusion of
1255.15 the investigation.

1255.16 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1255.17 Sec. 52. **REVISOR INSTRUCTION.**

1255.18 The revisor of statutes shall renumber Minnesota Statutes, section 256D.21, as Minnesota
1255.19 Statutes, section 261.004.

1255.20 Sec. 53. **REPEALER.**

1255.21 (a) Minnesota Statutes 2022, sections 256D.19, subdivisions 1 and 2; 256D.20,
1255.22 subdivisions 1, 2, 3, and 4; and 256D.23, subdivisions 1, 2, and 3, are repealed.

1255.23 (b) Minnesota Statutes 2022, section 245C.125, is repealed.

1255.24 (c) Minnesota Statutes 2023 Supplement, section 245C.08, subdivision 2, is repealed.

1255.25 (d) Laws 2024, chapter 80, article 2, section 6, subdivision 4, is repealed.

1255.26 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment.

1256.1

ARTICLE 63

1256.2

OFFICE OF EMERGENCY MEDICAL SERVICES

1256.3 Section 1. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision
1256.4 to read:

1256.5 Subd. 16. **Director.** "Director" means the director of the Office of Emergency Medical
1256.6 Services.

1256.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1256.8 Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision
1256.9 to read:

1256.10 Subd. 17. **Office.** "Office" means the Office of Emergency Medical Services.

1256.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1256.12 Sec. 3. **[144E.011] OFFICE OF EMERGENCY MEDICAL SERVICES.**

1256.13 Subdivision 1. **Establishment.** The Office of Emergency Medical Services is established
1256.14 with the powers and duties established in law. In administering this chapter, the office must
1256.15 promote the public health and welfare, protect the safety of the public, and effectively
1256.16 regulate and support the operation of the emergency medical services system in this state.

1256.17 Subd. 2. **Director.** The governor must appoint a director for the office with the advice
1256.18 and consent of the senate. The director must be in the unclassified service and must serve
1256.19 at the pleasure of the governor. The salary of the director shall be determined according to
1256.20 section 15A.0815. The director shall direct the activities of the office.

1256.21 Subd. 3. **Powers and duties.** The director has the following powers and duties:

1256.22 (1) to administer and enforce this chapter and adopt rules as needed to implement this
1256.23 chapter. Rules for which notice is published in the State Register before July 1, 2026, may
1256.24 be adopted using the expedited rulemaking process in section 14.389;

1256.25 (2) to license ambulance services in the state and regulate their operation;

1256.26 (3) to establish and modify primary service areas;

1256.27 (4) to designate an ambulance service as authorized to provide service in a primary
1256.28 service area and to remove an ambulance service's authorization to provide service in a
1256.29 primary service area;

1256.30 (5) to register medical response units in the state and regulate their operation;

1257.1 (6) to certify emergency medical technicians, advanced emergency medical technicians,
1257.2 community emergency medical technicians, paramedics, and community paramedics and
1257.3 to register emergency medical responders;

1257.4 (7) to approve education programs for ambulance service personnel and emergency
1257.5 medical responders and to administer qualifications for instructors of education programs;

1257.6 (8) to administer grant programs related to emergency medical services;

1257.7 (9) to report to the legislature, by February 15 each year, on the work of the office and
1257.8 the advisory councils in the previous calendar year and with recommendations for any
1257.9 needed policy changes related to emergency medical services, including but not limited to
1257.10 improving access to emergency medical services, improving service delivery by ambulance
1257.11 services and medical response units, and improving the effectiveness of the state's emergency
1257.12 medical services system. The director must develop the reports and recommendations in
1257.13 consultation with the office's deputy directors and advisory councils;

1257.14 (10) to investigate complaints against and hold hearings regarding ambulance services,
1257.15 ambulance service personnel, and emergency medical responders and to impose disciplinary
1257.16 action or otherwise resolve complaints; and

1257.17 (11) to perform other duties related to the provision of emergency medical services in
1257.18 the state.

1257.19 Subd. 4. **Employees.** The director may employ personnel in the classified service and
1257.20 unclassified personnel as necessary to carry out the duties of this chapter.

1257.21 Subd. 5. **Work plan.** The director must prepare a work plan to guide the work of the
1257.22 office. The work plan must be updated biennially.

1257.23 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1257.24 Sec. 4. **[144E.015] MEDICAL SERVICES DIVISION.**

1257.25 A Medical Services Division is created in the Office of Emergency Medical Services.
1257.26 The Medical Services Division shall be under the supervision of a deputy director of medical
1257.27 services appointed by the director. The deputy director of medical services must be a
1257.28 physician licensed under chapter 147. The deputy director, under the direction of the director,
1257.29 shall enforce and coordinate the laws, rules, and policies assigned by the director, which
1257.30 may include overseeing the clinical aspects of prehospital medical care and education
1257.31 programs for emergency medical service personnel.

1257.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1258.1 **Sec. 5. [144E.016] AMBULANCE SERVICES DIVISION.**

1258.2 An Ambulance Services Division is created in the Office of Emergency Medical Services.
1258.3 The Ambulance Services Division shall be under the supervision of a deputy director of
1258.4 ambulance services appointed by the director. The deputy director, under the direction of
1258.5 the director, shall enforce and coordinate the laws, rules, and policies assigned by the director,
1258.6 which may include operating standards and licensing of ambulance services; registration
1258.7 and operation of medical response units; establishment and modification of primary service
1258.8 areas; authorization of ambulance services to provide service in a primary service area and
1258.9 revocation of such authorization; coordination of ambulance services within regions and
1258.10 across the state; and administration of grants.

1258.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1258.12 **Sec. 6. [144E.017] EMERGENCY MEDICAL SERVICE PROVIDERS DIVISION.**

1258.13 An Emergency Medical Service Providers Division is created in the Office of Emergency
1258.14 Medical Services. The Emergency Medical Service Providers Division shall be under the
1258.15 supervision of a deputy director of emergency medical service providers appointed by the
1258.16 director. The deputy director, under the direction of the director, shall enforce and coordinate
1258.17 the laws, rules, and policies assigned by the director, which may include certification and
1258.18 registration of individual emergency medical service providers; overseeing worker safety,
1258.19 worker well-being, and working conditions; implementation of education programs; and
1258.20 administration of grants.

1258.21 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1258.22 **Sec. 7. [144E.03] EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.**

1258.23 Subdivision 1. **Establishment; membership.** The Emergency Medical Services Advisory
1258.24 Council is established and consists of the following members:

1258.25 (1) one emergency medical technician currently practicing with a licensed ambulance
1258.26 service, appointed by the Minnesota Ambulance Association;

1258.27 (2) one paramedic currently practicing with a licensed ambulance service or a medical
1258.28 response unit, appointed jointly by the Minnesota Professional Fire Fighters Association
1258.29 and the Minnesota Ambulance Association;

1258.30 (3) one medical director of a licensed ambulance service, appointed by the National
1258.31 Association of EMS Physicians, Minnesota Chapter;

- 1259.1 (4) one firefighter currently serving as an emergency medical responder, appointed by
1259.2 the Minnesota State Fire Chiefs Association;
- 1259.3 (5) one registered nurse who is certified or currently practicing as a flight nurse, appointed
1259.4 jointly by the regional emergency services boards of the designated regional emergency
1259.5 medical services systems;
- 1259.6 (6) one hospital administrator, appointed by the Minnesota Hospital Association;
- 1259.7 (7) one social worker, appointed by the Board of Social Work;
- 1259.8 (8) one member of a federally recognized Tribal Nation in Minnesota, appointed by the
1259.9 Minnesota Indian Affairs Council;
- 1259.10 (9) three public members, appointed by the governor. At least one of the public members
1259.11 must reside outside the metropolitan counties listed in section 473.121, subdivision 4;
- 1259.12 (10) one member with experience working as an employee organization representative
1259.13 representing emergency medical service providers, appointed by an employee organization
1259.14 representing emergency medical service providers;
- 1259.15 (11) one member representing a local government, appointed by the Coalition of Greater
1259.16 Minnesota Cities;
- 1259.17 (12) one member representing a local government in the seven-county metropolitan area,
1259.18 appointed by the League of Minnesota Cities;
- 1259.19 (13) two members of the house of representatives and two members of the senate,
1259.20 appointed according to subdivision 2; and
- 1259.21 (14) the commissioner of health and commissioner of public safety or their designees
1259.22 as ex officio members.
- 1259.23 Subd. 2. **Legislative members.** The speaker of the house and the house minority leader
1259.24 must each appoint one member of the house of representatives to serve on the advisory
1259.25 council. The senate majority leader and the senate minority leader must each appoint one
1259.26 member of the senate to serve on the advisory council. Legislative members appointed under
1259.27 this subdivision serve until successors are appointed. Legislative members may receive per
1259.28 diem compensation and reimbursement for expenses according to the rules of their respective
1259.29 bodies.
- 1259.30 Subd. 3. **Terms, compensation, removal, vacancies, and expiration.** Compensation
1259.31 and reimbursement for expenses for members appointed under subdivision 1, clauses (1)
1259.32 to (12); removal of members; filling of vacancies of members; and, except for initial

1260.1 appointments, membership terms are governed by section 15.059. Notwithstanding section
1260.2 15.059, subdivision 6, the advisory council does not expire.

1260.3 Subd. 4. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair
1260.4 from among its membership and may elect other officers as the advisory council deems
1260.5 necessary.

1260.6 (b) The advisory council must meet quarterly or at the call of the chair.

1260.7 (c) Meetings of the advisory council are subject to chapter 13D.

1260.8 Subd. 5. **Duties.** The advisory council must review and make recommendations to the
1260.9 director and the deputy director of ambulance services on the administration of this chapter;
1260.10 the regulation of ambulance services and medical response units; the operation of the
1260.11 emergency medical services system in the state; and other topics as directed by the director.

1260.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1260.13 Sec. 8. **[144E.035] EMERGENCY MEDICAL SERVICES PHYSICIAN ADVISORY**
1260.14 **COUNCIL.**

1260.15 Subdivision 1. **Establishment; membership.** The Emergency Medical Services Physician
1260.16 Advisory Council is established and consists of the following members:

1260.17 (1) eight physicians who meet the qualifications for medical directors in section 144E.265,
1260.18 subdivision 1, with one physician appointed by each of the regional emergency services
1260.19 boards of the designated regional emergency medical services systems;

1260.20 (2) one physician who meets the qualifications for medical directors in section 144E.265,
1260.21 subdivision 1, appointed by the Minnesota State Fire Chiefs Association;

1260.22 (3) one physician who is board-certified in pediatrics, appointed by the Minnesota
1260.23 Emergency Medical Services for Children program; and

1260.24 (4) the medical director member of the Emergency Medical Services Advisory Council
1260.25 appointed under section 144E.03, subdivision 1, clause (3).

1260.26 Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation
1260.27 and reimbursement for expenses, removal of members, filling of vacancies of members,
1260.28 and, except for initial appointments, membership terms are governed by section 15.059.
1260.29 Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire.

1260.30 Subd. 3. **Officers; meetings.** (a) The advisory council must elect a chair and vice-chair
1260.31 from among its membership and may elect other officers as it deems necessary.

1261.1 (b) The advisory council must meet twice per year or upon the call of the chair.

1261.2 (c) Meetings of the advisory council are subject to chapter 13D.

1261.3 Subd. 4. **Duties.** The advisory council must:

1261.4 (1) review and make recommendations to the director and deputy director of medical
1261.5 services on clinical aspects of prehospital medical care. In doing so, the advisory council
1261.6 must incorporate information from medical literature, advances in bedside clinical practice,
1261.7 and advisory council member experience; and

1261.8 (2) serve as subject matter experts for the director and deputy director of medical services
1261.9 on evolving topics in clinical medicine, including but not limited to infectious disease,
1261.10 pharmaceutical and equipment shortages, and implementation of new therapeutics.

1261.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1261.12 Sec. 9. **[144E.04] LABOR AND EMERGENCY MEDICAL SERVICE PROVIDERS**
1261.13 **ADVISORY COUNCIL.**

1261.14 Subdivision 1. **Establishment; membership.** The Labor and Emergency Medical Service
1261.15 Providers Advisory Council is established and consists of the following members:

1261.16 (1) one emergency medical service provider of any type from each of the designated
1261.17 regional emergency medical services systems, appointed by their respective regional
1261.18 emergency services boards;

1261.19 (2) one emergency medical technician instructor, appointed by an employee organization
1261.20 representing emergency medical service providers;

1261.21 (3) two members with experience working as an employee organization representative
1261.22 representing emergency medical service providers, appointed by an employee organization
1261.23 representing emergency medical service providers;

1261.24 (4) one emergency medical service provider based in a fire department, appointed jointly
1261.25 by the Minnesota State Fire Chiefs Association and the Minnesota Professional Fire Fighters
1261.26 Association; and

1261.27 (5) one emergency medical service provider not based in a fire department, appointed
1261.28 by the League of Minnesota Cities.

1261.29 Subd. 2. **Terms, compensation, removal, vacancies, and expiration.** Compensation
1261.30 and reimbursement for expenses for members appointed under subdivision 1; removal of
1261.31 members; filling of vacancies of members; and, except for initial appointments, membership

1262.1 terms are governed by section 15.059. Notwithstanding section 15.059, subdivision 6, the
1262.2 Labor and Emergency Medical Service Providers Advisory Council does not expire.

1262.3 Subd. 3. **Officers; meetings.** (a) The Labor and Emergency Medical Service Providers
1262.4 Advisory Council must elect a chair and vice-chair from among its membership and may
1262.5 elect other officers as the advisory council deems necessary.

1262.6 (b) The Labor and Emergency Medical Service Providers Advisory Council must meet
1262.7 quarterly or at the call of the chair.

1262.8 (c) Meetings of the Labor and Emergency Medical Service Providers Advisory Council
1262.9 are subject to chapter 13D.

1262.10 Subd. 4. **Duties.** The Labor and Emergency Medical Service Providers Advisory Council
1262.11 must review and make recommendations to the director and deputy director of emergency
1262.12 medical service providers on the laws, rules, and policies assigned to the Emergency Medical
1262.13 Service Providers Division and other topics as directed by the director.

1262.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1262.15 Sec. 10. Minnesota Statutes 2022, section 144E.16, subdivision 5, is amended to read:

1262.16 Subd. 5. **Local government's powers.** (a) Local units of government may, with the
1262.17 approval of the ~~board~~ director, establish standards for ambulance services which impose
1262.18 additional requirements upon such services. Local units of government intending to impose
1262.19 additional requirements shall consider whether any benefit accruing to the public health
1262.20 would outweigh the costs associated with the additional requirements.

1262.21 (b) Local units of government that desire to impose additional requirements shall, prior
1262.22 to adoption of relevant ordinances, rules, or regulations, furnish the ~~board~~ director with a
1262.23 copy of the proposed ordinances, rules, or regulations, along with information that
1262.24 affirmatively substantiates that the proposed ordinances, rules, or regulations:

1262.25 (1) will in no way conflict with the relevant rules of the ~~board~~ office;

1262.26 (2) will establish additional requirements tending to protect the public health;

1262.27 (3) will not diminish public access to ambulance services of acceptable quality; and

1262.28 (4) will not interfere with the orderly development of regional systems of emergency
1262.29 medical care.

1262.30 (c) The ~~board~~ director shall base any decision to approve or disapprove local standards
1262.31 upon whether or not the local unit of government in question has affirmatively substantiated

1263.1 that the proposed ordinances, rules, or regulations meet the criteria specified in paragraph
1263.2 (b).

1263.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1263.4 Sec. 11. Minnesota Statutes 2022, section 144E.19, subdivision 3, is amended to read:

1263.5 Subd. 3. **Temporary suspension.** (a) In addition to any other remedy provided by law,
1263.6 the ~~board~~ director may temporarily suspend the license of a licensee after conducting a
1263.7 preliminary inquiry to determine whether the ~~board~~ director believes that the licensee has
1263.8 violated a statute or rule that the ~~board~~ director is empowered to enforce and determining
1263.9 that the continued provision of service by the licensee would create an imminent risk to
1263.10 public health or harm to others.

1263.11 (b) A temporary suspension order prohibiting a licensee from providing ambulance
1263.12 service shall give notice of the right to a preliminary hearing according to paragraph (d)
1263.13 and shall state the reasons for the entry of the temporary suspension order.

1263.14 (c) Service of a temporary suspension order is effective when the order is served on the
1263.15 licensee personally or by certified mail, which is complete upon receipt, refusal, or return
1263.16 for nondelivery to the most recent address provided to the ~~board~~ director for the licensee.

1263.17 (d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director
1263.18 shall schedule a hearing, ~~to be held before a group of its members designated by the board,~~
1263.19 that shall begin within 60 days after issuance of the temporary suspension order or within
1263.20 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from
1263.21 a licensee, whichever is sooner. The hearing shall be on the sole issue of whether there is
1263.22 a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under
1263.23 this paragraph is not subject to chapter 14.

1263.24 (e) Evidence presented by the ~~board~~ director or licensee may be in the form of an affidavit.
1263.25 The licensee or the licensee's designee may appear for oral argument.

1263.26 (f) Within five working days of the hearing, the ~~board~~ director shall issue its order and,
1263.27 if the suspension is continued, notify the licensee of the right to a contested case hearing
1263.28 under chapter 14.

1263.29 (g) If a licensee requests a contested case hearing within 30 days after receiving notice
1263.30 under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to
1263.31 chapter 14. The administrative law judge shall issue a report and recommendation within
1263.32 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue
1263.33 a final order within 30 days after receipt of the administrative law judge's report.

1264.1 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1264.2 Sec. 12. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

1264.3 Subd. 5. **Denial, suspension, revocation.** (a) The ~~board~~ director may deny, suspend,
1264.4 revoke, place conditions on, or refuse to renew the registration of an individual who the
1264.5 ~~board~~ director determines:

1264.6 (1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an
1264.7 agreement for corrective action, or an order that the ~~board~~ director issued or is otherwise
1264.8 empowered to enforce;

1264.9 (2) misrepresents or falsifies information on an application form for registration;

1264.10 (3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor
1264.11 relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any
1264.12 misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or
1264.13 alcohol;

1264.14 (4) is actually or potentially unable to provide emergency medical services with
1264.15 reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals,
1264.16 or any other material, or as a result of any mental or physical condition;

1264.17 (5) engages in unethical conduct, including, but not limited to, conduct likely to deceive,
1264.18 defraud, or harm the public, or demonstrating a willful or careless disregard for the health,
1264.19 welfare, or safety of the public;

1264.20 (6) maltreats or abandons a patient;

1264.21 (7) violates any state or federal controlled substance law;

1264.22 (8) engages in unprofessional conduct or any other conduct which has the potential for
1264.23 causing harm to the public, including any departure from or failure to conform to the
1264.24 minimum standards of acceptable and prevailing practice without actual injury having to
1264.25 be established;

1264.26 (9) provides emergency medical services under lapsed or nonrenewed credentials;

1264.27 (10) is subject to a denial, corrective, disciplinary, or other similar action in another
1264.28 jurisdiction or by another regulatory authority;

1264.29 (11) engages in conduct with a patient that is sexual or may reasonably be interpreted
1264.30 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
1264.31 to a patient; ~~or~~

1265.1 (12) makes a false statement or knowingly provides false information to the ~~board~~
1265.2 director, or fails to cooperate with an investigation of the ~~board~~ director as required by
1265.3 section 144E.30; or

1265.4 (13) fails to engage with the health professionals services program or diversion program
1265.5 required under section 144E.287 after being referred to the program, violates the terms of
1265.6 the program participation agreement, or leaves the program except upon fulfilling the terms
1265.7 for successful completion of the program as set forth in the participation agreement.

1265.8 (b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an
1265.9 individual of the right to a contested case hearing under chapter 14. If an individual requests
1265.10 a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate
1265.11 a contested case hearing according to chapter 14.

1265.12 (c) The administrative law judge shall issue a report and recommendation within 30
1265.13 days after closing the contested case hearing record. The ~~board~~ director shall issue a final
1265.14 order within 30 days after receipt of the administrative law judge's report.

1265.15 (d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions
1265.16 on, or refuse renewal of an individual's registration for disciplinary action, the individual
1265.17 shall have the opportunity to apply to the ~~board~~ director for reinstatement.

1265.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1265.19 Sec. 13. Minnesota Statutes 2022, section 144E.28, subdivision 5, is amended to read:

1265.20 **Subd. 5. Denial, suspension, revocation.** (a) The ~~board~~ director may deny certification
1265.21 or take any action authorized in subdivision 4 against an individual who the ~~board~~ director
1265.22 determines:

1265.23 (1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, or
1265.24 an order that the ~~board~~ director issued or is otherwise authorized or empowered to enforce,
1265.25 or agreement for corrective action;

1265.26 (2) misrepresents or falsifies information on an application form for certification;

1265.27 (3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor
1265.28 relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any
1265.29 misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or
1265.30 alcohol;

- 1266.1 (4) is actually or potentially unable to provide emergency medical services with
1266.2 reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals,
1266.3 or any other material, or as a result of any mental or physical condition;
- 1266.4 (5) engages in unethical conduct, including, but not limited to, conduct likely to deceive,
1266.5 defraud, or harm the public or demonstrating a willful or careless disregard for the health,
1266.6 welfare, or safety of the public;
- 1266.7 (6) maltreats or abandons a patient;
- 1266.8 (7) violates any state or federal controlled substance law;
- 1266.9 (8) engages in unprofessional conduct or any other conduct which has the potential for
1266.10 causing harm to the public, including any departure from or failure to conform to the
1266.11 minimum standards of acceptable and prevailing practice without actual injury having to
1266.12 be established;
- 1266.13 (9) provides emergency medical services under lapsed or nonrenewed credentials;
- 1266.14 (10) is subject to a denial, corrective, disciplinary, or other similar action in another
1266.15 jurisdiction or by another regulatory authority;
- 1266.16 (11) engages in conduct with a patient that is sexual or may reasonably be interpreted
1266.17 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
1266.18 to a patient; ~~or~~
- 1266.19 (12) makes a false statement or knowingly provides false information to the ~~board~~ director
1266.20 or fails to cooperate with an investigation of the ~~board~~ director as required by section
1266.21 144E.30; or
- 1266.22 (13) fails to engage with the health professionals services program or diversion program
1266.23 required under section 144E.287 after being referred to the program, violates the terms of
1266.24 the program participation agreement, or leaves the program except upon fulfilling the terms
1266.25 for successful completion of the program as set forth in the participation agreement.
- 1266.26 (b) Before taking action under paragraph (a), the ~~board~~ director shall give notice to an
1266.27 individual of the right to a contested case hearing under chapter 14. If an individual requests
1266.28 a contested case hearing within 30 days after receiving notice, the ~~board~~ director shall initiate
1266.29 a contested case hearing according to chapter 14 and no disciplinary action shall be taken
1266.30 at that time.

1267.1 (c) The administrative law judge shall issue a report and recommendation within 30
1267.2 days after closing the contested case hearing record. The ~~board~~ director shall issue a final
1267.3 order within 30 days after receipt of the administrative law judge's report.

1267.4 (d) After six months from the ~~board's~~ director's decision to deny, revoke, place conditions
1267.5 on, or refuse renewal of an individual's certification for disciplinary action, the individual
1267.6 shall have the opportunity to apply to the ~~board~~ director for reinstatement.

1267.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1267.8 Sec. 14. Minnesota Statutes 2022, section 144E.28, subdivision 6, is amended to read:

1267.9 Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law,
1267.10 the ~~board~~ director may temporarily suspend the certification of an individual after conducting
1267.11 a preliminary inquiry to determine whether the ~~board~~ director believes that the individual
1267.12 has violated a statute or rule that the ~~board~~ director is empowered to enforce and determining
1267.13 that the continued provision of service by the individual would create an imminent risk to
1267.14 public health or harm to others.

1267.15 (b) A temporary suspension order prohibiting an individual from providing emergency
1267.16 medical care shall give notice of the right to a preliminary hearing according to paragraph
1267.17 (d) and shall state the reasons for the entry of the temporary suspension order.

1267.18 (c) Service of a temporary suspension order is effective when the order is served on the
1267.19 individual personally or by certified mail, which is complete upon receipt, refusal, or return
1267.20 for nondelivery to the most recent address provided to the ~~board~~ director for the individual.

1267.21 (d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director
1267.22 shall schedule a hearing, ~~to be held before a group of its members designated by the board,~~
1267.23 that shall begin within 60 days after issuance of the temporary suspension order or within
1267.24 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from
1267.25 the individual, whichever is sooner. The hearing shall be on the sole issue of whether there
1267.26 is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under
1267.27 this paragraph is not subject to chapter 14.

1267.28 (e) Evidence presented by the ~~board~~ director or the individual may be in the form of an
1267.29 affidavit. The individual or individual's designee may appear for oral argument.

1267.30 (f) Within five working days of the hearing, the ~~board~~ director shall issue its order and,
1267.31 if the suspension is continued, notify the individual of the right to a contested case hearing
1267.32 under chapter 14.

1268.1 (g) If an individual requests a contested case hearing within 30 days of receiving notice
1268.2 under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according to
1268.3 chapter 14. The administrative law judge shall issue a report and recommendation within
1268.4 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue
1268.5 a final order within 30 days after receipt of the administrative law judge's report.

1268.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1268.7 Sec. 15. Minnesota Statutes 2022, section 144E.285, subdivision 6, is amended to read:

1268.8 Subd. 6. **Temporary suspension.** (a) In addition to any other remedy provided by law,
1268.9 the ~~board~~ director may temporarily suspend approval of the education program after
1268.10 conducting a preliminary inquiry to determine whether the ~~board~~ director believes that the
1268.11 education program has violated a statute or rule that the ~~board~~ director is empowered to
1268.12 enforce and determining that the continued provision of service by the education program
1268.13 would create an imminent risk to public health or harm to others.

1268.14 (b) A temporary suspension order prohibiting the education program from providing
1268.15 emergency medical care training shall give notice of the right to a preliminary hearing
1268.16 according to paragraph (d) and shall state the reasons for the entry of the temporary
1268.17 suspension order.

1268.18 (c) Service of a temporary suspension order is effective when the order is served on the
1268.19 education program personally or by certified mail, which is complete upon receipt, refusal,
1268.20 or return for nondelivery to the most recent address provided to the ~~board~~ director for the
1268.21 education program.

1268.22 (d) At the time the ~~board~~ director issues a temporary suspension order, the ~~board~~ director
1268.23 shall schedule a hearing, ~~to be held before a group of its members designated by the board,~~
1268.24 that shall begin within 60 days after issuance of the temporary suspension order or within
1268.25 15 working days of the date of the ~~board's~~ director's receipt of a request for a hearing from
1268.26 the education program, whichever is sooner. The hearing shall be on the sole issue of whether
1268.27 there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing
1268.28 under this paragraph is not subject to chapter 14.

1268.29 (e) Evidence presented by the ~~board~~ director or the individual may be in the form of an
1268.30 affidavit. The education program or counsel of record may appear for oral argument.

1268.31 (f) Within five working days of the hearing, the ~~board~~ director shall issue its order and,
1268.32 if the suspension is continued, notify the education program of the right to a contested case
1268.33 hearing under chapter 14.

1269.1 (g) If an education program requests a contested case hearing within 30 days of receiving
1269.2 notice under paragraph (f), the ~~board~~ director shall initiate a contested case hearing according
1269.3 to chapter 14. The administrative law judge shall issue a report and recommendation within
1269.4 30 days after the closing of the contested case hearing record. The ~~board~~ director shall issue
1269.5 a final order within 30 days after receipt of the administrative law judge's report.

1269.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1269.7 Sec. 16. Minnesota Statutes 2022, section 144E.287, is amended to read:

1269.8 **144E.287 DIVERSION PROGRAM.**

1269.9 The ~~board~~ director shall either conduct a health professionals ~~service~~ services program
1269.10 ~~under sections 214.31 to 214.37~~ or contract for a diversion program ~~under section 214.28~~
1269.11 for professionals regulated ~~by the board~~ under this chapter who are unable to perform their
1269.12 duties with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals,
1269.13 or any other materials, or as a result of any mental, physical, or psychological condition.

1269.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1269.15 Sec. 17. Minnesota Statutes 2022, section 144E.305, subdivision 3, is amended to read:

1269.16 Subd. 3. **Immunity.** (a) An individual, licensee, health care facility, business, or
1269.17 organization is immune from civil liability or criminal prosecution for submitting in good
1269.18 faith a report to the ~~board~~ director under subdivision 1 or 2 or for otherwise reporting in
1269.19 good faith to the ~~board~~ director violations or alleged violations of sections 144E.001 to
1269.20 144E.33. Reports are classified as confidential data on individuals or protected nonpublic
1269.21 data under section 13.02 while an investigation is active. Except for the ~~board's~~ director's
1269.22 final determination, all communications or information received by or disclosed to the ~~board~~
1269.23 director relating to disciplinary matters of any person or entity subject to the ~~board's~~ director's
1269.24 regulatory jurisdiction are confidential and privileged and any disciplinary hearing shall be
1269.25 closed to the public.

1269.26 (b) ~~Members of the board~~ The director, persons employed by the ~~board~~ director, persons
1269.27 engaged in the investigation of violations and in the preparation and management of charges
1269.28 of violations of sections 144E.001 to 144E.33 on behalf of the ~~board~~ director, and persons
1269.29 participating in the investigation regarding charges of violations are immune from civil
1269.30 liability and criminal prosecution for any actions, transactions, or publications, made in
1269.31 good faith, in the execution of, or relating to, their duties under sections 144E.001 to 144E.33.

1270.1 ~~(e) For purposes of this section, a member of the board is considered a state employee~~
1270.2 ~~under section 3.736, subdivision 9.~~

1270.3 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1270.4 Sec. 18. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL**
1270.5 **SERVICES ADVISORY COUNCIL.**

1270.6 (a) Initial appointments of members to the Emergency Medical Services Advisory
1270.7 Council must be made by January 1, 2025. The terms of initial appointees shall be determined
1270.8 by lot by the secretary of state and shall be as follows:

1270.9 (1) eight members shall serve two-year terms; and

1270.10 (2) eight members shall serve three-year terms.

1270.11 (b) The medical director appointee must convene the first meeting of the Emergency
1270.12 Medical Services Advisory Council by February 1, 2025.

1270.13 Sec. 19. **INITIAL MEMBERS AND FIRST MEETING; EMERGENCY MEDICAL**
1270.14 **SERVICES PHYSICIAN ADVISORY COUNCIL.**

1270.15 (a) Initial appointments of members to the Emergency Medical Services Physician
1270.16 Advisory Council must be made by January 1, 2025. The terms of initial appointees shall
1270.17 be determined by lot by the secretary of state and shall be as follows:

1270.18 (1) five members shall serve two-year terms;

1270.19 (2) five members shall serve three-year terms; and

1270.20 (3) the term for the medical director appointee to the Emergency Medical Services
1270.21 Physician Advisory Council shall coincide with that member's term on the Emergency
1270.22 Medical Services Advisory Council.

1270.23 (b) The medical director appointee must convene the first meeting of the Emergency
1270.24 Medical Services Physician Advisory Council by February 1, 2025.

1270.25 Sec. 20. **INITIAL MEMBERS AND FIRST MEETING; LABOR AND EMERGENCY**
1270.26 **MEDICAL SERVICE PROVIDERS ADVISORY COUNCIL.**

1270.27 (a) Initial appointments of members to the Labor and Emergency Medical Service
1270.28 Providers Advisory Council must be made by January 1, 2025. The terms of initial appointees
1270.29 shall be determined by lot by the secretary of state and shall be as follows:

1270.30 (1) six members shall serve two-year terms; and

1271.1 (2) seven members shall serve three-year terms.

1271.2 (b) The emergency medical technician instructor appointee must convene the first meeting
1271.3 of the Labor and Emergency Medical Service Providers Advisory Council by February 1,
1271.4 2025.

1271.5 Sec. 21. **TRANSITION.**

1271.6 Subdivision 1. **Appointment of director; operation of office.** No later than October
1271.7 1, 2024, the governor shall appoint a director-designee of the Office of Emergency Medical
1271.8 Services. The individual appointed as the director-designee of the Office of Emergency
1271.9 Medical Services shall become the governor's appointee as director of the Office of
1271.10 Emergency Medical Services on January 1, 2025. Effective January 1, 2025, the
1271.11 responsibilities to regulate emergency medical services in the state under Minnesota Statutes,
1271.12 chapter 144E, and Minnesota Rules, chapter 4690, are transferred from the Emergency
1271.13 Medical Services Regulatory Board to the Office of Emergency Medical Services and the
1271.14 director of the Office of Emergency Medical Services.

1271.15 Subd. 2. **Transfer of responsibilities.** Minnesota Statutes, section 15.039, applies to
1271.16 the transfer of responsibilities from the Emergency Medical Services Regulatory Board to
1271.17 the Office of Emergency Medical Services required by this act. The commissioner of
1271.18 administration, with the approval of the governor, may issue reorganization orders under
1271.19 Minnesota Statutes, section 16B.37, as necessary to carry out the transfer of responsibilities
1271.20 required by this act. The provision of Minnesota Statutes, section 16B.37, subdivision 1,
1271.21 which states that transfers under that section may be made only to an agency that has been
1271.22 in existence for at least one year, does not apply to transfers in this act to the Office of
1271.23 Emergency Medical Services.

1271.24 Sec. 22. **REVISOR INSTRUCTION.**

1271.25 (a) In Minnesota Statutes, chapter 144E, the revisor of statutes shall replace "board"
1271.26 with "director"; "board's" with "director's"; "Emergency Medical Services Regulatory Board"
1271.27 or "Minnesota Emergency Medical Services Regulatory Board" with "director"; and
1271.28 "board-approved" with "director-approved," except that:

1271.29 (1) in Minnesota Statutes, section 144E.11, the revisor of statutes shall not modify the
1271.30 term "county board," "community health board," or "community health boards";

1272.1 (2) in Minnesota Statutes, sections 144E.40, subdivision 2; 144E.42, subdivision 2;
1272.2 144E.44; and 144E.45, subdivision 2, the revisor of statutes shall not modify the term "State
1272.3 Board of Investment"; and

1272.4 (3) in Minnesota Statutes, sections 144E.50 and 144E.52, the revisor of statutes shall
1272.5 not modify the term "regional emergency medical services board," "regional board," "regional
1272.6 emergency medical services board's," or "regional boards."

1272.7 (b) In the following sections of Minnesota Statutes, the revisor of statutes shall replace
1272.8 "Emergency Medical Services Regulatory Board" with "director of the Office of Emergency
1272.9 Medical Services": sections 13.717, subdivision 10; 62J.49, subdivision 2; 144.604; 144.608;
1272.10 147.09; 156.12, subdivision 2; 169.686, subdivision 3; and 299A.41, subdivision 4.

1272.11 (c) In the following sections of Minnesota Statutes, the revisor of statutes shall replace
1272.12 "Emergency Medical Services Regulatory Board" with "Office of Emergency Medical
1272.13 Services": sections 144.603 and 161.045, subdivision 3.

1272.14 (d) In making the changes specified in this section, the revisor of statutes may make
1272.15 technical and other necessary changes to sentence structure to preserve the meaning of the
1272.16 text.

1272.17 Sec. 23. **REPEALER.**

1272.18 Minnesota Statutes 2022, sections 144E.001, subdivision 5; 144E.01; 144E.123,
1272.19 subdivision 5; and 144E.50, subdivision 3, are repealed.

1272.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1272.21 **ARTICLE 64**

1272.22 **EMERGENCY MEDICAL SERVICES CONFORMING CHANGES**

1272.23 Section 1. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is
1272.24 amended to read:

1272.25 Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall
1272.26 be determined by the Compensation Council under section 15A.082. The commissioner of
1272.27 management and budget must publish the salaries on the department's website. This
1272.28 subdivision applies to the following positions:

1272.29 Commissioner of administration;

1272.30 Commissioner of agriculture;

1272.31 Commissioner of education;

- 1273.1 Commissioner of children, youth, and families;
- 1273.2 Commissioner of commerce;
- 1273.3 Commissioner of corrections;
- 1273.4 Commissioner of health;
- 1273.5 Commissioner, Minnesota Office of Higher Education;
- 1273.6 Commissioner, Minnesota IT Services;
- 1273.7 Commissioner, Housing Finance Agency;
- 1273.8 Commissioner of human rights;
- 1273.9 Commissioner of human services;
- 1273.10 Commissioner of labor and industry;
- 1273.11 Commissioner of management and budget;
- 1273.12 Commissioner of natural resources;
- 1273.13 Commissioner, Pollution Control Agency;
- 1273.14 Commissioner of public safety;
- 1273.15 Commissioner of revenue;
- 1273.16 Commissioner of employment and economic development;
- 1273.17 Commissioner of transportation;
- 1273.18 Commissioner of veterans affairs;
- 1273.19 Executive director of the Gambling Control Board;
- 1273.20 Executive director of the Minnesota State Lottery;
- 1273.21 Commissioner of Iron Range resources and rehabilitation;
- 1273.22 Commissioner, Bureau of Mediation Services;
- 1273.23 Ombudsman for mental health and developmental disabilities;
- 1273.24 Ombudsperson for corrections;
- 1273.25 Chair, Metropolitan Council;
- 1273.26 Chair, Metropolitan Airports Commission;
- 1273.27 School trust lands director;

1274.1 Executive director of pari-mutuel racing; ~~and~~

1274.2 Commissioner, Public Utilities Commission; and

1274.3 Director of the Office of Emergency Medical Services.

1274.4 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1274.5 Sec. 2. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended
1274.6 to read:

1274.7 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
1274.8 agencies may designate additional unclassified positions according to this subdivision: the
1274.9 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
1274.10 Corrections; Direct Care and Treatment; Education; Employment and Economic
1274.11 Development; Explore Minnesota Tourism; Management and Budget; Health; Human
1274.12 Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue;
1274.13 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
1274.14 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
1274.15 Department of Information Technology Services; the Offices of the Attorney General,
1274.16 Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the
1274.17 Minnesota Office of Higher Education; the Perpich Center for Arts Education; ~~and~~ the
1274.18 Minnesota Zoological Board; and the Office of Emergency Medical Services.

1274.19 A position designated by an appointing authority according to this subdivision must
1274.20 meet the following standards and criteria:

1274.21 (1) the designation of the position would not be contrary to other law relating specifically
1274.22 to that agency;

1274.23 (2) the person occupying the position would report directly to the agency head or deputy
1274.24 agency head and would be designated as part of the agency head's management team;

1274.25 (3) the duties of the position would involve significant discretion and substantial
1274.26 involvement in the development, interpretation, and implementation of agency policy;

1274.27 (4) the duties of the position would not require primarily personnel, accounting, or other
1274.28 technical expertise where continuity in the position would be important;

1274.29 (5) there would be a need for the person occupying the position to be accountable to,
1274.30 loyal to, and compatible with, the governor and the agency head, the employing statutory
1274.31 board or commission, or the employing constitutional officer;

1275.1 (6) the position would be at the level of division or bureau director or assistant to the
1275.2 agency head; and

1275.3 (7) the commissioner has approved the designation as being consistent with the standards
1275.4 and criteria in this subdivision.

1275.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1275.6 Sec. 3. Minnesota Statutes 2022, section 62J.49, subdivision 1, is amended to read:

1275.7 Subdivision 1. **Establishment.** The director of the Office of Emergency Medical Services
1275.8 ~~Regulatory Board~~ established under chapter ~~144~~ 144E shall establish a financial data
1275.9 collection system for all ambulance services licensed in this state. To establish the financial
1275.10 database, the ~~Emergency Medical Services Regulatory Board~~ director may contract with
1275.11 an entity that has experience in ambulance service financial data collection.

1275.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1275.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 152.126, subdivision 6, is amended
1275.14 to read:

1275.15 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision,
1275.16 the data submitted to the board under subdivision 4 is private data on individuals as defined
1275.17 in section 13.02, subdivision 12, and not subject to public disclosure.

1275.18 (b) Except as specified in subdivision 5, the following persons shall be considered
1275.19 permissible users and may access the data submitted under subdivision 4 in the same or
1275.20 similar manner, and for the same or similar purposes, as those persons who are authorized
1275.21 to access similar private data on individuals under federal and state law:

1275.22 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
1275.23 delegated the task of accessing the data, to the extent the information relates specifically to
1275.24 a current patient, to whom the prescriber is:

1275.25 (i) prescribing or considering prescribing any controlled substance;

1275.26 (ii) providing emergency medical treatment for which access to the data may be necessary;

1275.27 (iii) providing care, and the prescriber has reason to believe, based on clinically valid
1275.28 indications, that the patient is potentially abusing a controlled substance; or

1275.29 (iv) providing other medical treatment for which access to the data may be necessary
1275.30 for a clinically valid purpose and the patient has consented to access to the submitted data,

1276.1 and with the provision that the prescriber remains responsible for the use or misuse of data
1276.2 accessed by a delegated agent or employee;

1276.3 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
1276.4 delegated the task of accessing the data, to the extent the information relates specifically to
1276.5 a current patient to whom that dispenser is dispensing or considering dispensing any
1276.6 controlled substance and with the provision that the dispenser remains responsible for the
1276.7 use or misuse of data accessed by a delegated agent or employee;

1276.8 (3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to
1276.9 determine whether corrections made to the data reported under subdivision 4 are accurate;

1276.10 (4) a licensed pharmacist who is providing pharmaceutical care for which access to the
1276.11 data may be necessary to the extent that the information relates specifically to a current
1276.12 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has
1276.13 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber
1276.14 who is requesting data in accordance with clause (1);

1276.15 (5) an individual who is the recipient of a controlled substance prescription for which
1276.16 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian
1276.17 of a minor, or health care agent of the individual acting under a health care directive under
1276.18 chapter 145C. For purposes of this clause, access by individuals includes persons in the
1276.19 definition of an individual under section 13.02;

1276.20 (6) personnel or designees of a health-related licensing board listed in section 214.01,
1276.21 subdivision 2, or of the Office of Emergency Medical Services Regulatory Board, assigned
1276.22 to conduct a bona fide investigation of a complaint received by that board or office that
1276.23 alleges that a specific licensee is impaired by use of a drug for which data is collected under
1276.24 subdivision 4, has engaged in activity that would constitute a crime as defined in section
1276.25 152.025, or has engaged in the behavior specified in subdivision 5, paragraph (a);

1276.26 (7) personnel of the board engaged in the collection, review, and analysis of controlled
1276.27 substance prescription information as part of the assigned duties and responsibilities under
1276.28 this section;

1276.29 (8) authorized personnel under contract with the board, or under contract with the state
1276.30 of Minnesota and approved by the board, who are engaged in the design, evaluation,
1276.31 implementation, operation, or maintenance of the prescription monitoring program as part
1276.32 of the assigned duties and responsibilities of their employment, provided that access to data
1276.33 is limited to the minimum amount necessary to carry out such duties and responsibilities,

1277.1 and subject to the requirement of de-identification and time limit on retention of data specified
1277.2 in subdivision 5, paragraphs (d) and (e);

1277.3 (9) federal, state, and local law enforcement authorities acting pursuant to a valid search
1277.4 warrant;

1277.5 (10) personnel of the Minnesota health care programs assigned to use the data collected
1277.6 under this section to identify and manage recipients whose usage of controlled substances
1277.7 may warrant restriction to a single primary care provider, a single outpatient pharmacy, and
1277.8 a single hospital;

1277.9 (11) personnel of the Department of Human Services assigned to access the data pursuant
1277.10 to paragraph (k);

1277.11 (12) personnel of the health professionals services program established under section
1277.12 214.31, to the extent that the information relates specifically to an individual who is currently
1277.13 enrolled in and being monitored by the program, and the individual consents to access to
1277.14 that information. The health professionals services program personnel shall not provide this
1277.15 data to a health-related licensing board ~~or the Emergency Medical Services Regulatory~~
1277.16 ~~Board~~, except as permitted under section 214.33, subdivision 3;

1277.17 (13) personnel or designees of a health-related licensing board other than the Board of
1277.18 Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide
1277.19 investigation of a complaint received by that board that alleges that a specific licensee is
1277.20 inappropriately prescribing controlled substances as defined in this section. For the purposes
1277.21 of this clause, the health-related licensing board may also obtain utilization data; and

1277.22 (14) personnel of the board specifically assigned to conduct a bona fide investigation
1277.23 of a specific licensee or registrant. For the purposes of this clause, the board may also obtain
1277.24 utilization data.

1277.25 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed
1277.26 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe
1277.27 controlled substances for humans and who holds a current registration issued by the federal
1277.28 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing
1277.29 within the state, shall register and maintain a user account with the prescription monitoring
1277.30 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration
1277.31 application process, other than their name, license number, and license type, is classified
1277.32 as private pursuant to section 13.02, subdivision 12.

1278.1 (d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent
1278.2 or employee of the prescriber to whom the prescriber has delegated the task of accessing
1278.3 the data, must access the data submitted under subdivision 4 to the extent the information
1278.4 relates specifically to the patient:

1278.5 (1) before the prescriber issues an initial prescription order for a Schedules II through
1278.6 IV opiate controlled substance to the patient; and

1278.7 (2) at least once every three months for patients receiving an opiate for treatment of
1278.8 chronic pain or participating in medically assisted treatment for an opioid addiction.

1278.9 (e) Paragraph (d) does not apply if:

1278.10 (1) the patient is receiving palliative care, or hospice or other end-of-life care;

1278.11 (2) the patient is being treated for pain due to cancer or the treatment of cancer;

1278.12 (3) the prescription order is for a number of doses that is intended to last the patient five
1278.13 days or less and is not subject to a refill;

1278.14 (4) the prescriber and patient have a current or ongoing provider/patient relationship of
1278.15 a duration longer than one year;

1278.16 (5) the prescription order is issued within 14 days following surgery or three days
1278.17 following oral surgery or follows the prescribing protocols established under the opioid
1278.18 prescribing improvement program under section 256B.0638;

1278.19 (6) the controlled substance is prescribed or administered to a patient who is admitted
1278.20 to an inpatient hospital;

1278.21 (7) the controlled substance is lawfully administered by injection, ingestion, or any other
1278.22 means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a
1278.23 prescriber and in the presence of the prescriber or pharmacist;

1278.24 (8) due to a medical emergency, it is not possible for the prescriber to review the data
1278.25 before the prescriber issues the prescription order for the patient; or

1278.26 (9) the prescriber is unable to access the data due to operational or other technological
1278.27 failure of the program so long as the prescriber reports the failure to the board.

1278.28 (f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8),
1278.29 (10), and (11), may directly access the data electronically. No other permissible users may
1278.30 directly access the data electronically. If the data is directly accessed electronically, the
1278.31 permissible user shall implement and maintain a comprehensive information security program
1278.32 that contains administrative, technical, and physical safeguards that are appropriate to the

1279.1 user's size and complexity, and the sensitivity of the personal information obtained. The
1279.2 permissible user shall identify reasonably foreseeable internal and external risks to the
1279.3 security, confidentiality, and integrity of personal information that could result in the
1279.4 unauthorized disclosure, misuse, or other compromise of the information and assess the
1279.5 sufficiency of any safeguards in place to control the risks.

1279.6 (g) The board shall not release data submitted under subdivision 4 unless it is provided
1279.7 with evidence, satisfactory to the board, that the person requesting the information is entitled
1279.8 to receive the data.

1279.9 (h) The board shall maintain a log of all persons who access the data for a period of at
1279.10 least three years and shall ensure that any permissible user complies with paragraph (c)
1279.11 prior to attaining direct access to the data.

1279.12 (i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant
1279.13 to subdivision 2. A vendor shall not use data collected under this section for any purpose
1279.14 not specified in this section.

1279.15 (j) The board may participate in an interstate prescription monitoring program data
1279.16 exchange system provided that permissible users in other states have access to the data only
1279.17 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract
1279.18 or memorandum of understanding that the board enters into under this paragraph.

1279.19 (k) With available appropriations, the commissioner of human services shall establish
1279.20 and implement a system through which the Department of Human Services shall routinely
1279.21 access the data for the purpose of determining whether any client enrolled in an opioid
1279.22 treatment program licensed according to chapter 245A has been prescribed or dispensed a
1279.23 controlled substance in addition to that administered or dispensed by the opioid treatment
1279.24 program. When the commissioner determines there have been multiple prescribers or multiple
1279.25 prescriptions of controlled substances, the commissioner shall:

1279.26 (1) inform the medical director of the opioid treatment program only that the
1279.27 commissioner determined the existence of multiple prescribers or multiple prescriptions of
1279.28 controlled substances; and

1279.29 (2) direct the medical director of the opioid treatment program to access the data directly,
1279.30 review the effect of the multiple prescribers or multiple prescriptions, and document the
1279.31 review.

1280.1 If determined necessary, the commissioner of human services shall seek a federal waiver
1280.2 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section
1280.3 2.34, paragraph (c), prior to implementing this paragraph.

1280.4 (l) The board shall review the data submitted under subdivision 4 on at least a quarterly
1280.5 basis and shall establish criteria, in consultation with the advisory task force, for referring
1280.6 information about a patient to prescribers and dispensers who prescribed or dispensed the
1280.7 prescriptions in question if the criteria are met.

1280.8 (m) The board shall conduct random audits, on at least a quarterly basis, of electronic
1280.9 access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), (4), (7), (8),
1280.10 (10), and (11), to the data in subdivision 4, to ensure compliance with permissible use as
1280.11 defined in this section. A permissible user whose account has been selected for a random
1280.12 audit shall respond to an inquiry by the board, no later than 30 days after receipt of notice
1280.13 that an audit is being conducted. Failure to respond may result in deactivation of access to
1280.14 the electronic system and referral to the appropriate health licensing board, or the
1280.15 commissioner of human services, for further action. The board shall report the results of
1280.16 random audits to the chairs and ranking minority members of the legislative committees
1280.17 with jurisdiction over health and human services policy and finance and government data
1280.18 practices.

1280.19 (n) A permissible user who has delegated the task of accessing the data in subdivision
1280.20 4 to an agent or employee shall audit the use of the electronic system by delegated agents
1280.21 or employees on at least a quarterly basis to ensure compliance with permissible use as
1280.22 defined in this section. When a delegated agent or employee has been identified as
1280.23 inappropriately accessing data, the permissible user must immediately remove access for
1280.24 that individual and notify the board within seven days. The board shall notify all permissible
1280.25 users associated with the delegated agent or employee of the alleged violation.

1280.26 (o) A permissible user who delegates access to the data submitted under subdivision 4
1280.27 to an agent or employee shall terminate that individual's access to the data within three
1280.28 business days of the agent or employee leaving employment with the permissible user. The
1280.29 board may conduct random audits to determine compliance with this requirement.

1280.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1281.1 Sec. 5. Minnesota Statutes 2022, section 214.025, is amended to read:

1281.2 **214.025 COUNCIL OF HEALTH BOARDS.**

1281.3 The health-related licensing boards may establish a Council of Health Boards consisting
1281.4 of representatives of the health-related licensing boards ~~and the Emergency Medical Services~~
1281.5 ~~Regulatory Board~~. When reviewing legislation or legislative proposals relating to the
1281.6 regulation of health occupations, the council shall include the commissioner of health or a
1281.7 designee and the director of the Office of Emergency Medical Services or a designee.

1281.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1281.9 Sec. 6. Minnesota Statutes 2022, section 214.04, subdivision 2a, is amended to read:

1281.10 Subd. 2a. **Performance of executive directors.** The governor may request that a
1281.11 health-related licensing board ~~or the Emergency Medical Services Regulatory Board~~ review
1281.12 the performance of the board's executive director. Upon receipt of the request, the board
1281.13 must respond by establishing a performance improvement plan or taking disciplinary or
1281.14 other corrective action, including dismissal. The board shall include the governor's
1281.15 representative as a voting member of the board in the board's discussions and decisions
1281.16 regarding the governor's request. The board shall report to the governor on action taken by
1281.17 the board, including an explanation if no action is deemed necessary.

1281.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1281.19 Sec. 7. Minnesota Statutes 2022, section 214.29, is amended to read:

1281.20 **214.29 PROGRAM REQUIRED.**

1281.21 Each health-related licensing board, ~~including the Emergency Medical Services~~
1281.22 ~~Regulatory Board under chapter 144E~~, shall either conduct a health professionals service
1281.23 program under sections 214.31 to 214.37 or contract for a diversion program under section
1281.24 214.28.

1281.25 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1281.26 Sec. 8. Minnesota Statutes 2022, section 214.31, is amended to read:

1281.27 **214.31 AUTHORITY.**

1281.28 Two or more of the health-related licensing boards listed in section 214.01, subdivision
1281.29 2, may jointly conduct a health professionals services program to protect the public from
1281.30 persons regulated by the boards who are unable to practice with reasonable skill and safety

1282.1 by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result
1282.2 of any mental, physical, or psychological condition. The program does not affect a board's
1282.3 authority to discipline violations of a board's practice act. ~~For purposes of sections 214.31~~
1282.4 ~~to 214.37, the emergency medical services regulatory board shall be included in the definition~~
1282.5 ~~of a health-related licensing board under chapter 144E.~~

1282.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1282.7 Sec. 9. Minnesota Statutes 2022, section 214.355, is amended to read:

1282.8 **214.355 GROUNDS FOR DISCIPLINARY ACTION.**

1282.9 Each health-related licensing board, ~~including the Emergency Medical Services~~
1282.10 ~~Regulatory Board under chapter 144E,~~ shall consider it grounds for disciplinary action if a
1282.11 regulated person violates the terms of the health professionals services program participation
1282.12 agreement or leaves the program except upon fulfilling the terms for successful completion
1282.13 of the program as set forth in the participation agreement.

1282.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1282.15 **ARTICLE 65**

1282.16 **AMBULANCE SERVICE PERSONNEL AND EMERGENCY MEDICAL**
1282.17 **RESPONDERS**

1282.18 Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 3a, is amended to read:

1282.19 Subd. 3a. **Ambulance service personnel.** "Ambulance service personnel" means
1282.20 individuals who are authorized by a licensed ambulance service to provide emergency care
1282.21 for the ambulance service and are:

1282.22 (1) EMTs, AEMTs, or paramedics;

1282.23 (2) Minnesota registered nurses who are: (i) EMTs, are currently practicing nursing, and
1282.24 ~~have passed a paramedic practical skills test, as approved by the board and administered by~~
1282.25 ~~an educational program approved by the board~~ been approved by the ambulance service
1282.26 medical director; (ii) on the roster of an ambulance service on or before January 1, 2000;
1282.27 ~~or~~ (iii) after petitioning the board, deemed by the board to have training and skills equivalent
1282.28 to an EMT, as determined on a case-by-case basis; or (iv) certified as a certified flight
1282.29 registered nurse or certified emergency nurse; or

1282.30 (3) Minnesota licensed physician assistants who are: (i) EMTs, are currently practicing
1282.31 as physician assistants, and ~~have passed a paramedic practical skills test, as approved by~~
1282.32 ~~the board and administered by an educational program approved by the board~~ been approved

1283.1 by the ambulance service medical director; (ii) on the roster of an ambulance service on or
1283.2 before January 1, 2000; or (iii) after petitioning the board, deemed by the board to have
1283.3 training and skills equivalent to an EMT, as determined on a case-by-case basis.

1283.4 Sec. 2. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 6, is amended
1283.5 to read:

1283.6 Subd. 6. **Basic life support.** (a) Except as provided in ~~paragraph (f)~~ subdivision 6a, a
1283.7 basic life-support ambulance shall be staffed by at least ~~two EMTs, one of whom must~~
1283.8 ~~accompany the patient and provide a level of care so as to ensure that:~~

1283.9 (1) one individual who is:

1283.10 (i) certified as an EMT;

1283.11 (ii) a Minnesota registered nurse who meets the qualification requirements in section
1283.12 144E.001, subdivision 3a, clause (2); or

1283.13 (iii) a Minnesota licensed physician assistant who meets the qualification requirements
1283.14 in section 144E.001, subdivision 3a, clause (3); and

1283.15 (2) one individual to drive the ambulance who:

1283.16 (i) either meets one of the qualification requirements in clause (1) or is a registered
1283.17 emergency medical responder driver; and

1283.18 (ii) satisfies the requirements in subdivision 10.

1283.19 (b) An individual who meets one of the qualification requirements in paragraph (a),
1283.20 clause (1), must accompany the patient and provide a level of care so as to ensure that:

1283.21 (1) life-threatening situations and potentially serious injuries are recognized;

1283.22 (2) patients are protected from additional hazards;

1283.23 (3) basic treatment to reduce the seriousness of emergency situations is administered;

1283.24 and

1283.25 (4) patients are transported to an appropriate medical facility for treatment.

1283.26 ~~(b)~~ (c) A basic life-support service shall provide basic airway management.

1283.27 ~~(e)~~ (d) A basic life-support service shall provide automatic defibrillation.

1283.28 ~~(d)~~ (e) A basic life-support service shall administer opiate antagonists consistent with
1283.29 protocols established by the service's medical director.

1284.1 ~~(e)~~ (f) A basic life-support service licensee's medical director may authorize ambulance
1284.2 service personnel to perform intravenous infusion and use equipment that is within the
1284.3 licensure level of the ambulance service. Ambulance service personnel must be properly
1284.4 trained. Documentation of authorization for use, guidelines for use, continuing education,
1284.5 and skill verification must be maintained in the licensee's files.

1284.6 ~~(f)~~ ~~For emergency ambulance calls and interfacility transfers, an ambulance service may~~
1284.7 ~~staff its basic life-support ambulances with one EMT, who must accompany the patient,~~
1284.8 ~~and one registered emergency medical responder driver. For purposes of this paragraph,~~
1284.9 ~~"ambulance service" means either an ambulance service whose primary service area is~~
1284.10 ~~mainly located outside the metropolitan counties listed in section 473.121, subdivision 4,~~
1284.11 ~~and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an~~
1284.12 ~~ambulance service based in a community with a population of less than 2,500.~~

1284.13 Sec. 3. Minnesota Statutes 2022, section 144E.101, is amended by adding a subdivision
1284.14 to read:

1284.15 Subd. 6a. Variance; staffing of basic life-support ambulance. (a) Upon application
1284.16 from an ambulance service that includes evidence demonstrating hardship, the board may
1284.17 grant a variance from the staff requirements in subdivision 6, paragraph (a), and may
1284.18 authorize a basic life-support ambulance to be staffed, for all emergency calls and interfacility
1284.19 transfers, with one individual who meets the qualification requirements in paragraph (b) to
1284.20 drive the ambulance and one individual who meets one of the qualification requirements in
1284.21 subdivision 6, paragraph (a), clause (1), and who must accompany the patient. The variance
1284.22 applies to basic life-support ambulances until the ambulance service renews its license.
1284.23 When the variance expires, the ambulance service may apply for a new variance under this
1284.24 subdivision.

1284.25 (b) In order to drive an ambulance under a variance granted under this subdivision, an
1284.26 individual must:

1284.27 (1) hold a valid driver's license from any state;

1284.28 (2) have attended an emergency vehicle driving course approved by the ambulance
1284.29 service;

1284.30 (3) have completed a course on cardiopulmonary resuscitation approved by the ambulance
1284.31 service; and

1284.32 (4) register with the board according to a process established by the board.

1285.1 (c) If an individual serving as a driver under this subdivision commits or has a record
1285.2 of committing an act listed in section 144E.27, subdivision 5, paragraph (a), the board may
1285.3 temporarily suspend or prohibit the individual from driving an ambulance or place conditions
1285.4 on the individual's ability to drive an ambulance using the procedures and authority in
1285.5 section 144E.27, subdivisions 5 and 6.

1285.6 Sec. 4. Minnesota Statutes 2023 Supplement, section 144E.101, subdivision 7, as amended
1285.7 by Laws 2024, chapter 85, section 32, is amended to read:

1285.8 **Subd. 7. Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an
1285.9 advanced life-support ambulance shall be staffed by at least:

1285.10 (1) one EMT or one AEMT and one paramedic;

1285.11 (2) one EMT or one AEMT and one registered nurse who: (i) is an EMT or an AEMT,
1285.12 is currently practicing nursing, and ~~has passed a paramedic practical skills test approved by~~
1285.13 ~~the board and administered by an education program~~ has been approved by the ambulance
1285.14 service medical director; or (ii) is certified as a certified flight registered nurse or certified
1285.15 emergency nurse; or

1285.16 (3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT,
1285.17 is currently practicing as a physician assistant, and ~~has passed a paramedic practical skills~~
1285.18 ~~test approved by the board and administered by an education program~~ has been approved
1285.19 by the ambulance service medical director.

1285.20 (b) An advanced life-support service shall provide basic life support, as specified under
1285.21 subdivision 6, paragraph ~~(a)~~ (b), advanced airway management, manual defibrillation,
1285.22 administration of intravenous fluids and pharmaceuticals, and administration of opiate
1285.23 antagonists.

1285.24 (c) In addition to providing advanced life support, an advanced life-support service may
1285.25 staff additional ambulances to provide basic life support according to subdivision 6 and
1285.26 section 144E.103, subdivision 1.

1285.27 (d) An ambulance service providing advanced life support shall have a written agreement
1285.28 with its medical director to ensure medical control for patient care 24 hours a day, seven
1285.29 days a week. The terms of the agreement shall include a written policy on the administration
1285.30 of medical control for the service. The policy shall address the following issues:

1285.31 (1) two-way communication for physician direction of ambulance service personnel;

1285.32 (2) patient triage, treatment, and transport;

1286.1 (3) use of standing orders; and

1286.2 (4) the means by which medical control will be provided 24 hours a day.

1286.3 The agreement shall be signed by the licensee's medical director and the licensee or the
1286.4 licensee's designee and maintained in the files of the licensee.

1286.5 (e) When an ambulance service provides advanced life support, the authority of a
1286.6 paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician
1286.7 assistant-EMT to determine the delivery of patient care prevails over the authority of an
1286.8 EMT.

1286.9 (f) Upon application from an ambulance service that includes evidence demonstrating
1286.10 hardship, the board may grant a variance from the staff requirements in paragraph (a), clause
1286.11 (1), and may authorize an advanced life-support ambulance to be staffed by a registered
1286.12 emergency medical responder driver with a paramedic for all emergency calls and interfacility
1286.13 transfers. The variance shall apply to advanced life-support ambulance services until the
1286.14 ambulance service renews its license. When the variance expires, an ambulance service
1286.15 may apply for a new variance under this paragraph. ~~This paragraph applies only to an
1286.16 ambulance service whose primary service area is mainly located outside the metropolitan
1286.17 counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato,
1286.18 Moorhead, Rochester, and St. Cloud, or an ambulance service based in a community with
1286.19 a population of less than 1,000 persons.~~

1286.20 (g) After an initial emergency ambulance call, each subsequent emergency ambulance
1286.21 response, until the initial ambulance is again available, and interfacility transfers, may be
1286.22 staffed by one registered emergency medical responder driver and an EMT or paramedic.
1286.23 ~~This paragraph applies only to an ambulance service whose primary service area is mainly
1286.24 located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside
1286.25 the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance service
1286.26 based in a community with a population of less than 1,000 persons.~~

1286.27 (h) An individual who staffs an advanced life-support ambulance as a driver must also
1286.28 meet the requirements in subdivision 10.

1286.29 Sec. 5. Minnesota Statutes 2022, section 144E.27, subdivision 3, is amended to read:

1286.30 Subd. 3. **Renewal.** (a) The board may renew the registration of an emergency medical
1286.31 responder who:

1286.32 (1) successfully completes a board-approved refresher course; ~~and~~

1287.1 (2) successfully completes a course in cardiopulmonary resuscitation approved by the
1287.2 board or by the licensee's medical director. This course may be a component of a
1287.3 board-approved refresher course; and

1287.4 ~~(2)~~ (3) submits a completed renewal application to the board before the registration
1287.5 expiration date.

1287.6 (b) The board may renew the lapsed registration of an emergency medical responder
1287.7 who:

1287.8 (1) successfully completes a board-approved refresher course; ~~and~~

1287.9 (2) successfully completes a course in cardiopulmonary resuscitation approved by the
1287.10 board or by the licensee's medical director. This course may be a component of a
1287.11 board-approved refresher course; and

1287.12 ~~(2)~~ (3) submits a completed renewal application to the board within ~~12~~ 48 months after
1287.13 the registration expiration date.

1287.14 Sec. 6. Minnesota Statutes 2022, section 144E.27, subdivision 5, is amended to read:

1287.15 Subd. 5. **Denial, suspension, revocation; emergency medical responders and**
1287.16 **drivers.** (a) This subdivision applies to individuals seeking registration or registered as an
1287.17 emergency medical responder and to individuals seeking registration or registered as a driver
1287.18 of a basic life-support ambulance under section 144E.101, subdivision 6a. The board may
1287.19 deny, suspend, revoke, place conditions on, or refuse to renew the registration of an individual
1287.20 who the board determines:

1287.21 (1) violates sections 144E.001 to 144E.33 or the rules adopted under those sections, an
1287.22 agreement for corrective action, or an order that the board issued or is otherwise empowered
1287.23 to enforce;

1287.24 (2) misrepresents or falsifies information on an application form for registration;

1287.25 (3) is convicted or pleads guilty or nolo contendere to any felony; any gross misdemeanor
1287.26 relating to assault, sexual misconduct, theft, or the illegal use of drugs or alcohol; or any
1287.27 misdemeanor relating to assault, sexual misconduct, theft, or the illegal use of drugs or
1287.28 alcohol;

1287.29 (4) is actually or potentially unable to provide emergency medical services or drive an
1287.30 ambulance with reasonable skill and safety to patients by reason of illness, use of alcohol,
1287.31 drugs, chemicals, or any other material, or as a result of any mental or physical condition;

1288.1 (5) engages in unethical conduct, including, but not limited to, conduct likely to deceive,
1288.2 defraud, or harm the public, or demonstrating a willful or careless disregard for the health,
1288.3 welfare, or safety of the public;

1288.4 (6) maltreats or abandons a patient;

1288.5 (7) violates any state or federal controlled substance law;

1288.6 (8) engages in unprofessional conduct or any other conduct which has the potential for
1288.7 causing harm to the public, including any departure from or failure to conform to the
1288.8 minimum standards of acceptable and prevailing practice without actual injury having to
1288.9 be established;

1288.10 (9) for emergency medical responders, provides emergency medical services under
1288.11 lapsed or nonrenewed credentials;

1288.12 (10) is subject to a denial, corrective, disciplinary, or other similar action in another
1288.13 jurisdiction or by another regulatory authority;

1288.14 (11) engages in conduct with a patient that is sexual or may reasonably be interpreted
1288.15 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
1288.16 to a patient; or

1288.17 (12) makes a false statement or knowingly provides false information to the board, or
1288.18 fails to cooperate with an investigation of the board as required by section 144E.30.

1288.19 (b) Before taking action under paragraph (a), the board shall give notice to an individual
1288.20 of the right to a contested case hearing under chapter 14. If an individual requests a contested
1288.21 case hearing within 30 days after receiving notice, the board shall initiate a contested case
1288.22 hearing according to chapter 14.

1288.23 (c) The administrative law judge shall issue a report and recommendation within 30
1288.24 days after closing the contested case hearing record. The board shall issue a final order
1288.25 within 30 days after receipt of the administrative law judge's report.

1288.26 (d) After six months from the board's decision to deny, revoke, place conditions on, or
1288.27 refuse renewal of an individual's registration for disciplinary action, the individual shall
1288.28 have the opportunity to apply to the board for reinstatement.

1288.29 Sec. 7. Minnesota Statutes 2022, section 144E.27, subdivision 6, is amended to read:

1288.30 Subd. 6. **Temporary suspension; emergency medical responders and drivers**. (a)
1288.31 This subdivision applies to emergency medical responders registered under this section and
1288.32 to individuals registered as drivers of basic life-support ambulances under section 144E.101,

1289.1 subdivision 6a. In addition to any other remedy provided by law, the board may temporarily
1289.2 suspend the registration of an individual after conducting a preliminary inquiry to determine
1289.3 whether the board believes that the individual has violated a statute or rule that the board
1289.4 is empowered to enforce and determining that the continued provision of service by the
1289.5 individual would create an imminent risk to public health or harm to others.

1289.6 (b) A temporary suspension order prohibiting an individual from providing emergency
1289.7 medical care or from driving a basic life-support ambulance shall give notice of the right
1289.8 to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry
1289.9 of the temporary suspension order.

1289.10 (c) Service of a temporary suspension order is effective when the order is served on the
1289.11 individual personally or by certified mail, which is complete upon receipt, refusal, or return
1289.12 for nondelivery to the most recent address provided to the board for the individual.

1289.13 (d) At the time the board issues a temporary suspension order, the board shall schedule
1289.14 a hearing, to be held before a group of its members designated by the board, that shall begin
1289.15 within 60 days after issuance of the temporary suspension order or within 15 working days
1289.16 of the date of the board's receipt of a request for a hearing from the individual, whichever
1289.17 is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to
1289.18 continue, modify, or lift the temporary suspension. A hearing under this paragraph is not
1289.19 subject to chapter 14.

1289.20 (e) Evidence presented by the board or the individual may be in the form of an affidavit.
1289.21 The individual or the individual's designee may appear for oral argument.

1289.22 (f) Within five working days of the hearing, the board shall issue its order and, if the
1289.23 suspension is continued, notify the individual of the right to a contested case hearing under
1289.24 chapter 14.

1289.25 (g) If an individual requests a contested case hearing within 30 days after receiving
1289.26 notice under paragraph (f), the board shall initiate a contested case hearing according to
1289.27 chapter 14. The administrative law judge shall issue a report and recommendation within
1289.28 30 days after the closing of the contested case hearing record. The board shall issue a final
1289.29 order within 30 days after receipt of the administrative law judge's report.

1289.30 Sec. 8. Minnesota Statutes 2022, section 144E.28, subdivision 3, is amended to read:

1289.31 Subd. 3. **Reciprocity.** The board may certify an individual who possesses a current
1289.32 National Registry of Emergency Medical Technicians ~~registration~~ certification from another
1289.33 jurisdiction if the individual submits a board-approved application form. The board

1290.1 certification classification shall be the same as the National Registry's classification.

1290.2 Certification shall be for the duration of the applicant's ~~registration~~ certification period in
1290.3 another jurisdiction, not to exceed two years.

1290.4 Sec. 9. Minnesota Statutes 2022, section 144E.28, subdivision 8, is amended to read:

1290.5 Subd. 8. **Reinstatement.** (a) Within four years of a certification expiration date, a person
1290.6 whose certification has expired under subdivision 7, paragraph (d), may have the certification
1290.7 reinstated upon submission of:

1290.8 (1) evidence to the board of training equivalent to the continuing education requirements
1290.9 of subdivision 7 or, for community paramedics, evidence to the board of training equivalent
1290.10 to the continuing education requirements of subdivision 9, paragraph (c); and

1290.11 (2) a board-approved application form.

1290.12 (b) If more than four years have passed since a certificate expiration date, an applicant
1290.13 must complete the initial certification process required under subdivision 1.

1290.14 (c) Beginning July 1, 2024, through December 31, 2025, and notwithstanding paragraph
1290.15 (b), a person whose certification as an EMT, AEMT, paramedic, or community paramedic
1290.16 expired more than four years ago but less than ten years ago may have the certification
1290.17 reinstated upon submission of:

1290.18 (1) evidence to the board of the training required under paragraph (a), clause (1). This
1290.19 training must have been completed within the 24 months prior to the date of the application
1290.20 for reinstatement;

1290.21 (2) a board-approved application form; and

1290.22 (3) a recommendation from an ambulance service medical director.

1290.23 This paragraph expires December 31, 2025.

1290.24 Sec. 10. Minnesota Statutes 2022, section 144E.285, subdivision 1, is amended to read:

1290.25 Subdivision 1. **Approval required.** (a) All education programs for an EMR, EMT,
1290.26 AEMT, or paramedic must be approved by the board.

1290.27 (b) To be approved by the board, an education program must:

1290.28 (1) submit an application prescribed by the board that includes:

1290.29 (i) ~~type and length~~ type and length of course to be offered;

- 1291.1 (ii) names, addresses, and qualifications of the program medical director, program
1291.2 education coordinator, and instructors;
- 1291.3 ~~(iii) names and addresses of clinical sites, including a contact person and telephone~~
1291.4 ~~number;~~
- 1291.5 ~~(iv)~~ (iii) admission criteria for students; and
- 1291.6 ~~(v)~~ (iv) materials and equipment to be used;
- 1291.7 (2) for each course, implement the most current version of the United States Department
1291.8 of Transportation EMS Education Standards, or its equivalent as determined by the board
1291.9 applicable to EMR, EMT, AEMT, or paramedic education;
- 1291.10 (3) have a program medical director and a program coordinator;
- 1291.11 (4) utilize instructors who meet the requirements of section 144E.283 for teaching at
1291.12 least 50 percent of the course content. The remaining 50 percent of the course may be taught
1291.13 by guest lecturers approved by the education program coordinator or medical director;
- 1291.14 ~~(5) have at least one instructor for every ten students at the practical skill stations;~~
- 1291.15 ~~(6) maintain a written agreement with a licensed hospital or licensed ambulance service~~
1291.16 ~~designating a clinical training site;~~
- 1291.17 ~~(7)~~ (5) retain documentation of program approval by the board, course outline, and
1291.18 student information;
- 1291.19 ~~(8)~~ (6) notify the board of the starting date of a course prior to the beginning of a course;
1291.20 and
- 1291.21 ~~(9)~~ (7) submit the appropriate fee as required under section 144E.29; and.
- 1291.22 ~~(10) maintain a minimum average yearly pass rate as set by the board on an annual basis.~~
1291.23 ~~The pass rate will be determined by the percent of candidates who pass the exam on the~~
1291.24 ~~first attempt. An education program not meeting this yearly standard shall be placed on~~
1291.25 ~~probation and shall be on a performance improvement plan approved by the board until~~
1291.26 ~~meeting the pass rate standard. While on probation, the education program may continue~~
1291.27 ~~providing classes if meeting the terms of the performance improvement plan as determined~~
1291.28 ~~by the board. If an education program having probation status fails to meet the pass rate~~
1291.29 ~~standard after two years in which an EMT initial course has been taught, the board may~~
1291.30 ~~take disciplinary action under subdivision 5.~~

1292.1 Sec. 11. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision
1292.2 to read:

1292.3 Subd. 1a. **EMR education program requirements.** The National EMS Education
1292.4 Standards established by the National Highway Traffic Safety Administration of the United
1292.5 States Department of Transportation specify the minimum requirements for knowledge and
1292.6 skills for emergency medical responders. An education program applying for approval to
1292.7 teach EMRs must comply with the requirements under subdivision 1, paragraph (b). A
1292.8 medical director of an emergency medical responder group may establish additional
1292.9 knowledge and skill requirements for EMRs.

1292.10 Sec. 12. Minnesota Statutes 2022, section 144E.285, is amended by adding a subdivision
1292.11 to read:

1292.12 Subd. 1b. **EMT education program requirements.** In addition to the requirements
1292.13 under subdivision 1, paragraph (b), an education program applying for approval to teach
1292.14 EMTs must:

1292.15 (1) include in the application prescribed by the board the names and addresses of clinical
1292.16 sites, including a contact person and telephone number;

1292.17 (2) maintain a written agreement with at least one clinical training site that is of a type
1292.18 recognized by the National EMS Education Standards established by the National Highway
1292.19 Traffic Safety Administration; and

1292.20 (3) maintain a minimum average yearly pass rate as set by the board. An education
1292.21 program not meeting this standard must be placed on probation and must comply with a
1292.22 performance improvement plan approved by the board until the program meets the pass-rate
1292.23 standard. While on probation, the education program may continue to provide classes if the
1292.24 program meets the terms of the performance improvement plan, as determined by the board.
1292.25 If an education program that is on probation status fails to meet the pass-rate standard after
1292.26 two years in which an EMT initial course has been taught, the board may take disciplinary
1292.27 action under subdivision 5.

1292.28 Sec. 13. Minnesota Statutes 2022, section 144E.285, subdivision 2, is amended to read:

1292.29 Subd. 2. **AEMT and paramedic education program requirements.** (a) In addition to
1292.30 the requirements under subdivision 1, paragraph (b), an education program applying for
1292.31 approval to teach AEMTs and paramedics must:

1293.1 (1) be administered by an educational institution accredited by the Commission of
1293.2 Accreditation of Allied Health Education Programs (CAAHEP);

1293.3 (2) include in the application prescribed by the board the names and addresses of clinical
1293.4 sites, including a contact person and telephone number; and

1293.5 (3) maintain a written agreement with a licensed hospital or licensed ambulance service
1293.6 designating a clinical training site.

1293.7 (b) An AEMT and paramedic education program that is administered by an educational
1293.8 institution not accredited by CAAHEP, but that is in the process of completing the
1293.9 accreditation process, may be granted provisional approval by the board upon verification
1293.10 of submission of its self-study report and the appropriate review fee to CAAHEP.

1293.11 (c) An educational institution that discontinues its participation in the accreditation
1293.12 process must notify the board immediately and provisional approval shall be withdrawn.

1293.13 ~~(d) This subdivision does not apply to a paramedic education program when the program~~
1293.14 ~~is operated by an advanced life support ambulance service licensed by the Emergency~~
1293.15 ~~Medical Services Regulatory Board under this chapter, and the ambulance service meets~~
1293.16 ~~the following criteria:~~

1293.17 ~~(1) covers a rural primary service area that does not contain a hospital within the primary~~
1293.18 ~~service area or contains a hospital within the primary service area that has been designated~~
1293.19 ~~as a critical access hospital under section 144.1483, clause (9);~~

1293.20 ~~(2) has tax-exempt status in accordance with the Internal Revenue Code, section~~
1293.21 ~~501(c)(3);~~

1293.22 ~~(3) received approval before 1991 from the commissioner of health to operate a paramedic~~
1293.23 ~~education program;~~

1293.24 ~~(4) operates an AEMT and paramedic education program exclusively to train paramedics~~
1293.25 ~~for the local ambulance service; and~~

1293.26 ~~(5) limits enrollment in the AEMT and paramedic program to five candidates per~~
1293.27 ~~biennium.~~

1293.28 Sec. 14. Minnesota Statutes 2022, section 144E.285, subdivision 4, is amended to read:

1293.29 Subd. 4. **Reapproval.** An education program shall apply to the board for reapproval at
1293.30 least ~~three months~~ 30 days prior to the expiration date of its approval and must:

1294.1 (1) submit an application prescribed by the board specifying any changes from the
1294.2 information provided for prior approval and any other information requested by the board
1294.3 to clarify incomplete or ambiguous information presented in the application; ~~and~~

1294.4 (2) comply with the requirements under subdivision 1, paragraph (b), clauses (2) to ~~(10)~~.
1294.5 (7);

1294.6 (3) be subject to a site visit by the board;

1294.7 (4) for education programs that teach EMRs, comply with the requirements in subdivision
1294.8 1a;

1294.9 (5) for education programs that teach EMTs, comply with the requirements in subdivision
1294.10 1b; and

1294.11 (6) for education programs that teach AEMTs and paramedics, comply with the
1294.12 requirements in subdivision 2 and maintain accreditation with CAAHEP.

1294.13 Sec. 15. REPEALER.

1294.14 Minnesota Statutes 2022, section 144E.27, subdivisions 1 and 1a, are repealed.

1294.15 ARTICLE 66

1294.16 MISCELLANEOUS

1294.17 Section 1. Minnesota Statutes 2022, section 16A.055, subdivision 1a, is amended to read:

1294.18 Subd. 1a. ~~Additional duties~~ Program evaluation and organizational development
1294.19 services. The commissioner may assist state agencies by providing analytical, statistical,
1294.20 program evaluation using experimental or quasi-experimental design, and organizational
1294.21 development services to state agencies in order to assist the agency to achieve the agency's
1294.22 mission and to operate efficiently and effectively. For purposes of this section, "experimental
1294.23 design" means a method of evaluating the impact of a service that uses random assignment
1294.24 to assign participants into groups that respectively receive the studied service and those that
1294.25 receive service as usual, so that any difference in outcomes found at the end of the evaluation
1294.26 can be attributed to the studied service; and "quasi-experimental design" means a method
1294.27 of evaluating the impact of a service that uses strategies other than random assignment to
1294.28 establish statistically similar groups that respectively receive the service and those that
1294.29 receive service as usual, so that any difference in outcomes found at the end of the evaluation
1294.30 can be attributed to the studied service.

1295.1 Sec. 2. Minnesota Statutes 2022, section 16A.055, is amended by adding a subdivision to
1295.2 read:

1295.3 Subd. 1b. Consultation to develop performance measures for grants. (a) The
1295.4 commissioner must, in consultation with the commissioners of health, human services, and
1295.5 children, youth, and families, develop an ongoing consultation schedule to create, review,
1295.6 and revise, as necessary, performance measures, data collection, and program evaluation
1295.7 plans for all state-funded grants administered by the commissioners of health, human
1295.8 services, and children, youth, and families that distribute at least \$1,000,000 annually.

1295.9 (b) Following the development of the ongoing consultation schedule under paragraph
1295.10 (a), the commissioner and the commissioner of the administering agency must conduct a
1295.11 grant program consultation in accordance with the ongoing consultation schedule. Each
1295.12 grant program consultation must include a review of performance measures, data collection,
1295.13 program evaluation plans, and reporting for each grant program. Following each consultation,
1295.14 the commissioner and the commissioner of the administering agency may revise evaluation
1295.15 metrics of a grant program. The commissioner may provide continuing support to the grant
1295.16 program in accordance with subdivision 1a.

1295.17 Sec. 3. [137.095] EVIDENCE IN SUPPORT OF APPROPRIATION.

1295.18 Subdivision 1. Written report. Prior to the introduction of a bill proposing to appropriate
1295.19 money to the Board of Regents of the University of Minnesota to benefit the University of
1295.20 Minnesota's health sciences schools and colleges, the proponents of the bill are requested
1295.21 to submit a written report to the chairs and ranking minority members of the legislative
1295.22 committees with jurisdiction over higher education and health and human services policy
1295.23 and finance setting out the information described in subdivision 2. The University of
1295.24 Minnesota's health sciences schools and colleges are medicine, nursing, public health,
1295.25 pharmacy, dentistry, and veterinary medicine.

1295.26 Subd. 2. Contents of report. (a) The report requested under this section must include
1295.27 the following information as specifically as possible:

1295.28 (1) the dollar amount requested;

1295.29 (2) how the requested dollar amount was calculated;

1295.30 (3) the necessity for the appropriation's purpose to be funded by public funds;

1295.31 (4) University of Minnesota budgeting considerations and decisions impacting the
1295.32 necessity analysis required by clause (3);

1296.1 (5) all goals, outcomes, and purposes of the appropriation;

1296.2 (6) performance measures as defined by the University of Minnesota that the University
1296.3 of Minnesota will utilize to ensure the funds are dedicated to the successful achievement
1296.4 of the identified goals, outcomes, and purposes; and

1296.5 (7) the extent to which the appropriation advances recruitment from, and training for
1296.6 and retention of, health professionals from and in greater Minnesota and from underserved
1296.7 communities in metropolitan areas.

1296.8 (b) This subdivision only applies when the Board of Regents of the University of
1296.9 Minnesota approves a legislative funding request for the University of Minnesota's health
1296.10 sciences schools and colleges.

1296.11 Subd. 3. **Certifications for academic health.** A report submitted under this section
1296.12 must include, in addition to the information listed in subdivision 2, a certification, by the
1296.13 University of Minnesota Vice President and Budget Director, that:

1296.14 (1) the appropriation will not be used to cover academic health clinical revenue deficits;

1296.15 (2) the goals, outcomes, and purposes of the appropriation are aligned with state goals
1296.16 for population health improvement; and

1296.17 (3) the appropriation is aligned with the University of Minnesota's strategic plan for its
1296.18 health sciences schools and colleges, including but not limited to shared goals and strategies
1296.19 for the health professional schools.

1296.20 Subd. 4. **Right to request.** The chair of a standing committee in either house of the
1296.21 legislature may request and obtain the reports submitted pursuant to this section from the
1296.22 chair of a legislative committee with jurisdiction over higher education or health and human
1296.23 services policy and finance.

1296.24 Sec. 4. Minnesota Statutes 2023 Supplement, section 142A.03, is amended by adding a
1296.25 subdivision to read:

1296.26 Subd. 2a. **Grant consultation.** The commissioner must consult with the commissioner
1296.27 of management and budget to create, review, and revise grant program performance measures
1296.28 and to evaluate grant programs administered by the commissioner in accordance with section
1296.29 16A.055, subdivisions 1a and 1b.

1297.1 Sec. 5. Minnesota Statutes 2022, section 144.05, is amended by adding a subdivision to
1297.2 read:

1297.3 Subd. 8. Grant consultation. The commissioner must consult with the commissioner
1297.4 of management and budget to create, review, and revise grant program performance measures
1297.5 and to evaluate grant programs administered by the commissioner in accordance with section
1297.6 16A.055, subdivisions 1a and 1b.

1297.7 Sec. 6. Minnesota Statutes 2022, section 144.292, subdivision 6, is amended to read:

1297.8 Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of
1297.9 reviewing current medical care, the provider must not charge a fee.

1297.10 (b) When a provider or its representative makes copies of patient records upon a patient's
1297.11 request under this section, the provider or its representative may charge the patient or the
1297.12 patient's representative no more than ~~75 cents per page, plus \$10 for time spent retrieving~~
1297.13 ~~and copying the records, unless other law or a rule or contract provide for a lower maximum~~
1297.14 ~~charge. This limitation does not apply to x-rays. The provider may charge a patient no more~~
1297.15 ~~than the actual cost of reproducing x-rays, plus no more than \$10 for the time spent retrieving~~
1297.16 ~~and copying the x-rays~~ the following amount, unless other law or a rule or contract provide
1297.17 for a lower maximum charge:

1297.18 (1) for paper copies, \$1 per page, plus \$10 for time spent retrieving and copying the
1297.19 records;

1297.20 (2) for x-rays, a total of \$30 for retrieving and reproducing x-rays; and

1297.21 (3) for electronic copies, a total of \$20 for retrieving the records.

1297.22 ~~(c) The respective maximum charges of 75 cents per page and \$10 for time provided in~~
1297.23 ~~this subdivision are in effect for calendar year 1992 and may be adjusted annually each~~
1297.24 ~~calendar year as provided in this subdivision. The permissible maximum charges shall~~
1297.25 ~~change each year by an amount that reflects the change, as compared to the previous year,~~
1297.26 ~~in the Consumer Price Index for all Urban Consumers, Minneapolis-St. Paul (CPI-U),~~
1297.27 ~~published by the Department of Labor. For any copies of paper records provided under~~
1297.28 paragraph (b), clause (1), a provider or the provider's representative may not charge more
1297.29 than a total of:

1297.30 (1) \$10 if there are no records available;

1297.31 (2) \$30 for copies of records of up to 25 pages;

1297.32 (3) \$50 for copies of records of up to 100 pages;

1298.1 (4) \$50, plus an additional 20 cents per page for pages 101 and above; or

1298.2 (5) \$500 for any request.

1298.3 (d) A provider or its representative may charge ~~the~~ a \$10 retrieval fee, but must not
1298.4 charge a per page fee or x-ray fee to provide copies of records requested by a patient or the
1298.5 patient's authorized representative if the request for copies of records is for purposes of
1298.6 appealing a denial of Social Security disability income or Social Security disability benefits
1298.7 under title II or title XVI of the Social Security Act; ~~except that no fee shall be charged to~~
1298.8 ~~a patient who is receiving public assistance, or to a patient who is represented by an attorney~~
1298.9 ~~on behalf of a civil legal services program or a volunteer attorney program based on~~
1298.10 ~~indigency.~~ Notwithstanding the foregoing, a provider or its representative must not charge
1298.11 a fee, including a retrieval fee, to provide copies of records requested by a patient or the
1298.12 patient's authorized representative if the request for copies of records is for purposes of
1298.13 appealing a denial of Social Security disability income or Social Security disability benefits
1298.14 under title II or title XVI of the Social Security Act when the patient is receiving public
1298.15 assistance, represented by an attorney on behalf of a civil legal services program, or
1298.16 represented by a volunteer attorney program based on indigency. The patient or the patient's
1298.17 representative must submit one of the following to show that they are entitled to receive
1298.18 records without charge under this paragraph:

1298.19 (1) a public assistance statement from the county or state administering assistance;

1298.20 (2) a request for records on the letterhead of the civil legal services program or volunteer
1298.21 attorney program based on indigency; or

1298.22 (3) a benefits statement from the Social Security Administration.

1298.23 For the purpose of further appeals, a patient may receive no more than two medical record
1298.24 updates without charge, but only for medical record information previously not provided.

1298.25 For purposes of this paragraph, a patient's authorized representative does not include units
1298.26 of state government engaged in the adjudication of Social Security disability claims.

1298.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

1298.28 **Sec. 7. [144.2925] CONSTRUCTION.**

1298.29 Sections 144.291 to 144.298 must be construed to protect the privacy of a patient's health
1298.30 records in a more stringent manner than provided in Code of Federal Regulations, title 45,
1298.31 part 164. For purposes of this section, "more stringent" has the meaning given to that term
1298.32 in Code of Federal Regulations, title 45, section 160.202, with respect to a use or disclosure

1299.1 or the need for express legal permission from an individual to disclose individually
1299.2 identifiable health information.

1299.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1299.4 Sec. 8. Minnesota Statutes 2022, section 144.293, subdivision 2, is amended to read:

1299.5 Subd. 2. **Patient consent to release of records.** A provider, or a person who receives
1299.6 health records from a provider, may not release a patient's health records to a person without:

1299.7 (1) a signed and dated consent from the patient or the patient's legally authorized
1299.8 representative authorizing the release;

1299.9 (2) specific authorization in Minnesota law; or

1299.10 (3) a representation from a provider that holds a signed and dated consent from the
1299.11 patient authorizing the release.

1299.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
1299.13 applies to health records released on or after that date.

1299.14 Sec. 9. Minnesota Statutes 2022, section 144.293, subdivision 4, is amended to read:

1299.15 Subd. 4. **Duration of consent.** Except as provided in this section, a consent is valid for
1299.16 one year or for a period specified in the consent or for a different period provided by
1299.17 Minnesota law.

1299.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
1299.19 applies to health records released on or after that date.

1299.20 Sec. 10. Minnesota Statutes 2022, section 144.293, subdivision 9, is amended to read:

1299.21 Subd. 9. **Documentation of release.** (a) In cases where a provider releases health records
1299.22 without patient consent as authorized by Minnesota law, the release must be documented
1299.23 in the patient's health record. In the case of a release under section 144.294, subdivision 2,
1299.24 the documentation must include the date and circumstances under which the release was
1299.25 made, the person or agency to whom the release was made, and the records that were released.

1299.26 (b) When a health record is released using a representation from a provider that holds a
1299.27 consent from the patient, the releasing provider shall document:

1299.28 (1) the provider requesting the health records;

1299.29 (2) the identity of the patient;

1300.1 (3) the health records requested; and

1300.2 (4) the date the health records were requested.

1300.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
1300.4 applies to health records released on or after that date.

1300.5 Sec. 11. Minnesota Statutes 2022, section 144.293, subdivision 10, is amended to read:

1300.6 Subd. 10. **Warranties regarding consents, requests, and disclosures.** (a) When
1300.7 requesting health records using consent, a person warrants that the consent:

1300.8 (1) contains no information known to the person to be false; and

1300.9 (2) accurately states the patient's desire to have health records disclosed or that there is
1300.10 specific authorization in Minnesota law.

1300.11 (b) When requesting health records using consent, or a representation of holding a
1300.12 consent, a provider warrants that the request:

1300.13 (1) contains no information known to the provider to be false;

1300.14 (2) accurately states the patient's desire to have health records disclosed or that there is
1300.15 specific authorization in Minnesota law; and

1300.16 (3) does not exceed any limits imposed by the patient in the consent.

1300.17 (c) When disclosing health records, a person releasing health records warrants that the
1300.18 person:

1300.19 (1) has complied with the requirements of this section regarding disclosure of health
1300.20 records;

1300.21 (2) knows of no information related to the request that is false; and

1300.22 (3) has complied with the limits set by the patient in the consent.

1300.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
1300.24 applies to health records released on or after that date.

1300.25 Sec. 12. Minnesota Statutes 2023 Supplement, section 245.991, subdivision 1, is amended
1300.26 to read:

1300.27 Subdivision 1. **Establishment.** The commissioner of human services must establish the
1300.28 projects for assistance in transition from homelessness program to prevent or end
1300.29 homelessness for people with serious mental illness, substance use disorder, or co-occurring

1301.1 substance use disorder and ensure the commissioner achieves the goals of the housing
1301.2 mission statement in section 245.461, subdivision 4.

1301.3 Sec. 13. Minnesota Statutes 2023 Supplement, section 245C.31, subdivision 1, is amended
1301.4 to read:

1301.5 Subdivision 1. **Board determines disciplinary or corrective action.** (a) The
1301.6 commissioner shall notify a health-related licensing board as defined in section 214.01,
1301.7 subdivision 2, if the commissioner determines that an individual who is licensed by the
1301.8 health-related licensing board and who is included on the board's roster list provided in
1301.9 accordance with subdivision 3a is responsible for substantiated maltreatment under section
1301.10 626.557 or chapter 260E, in accordance with subdivision 2. ~~Upon receiving notification~~
1301.11 Except as provided in paragraph (b), the health-related licensing board shall make a
1301.12 determination as to whether to impose disciplinary or corrective action under chapter 214,
1301.13 rather than the commissioner making the decision regarding disqualification.

1301.14 (b) The prohibition on disqualification in paragraph (a) does not apply to a background
1301.15 study of an individual regulated by a health-related licensing board if the individual's study
1301.16 is related to child foster care, adult foster care, or family child care licensure.

1301.17 Sec. 14. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to
1301.18 read:

1301.19 Subd. 2c. **Grant consultation.** The commissioner must consult with the commissioner
1301.20 of management and budget to create, review, and revise grant program performance measures
1301.21 and to evaluate grant programs administered by the commissioner in accordance with section
1301.22 16A.055, subdivisions 1a and 1b.

1301.23 Sec. 15. Minnesota Statutes 2022, section 256.01, subdivision 41, is amended to read:

1301.24 Subd. 41. **Reports on interagency agreements and intra-agency transfers.** (a)
1301.25 Beginning October 31, 2024, and annually thereafter, the commissioner of human services
1301.26 shall provide ~~quarterly reports~~ a report to the chairs and ranking minority members of the
1301.27 legislative committees with jurisdiction over health and human services policy and finance
1301.28 on:

1301.29 (1) interagency agreements or service-level agreements and any renewals or extensions
1301.30 of existing interagency or service-level agreements with a state department under section
1301.31 15.01, state agency under section 15.012, or the Department of Information Technology

1302.1 Services, with a value of more than \$100,000, or related agreements with the same department
1302.2 or agency with a cumulative value of more than \$100,000; and

1302.3 (2) transfers of appropriations of more than \$100,000 between accounts within or between
1302.4 agencies.

1302.5 The report must include the statutory citation authorizing the agreement, transfer or dollar
1302.6 amount, purpose, and effective date of the agreement, the duration of the agreement, and a
1302.7 copy of the agreement.

1302.8 (b) This subdivision expires December 31, 2034.

1302.9 Sec. 16. Minnesota Statutes 2022, section 256B.795, is amended to read:

1302.10 **256B.795 MATERNAL AND INFANT HEALTH REPORT.**

1302.11 (a) The commissioner of human services, in consultation with the commissioner of
1302.12 health, shall submit a biennial report beginning April 15, 2022, to the chairs and ranking
1302.13 minority members of the legislative committees with jurisdiction over health policy and
1302.14 finance on the effectiveness of state maternal and infant health policies and programs
1302.15 addressing health disparities in prenatal and postpartum health outcomes. For each reporting
1302.16 period, the commissioner shall determine the number of women enrolled in the medical
1302.17 assistance program who are pregnant or are in the 12-month postpartum period of eligibility
1302.18 and the percentage of women in that group who, during each reporting period:

1302.19 (1) received prenatal services;

1302.20 (2) received doula services;

1302.21 (3) gave birth by primary cesarean section;

1302.22 (4) gave birth to an infant who received care in the neonatal intensive care unit;

1302.23 (5) gave birth to an infant who was premature or who had a low birth weight;

1302.24 (6) experienced postpartum hemorrhage;

1302.25 (7) received postpartum care within six weeks of giving birth; and

1302.26 (8) received a prenatal and postpartum follow-up home visit from a public health nurse.

1302.27 (b) These measurements must be determined through an analysis of the utilization data
1302.28 from claims submitted during each reporting period and by any other appropriate means.

1302.29 The measurements for each metric must be determined in the aggregate stratified by race
1302.30 and ethnicity.

1303.1 (c) The commissioner shall establish a baseline for the metrics described in paragraph
 1303.2 (a) using calendar year 2017. The initial report due April 15, 2022, must contain the baseline
 1303.3 metrics and the metrics data for calendar years 2019 and 2020. The following reports due
 1303.4 biennially thereafter must contain the metrics for the preceding two calendar years.

1303.5 (d) This section expires December 31, 2034.

1303.6 Sec. 17. Minnesota Statutes 2022, section 256K.45, subdivision 2, is amended to read:

1303.7 Subd. 2. **Homeless youth report.** (a) The commissioner shall prepare a biennial report,
 1303.8 beginning ~~in February 2015~~ February 1, 2025, which provides meaningful information to
 1303.9 the chairs and ranking minority members of the legislative committees having with
 1303.10 jurisdiction over ~~the issue of~~ homeless youth, that includes, but is not limited to: (1) a list
 1303.11 of the areas of the state with the greatest need for services and housing for homeless youth,
 1303.12 and the level and nature of the needs identified; (2) details about grants made, including
 1303.13 shelter-linked youth mental health grants under section 256K.46; (3) the distribution of
 1303.14 funds throughout the state based on population need; (4) follow-up information, if available,
 1303.15 on the status of homeless youth and whether they have stable housing two years after services
 1303.16 are provided; and (5) any other outcomes for populations served to determine the
 1303.17 effectiveness of the programs and use of funding.

1303.18 (b) This subdivision expires December 31, 2034.

1303.19 Sec. 18. Minnesota Statutes 2023 Supplement, section 260.761, is amended by adding a
 1303.20 subdivision to read:

1303.21 Subd. 8. **Missing child notification.** A child-placing agency or individual petitioner
 1303.22 shall notify an Indian child's Tribe or Tribes by telephone and by email or facsimile
 1303.23 immediately but no later than 24 hours after receiving information on a missing child as
 1303.24 defined under section 260C.212, subdivision 13, paragraph (a).

1303.25 Sec. 19. 2024 H.F. No. 5237, article 22, section 2, subdivision 4, if enacted, is amended
 1303.26 to read:

1303.27 Subd. 4. **Central Office; Health Care** (3,216,000) 3,216,000

1303.28 The appropriation in fiscal year 2025 is a

1303.29 onetime appropriation.

1304.1 Sec. 20. 2024 H.F. No. 5237, article 22, section 2, subdivision 5, if enacted, is amended

1304.2 to read:

1304.3 Subd. 5. **Central Office; Behavioral Health, Deaf**

1304.4 **and Hard-of-Hearing, and Housing Services**

(136,000)

136,000

1304.5 The appropriation in fiscal year 2025 is a

1304.6 onetime appropriation.

1304.7 **Extended Availability.** \$136,000 of the

1304.8 general fund appropriation in fiscal year 2025

1304.9 is available until June 30, 2027.

1304.10 Sec. 21. **ANNUAL REPORT TO LEGISLATURE; USE OF APPROPRIATION**

1304.11 **FUNDS.**

1304.12 By January 15, 2025, and every year thereafter, the Board of Regents of the University

1304.13 of Minnesota must submit a report to the chairs and ranking minority members of the

1304.14 legislative committees with primary jurisdiction over higher education and health and human

1304.15 services policy and finance on the use of all appropriations for the benefit of the University

1304.16 of Minnesota's health sciences schools and colleges, including:

1304.17 (1) changes to the University of Minnesota's anticipated uses of each appropriation;

1304.18 (2) the results of the performance measures required by Minnesota Statutes, section

1304.19 137.095, subdivision 2, clause (6); and

1304.20 (3) current and anticipated achievement of the goals, outcomes, and purposes of each

1304.21 appropriation.

1304.22 Sec. 22. **DIRECTION TO COMMISSIONER OF HEALTH; HEALTH**

1304.23 **PROFESSIONS WORKFORCE ADVISORY COUNCIL.**

1304.24 Subdivision 1. **Health professions workforce advisory council.** The commissioner of

1304.25 health, in consultation with the University of Minnesota and the Minnesota State HealthForce

1304.26 Center of Excellence, shall provide recommendations to the legislature for the creation of

1304.27 a health professions workforce advisory council to:

1304.28 (1) research and advise the legislature and the Minnesota Office of Higher Education

1304.29 on the status of the health workforce who are in training and on the need for additional or

1304.30 different training opportunities;

- 1305.1 (2) provide information and analysis on health workforce needs and trends, upon request,
1305.2 to the legislature, any state department, or any other entity the advisory council deems
1305.3 appropriate;
- 1305.4 (3) review and comment on legislation relevant to Minnesota's health workforce; and
- 1305.5 (4) study and provide recommendations regarding the following:
- 1305.6 (i) health workforce supply, including:
- 1305.7 (A) employment trends and demand;
- 1305.8 (B) strategies that entities in Minnesota are using or may use to address health workforce
1305.9 shortages, recruitment, and retention; and
- 1305.10 (C) future investments to increase the supply of health care professionals, with particular
1305.11 focus on critical areas of need within Minnesota;
- 1305.12 (ii) options for training and educating the health workforce, including:
- 1305.13 (A) increasing the diversity of health professions workers to reflect Minnesota's
1305.14 communities;
- 1305.15 (B) addressing the maldistribution of primary, mental health, nursing, and dental providers
1305.16 in greater Minnesota and in underserved communities in metropolitan areas;
- 1305.17 (C) increasing interprofessional training and clinical practice;
- 1305.18 (D) addressing the need for increased quality faculty to train an increased workforce;
1305.19 and
- 1305.20 (E) developing advancement paths or career ladders for health care professionals;
- 1305.21 (iii) increasing funding for strategies to diversify and address gaps in the health workforce,
1305.22 including:
- 1305.23 (A) increasing access to financing for graduate medical education;
- 1305.24 (B) expanding pathway programs to increase awareness of the health care professions
1305.25 among high school, undergraduate, and community college students and engaging the current
1305.26 health workforce in those programs;
- 1305.27 (C) reducing or eliminating tuition for entry-level health care positions that offer
1305.28 opportunities for future advancement in high-demand settings and expanding other existing
1305.29 financial support programs such as loan forgiveness and scholarship programs;

1306.1 (D) incentivizing recruitment from greater Minnesota and recruitment and retention for
1306.2 providers practicing in greater Minnesota and in underserved communities in metropolitan
1306.3 areas; and

1306.4 (E) expanding existing programs, or investing in new programs, that provide wraparound
1306.5 support services to the existing health care workforce, especially people of color and
1306.6 professionals from other underrepresented identities, to acquire training and advance within
1306.7 the health care workforce; and

1306.8 (iv) other Minnesota health workforce priorities as determined by the advisory council.

1306.9 Subd. 2. Report to the legislature. On or before February 1, 2025, the commissioner
1306.10 of health shall submit a report to the chairs and ranking minority members of the legislative
1306.11 committees with jurisdiction over health and human services and higher education finance
1306.12 and policy with recommendations for the creation of a health professions workforce advisory
1306.13 council as described in subdivision 1. The report must include recommendations regarding:

1306.14 (1) membership of the advisory council;

1306.15 (2) funding sources and estimated costs for the advisory council;

1306.16 (3) existing sources of workforce data for the advisory council to perform its duties;

1306.17 (4) necessity for and options to obtain new data for the advisory council to perform its
1306.18 duties;

1306.19 (5) additional duties of the advisory council;

1306.20 (6) proposed legislation to establish the advisory council;

1306.21 (7) similar health workforce advisory councils in other states; and

1306.22 (8) advisory council reporting requirements.

1306.23 Sec. 23. REQUEST FOR INFORMATION; EVALUATION OF STATEWIDE
1306.24 HEALTH CARE NEEDS AND CAPACITY AND PROJECTIONS OF FUTURE
1306.25 HEALTH CARE NEEDS.

1306.26 (a) By November 1, 2024, the commissioner of health must publish a request for
1306.27 information to assist the commissioner in a future comprehensive evaluation of current
1306.28 health care needs and capacity in the state and projections of future health care needs in the
1306.29 state based on population and provider characteristics. The request for information:

1307.1 (1) must provide guidance on defining the scope of the study and assist in answering
1307.2 methodological questions that will inform the development of a request for proposals to
1307.3 contract for performance of the study; and

1307.4 (2) may address topics that include but are not limited to how to define health care
1307.5 capacity, expectations for capacity by geography or service type, how to consider health
1307.6 centers that have areas of particular expertise or services that generally have a higher margin,
1307.7 how hospital-based services should be considered as compared with evolving
1307.8 nonhospital-based services, the role of technology in service delivery, health care workforce
1307.9 supply issues, and other issues related to data or methods.

1307.10 (b) By February 1, 2025, the commissioner must submit a report to the chairs and ranking
1307.11 minority members of the legislative committees with jurisdiction over health care, with the
1307.12 results of the request for information and recommendations regarding conducting a
1307.13 comprehensive evaluation of current health care needs and capacity in the state and
1307.14 projections of future health care needs in the state.

1307.15 Sec. 24. **EXEMPTION.**

1307.16 The contract requirements under Minnesota Statutes, chapter 16C, do not apply to Laws
1307.17 2023, chapter 70, article 20, section 2, subdivision 5, paragraph (d).

1307.18 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

1307.19 Sec. 25. **REPEALER.**

1307.20 Minnesota Statutes 2022, section 256B.79, subdivision 6, is repealed.

1307.21 **ARTICLE 67**

1307.22 **APPROPRIATIONS**

1307.23 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

1307.24 The sums shown in the columns marked "Appropriations" are added to or, if shown in
1307.25 parentheses, subtracted from the appropriations in Laws 2023, chapter 61, article 9; Laws
1307.26 2023, chapter 70, article 20; and Laws 2023, chapter 74, section 6, to the agencies and for
1307.27 the purposes specified in this article. The appropriations are from the general fund or other
1307.28 named fund and are available for the fiscal years indicated for each purpose. The figures
1307.29 "2024" and "2025" used in this article mean that the addition to or subtraction from the
1307.30 appropriation listed under them is available for the fiscal year ending June 30, 2024, or June
1307.31 30, 2025, respectively. Base adjustments mean the addition to or subtraction from the base
1307.32 level adjustment set in Laws 2023, chapter 61, article 9; Laws 2023, chapter 70, article 20;

1308.1 and Laws 2023, chapter 74, section 6. Supplemental appropriations and reductions to
 1308.2 appropriations for the fiscal year ending June 30, 2024, are effective the day following final
 1308.3 enactment unless a different effective date is explicit.

1308.4			<u>APPROPRIATIONS</u>
1308.5			<u>Available for the Year</u>
1308.6			<u>Ending June 30</u>
1308.7			<u>2024</u> <u>2025</u>

1308.8 **Sec. 2. COMMISSIONER OF HUMAN**
 1308.9 **SERVICES**

1308.10 **Subdivision 1. Total Appropriation** \$ **(22,695,000)** \$ **23,032,000**

1308.11	<u>Appropriations by Fund</u>		
1308.12	<u>2024</u>	<u>2025</u>	
1308.13	<u>General</u>	(22,695,000)	23,132,000
1308.14	<u>Health Care Access</u>	-0-	(100,000)

1308.15 The amounts that may be spent for each
 1308.16 purpose are specified in the following
 1308.17 subdivisions.

1308.18 **Subd. 2. Central Office; Operations** -0- (1,907,000)

1308.19 **Base Level Adjustment.** The general fund
 1308.20 base is increased by \$239,000 in fiscal year
 1308.21 2026 and increased by \$181,000 in fiscal year
 1308.22 2027.

1308.23 **Subd. 3. Central Office; Health Care**

1308.24	<u>Appropriations by Fund</u>		
1308.25	<u>General</u>	-0-	540,000
1308.26	<u>Health Care Access</u>	(1,000,000)	-0-

1308.27 **Base Level Adjustment.** The general fund
 1308.28 base is increased by \$1,063,000 in fiscal year
 1308.29 2026 and increased by \$1,063,000 in fiscal
 1308.30 year 2027.

1308.31 **Subd. 4. Central Office; Behavioral Health, Deaf**
 1308.32 **and Hard-of-Hearing, and Housing Services** -0- 2,036,000

1308.33 (a) The appropriation in fiscal year 2025 is a
 1308.34 onetime appropriation.

1309.1 **(b) Medical Assistance Mental Health**
 1309.2 **Benefit Development.** \$1,227,000 in fiscal
 1309.3 year 2025 is to: (1) conduct an analysis to
 1309.4 identify existing or pending Medicaid
 1309.5 Clubhouse benefits in other states, federal
 1309.6 authorities used, populations served, service
 1309.7 and reimbursement design, and accreditation
 1309.8 standards; (2) consult with providers,
 1309.9 advocates, Tribal Nations, counties, people
 1309.10 with lived experience as or with a child in a
 1309.11 mental health crisis, and other interested
 1309.12 community members to develop a covered
 1309.13 benefit under medical assistance to provide
 1309.14 residential mental health crisis stabilization
 1309.15 for children; and (3) develop a First Episode
 1309.16 Psychosis Coordinated Specialty Care
 1309.17 (FEP-CSC) medical assistance benefit. This
 1309.18 is a onetime appropriation and is available
 1309.19 until June 30, 2027.

1309.20 **Subd. 5. Forecasted Programs; MinnesotaCare** -0- 343,000

1309.21 **(a) This appropriation is from the health care**
 1309.22 **access fund.**

1309.23 **(b) Base Level Adjustment.** The health care
 1309.24 access fund base is increased by \$1,165,000
 1309.25 in fiscal year 2026 and increased by
 1309.26 \$1,713,000 in fiscal year 2027.

1309.27 **Subd. 6. Forecasted Programs; Medical**
 1309.28 **Assistance**

1309.29	<u>Appropriations by Fund</u>		
1309.30	<u>General</u>	-0-	<u>6,527,000</u>
1309.31	<u>Health Care Access</u>	1,000,000	<u>(443,000)</u>

1309.32 **(a) Additional Payment for Behavioral**
 1309.33 **Health Services Provided by Hospitals.**
 1309.34 \$5,814,000 in fiscal year 2025 is from the
 1309.35 general fund for behavioral health services

1310.1 provided by hospitals under Minnesota
 1310.2 Statutes, section 256.969, subdivision 2b,
 1310.3 paragraph (a), clause (4). The increase in
 1310.4 payments shall be made by increasing the
 1310.5 adjustment under Minnesota Statutes, section
 1310.6 256.969, subdivision 2b, paragraph (e), clause
 1310.7 (2).

1310.8 **(b) Base Level Adjustment.** The health care
 1310.9 access fund base is decreased by \$1,265,000
 1310.10 in fiscal year 2026 and decreased by
 1310.11 \$1,813,000 in fiscal year 2027.

1310.12 <u>Subd. 7. Forecasted Programs; Behavioral</u>		
1310.13 <u>Health Fund</u>	-0-	<u>127,000</u>

1310.14 <u>Subd. 8. Grant Programs; Adult Mental Health</u>		
1310.15 <u>Grants</u>	<u>(22,695,000)</u>	<u>14,568,000</u>

1310.16 **(a) Youable Emotional Health.** \$300,000 in
 1310.17 fiscal year 2025 is for a grant to Youable
 1310.18 Emotional Health for day treatment
 1310.19 transportation costs on nonschool days, student
 1310.20 nutrition, and student learning experiences
 1310.21 such as technology, arts, and outdoor activity.
 1310.22 This is a onetime appropriation.
 1310.23 Notwithstanding Minnesota Statutes, section
 1310.24 16B.98, subdivision 14, the amount for
 1310.25 administrative costs under this paragraph is
 1310.26 \$0.

1310.27 **(b) Comunidades Latinas Unidas En**
 1310.28 **Servercio Certified Community Behavioral**
 1310.29 **Health Clinic Services.** \$1,500,000 in fiscal
 1310.30 year 2025 is for a payment to Comunidades
 1310.31 Latinas Unidas En Servercio (CLUES) to
 1310.32 provide comprehensive integrated health care
 1310.33 through the certified community behavioral
 1310.34 health clinic (CCBHC) model of service
 1310.35 delivery as required under Minnesota Statutes,

1311.1 section 245.735. Funds must be used to
 1311.2 provide evidence-based services under the
 1311.3 CCBHC service model and must not be used
 1311.4 to supplant available medical assistance
 1311.5 funding. By June 30, 2026, CLUES must
 1311.6 report to the commissioner of human services
 1311.7 on:

- 1311.8 (1) the number of people served;
- 1311.9 (2) outcomes for people served; and
- 1311.10 (3) whether the funding reduced behavioral
 1311.11 health racial and ethnic disparities.

1311.12 This is a onetime appropriation and is
 1311.13 available until June 30, 2026. Notwithstanding
 1311.14 Minnesota Statutes, section 16B.98,
 1311.15 subdivision 14, the amount for administrative
 1311.16 costs under this paragraph is \$0.

1311.17 **(c) Grant to PFund Foundation. \$1,000,000**
 1311.18 in fiscal year 2025 is for a payment to the
 1311.19 PFund Foundation for grants in Minnesota to
 1311.20 support the medical, mental health, and social
 1311.21 service needs of LGBTQIA2S+ individuals.
 1311.22 This is a onetime appropriation.

1311.23 **(d) Adult Mental Health Initiative**
 1311.24 **Appropriation Cancellation and**
 1311.25 **Appropriation.** \$11,768,000 of the fiscal year
 1311.26 2024 appropriation for the adult mental health
 1311.27 initiative is canceled and \$11,768,000 in fiscal
 1311.28 year 2025 is for the adult mental health
 1311.29 initiative. This is a onetime appropriation.

1311.30 **Subd. 9. Grant Programs; Child Mental Health**
 1311.31 **Grants**

-0-

7,350,000

1311.32 **(a) School-Linked Behavioral Health**
 1311.33 **Grants.** \$3,000,000 in fiscal year 2025 is for
 1311.34 school-linked behavioral health grants under

1312.1 Minnesota Statutes, section 245.4901. This is
 1312.2 a onetime appropriation and is available until
 1312.3 June 30, 2027. Notwithstanding Minnesota
 1312.4 Statutes, section 16B.98, subdivision 14, the
 1312.5 amount for administrative costs under this
 1312.6 paragraph is \$0.

1312.7 (b) **Respite Care Services.** \$2,650,000 in
 1312.8 fiscal year 2025 is for respite care services
 1312.9 under Minnesota Statutes, section 245.4889,
 1312.10 subdivision 1, paragraph (b), clause (3). This
 1312.11 is a onetime appropriation and is available
 1312.12 until June 30, 2027. Notwithstanding
 1312.13 Minnesota Statutes, section 16B.98,
 1312.14 subdivision 14, the amount for administrative
 1312.15 costs under this paragraph is \$515,000.

1312.16 (c) **Grant to Volunteers of America.**
 1312.17 \$1,700,000 in fiscal year 2025 is for a grant
 1312.18 to Volunteers of America for program
 1312.19 consolidation, workforce training, and the
 1312.20 development of a trauma-informed locked
 1312.21 setting environment. This is a onetime
 1312.22 appropriation and is available until June 30,
 1312.23 2027. Notwithstanding Minnesota Statutes,
 1312.24 section 16B.98, subdivision 14, the amount
 1312.25 for administrative costs under this paragraph
 1312.26 is \$0.

1312.27 Subd. 10. **Direct Care and Treatment; Mental**
 1312.28 **Health and Substance Abuse**

-0- (6,109,000)

1312.29 **Base Level Adjustments.** The general fund
 1312.30 base is decreased by \$7,566,000 in fiscal year
 1312.31 2026 and decreased by \$7,566,000 in fiscal
 1312.32 year 2027.

1312.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1312.34 Sec. 3. **COMMISSIONER OF HEALTH**

1313.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$ (2,690,000)</u>	<u>\$ (251,000)</u>
1313.2	<u>Appropriations by Fund</u>			
1313.3		<u>2024</u>	<u>2025</u>	
1313.4	<u>General</u>	<u>(2,694,000)</u>	<u>2,485,000</u>	
1313.5	<u>State Government</u>			
1313.6	<u>Special Revenue</u>	<u>4,000</u>	<u>(2,736,000)</u>	
1313.7	<u>The amount that may be spent for each</u>			
1313.8	<u>purpose is specified in the following</u>			
1313.9	<u>subdivisions.</u>			
1313.10	<u>Subd. 2. Health Improvement</u>		<u>(2,694,000)</u>	<u>2,075,000</u>
1313.11	<u>(a) Stillbirth Prevention Grant. \$210,000 in</u>			
1313.12	<u>fiscal year 2025 is for a grant to Healthy Birth</u>			
1313.13	<u>Day, Inc., to operate a stillbirth prevention</u>			
1313.14	<u>through tracking fetal movement pilot</u>			
1313.15	<u>program. This is a onetime appropriation and</u>			
1313.16	<u>is available until June 30, 2028. In accordance</u>			
1313.17	<u>with Minnesota Statutes, section 16B.98,</u>			
1313.18	<u>subdivision 14, the commissioner may use</u>			
1313.19	<u>\$10,000 of this appropriation for</u>			
1313.20	<u>administrative costs.</u>			
1313.21	<u>(b) Grant to Chosen Vessels Midwifery</u>			
1313.22	<u>Services. \$263,000 in fiscal year 2025 is for</u>			
1313.23	<u>a grant to Chosen Vessels Midwifery Services</u>			
1313.24	<u>for a program to provide education, support,</u>			
1313.25	<u>and encouragement for African American</u>			
1313.26	<u>mothers to breastfeed their infants for the first</u>			
1313.27	<u>year of life or longer. Chosen Vessel</u>			
1313.28	<u>Midwifery Services must combine the midwife</u>			
1313.29	<u>model of care with the cultural tradition of</u>			
1313.30	<u>mutual aid to inspire African American</u>			
1313.31	<u>women to breastfeed their infants and to</u>			
1313.32	<u>provide support to those who do. This is a</u>			
1313.33	<u>onetime appropriation and is available until</u>			
1313.34	<u>June 30, 2026. In accordance with Minnesota</u>			
1313.35	<u>Statutes, section 16B.98, subdivision 14, the</u>			

1314.1 commissioner may use \$13,000 of this
1314.2 appropriation for administrative costs.

1314.3 **(c) American Indian Birth Center Planning**
1314.4 **Grant.** \$368,000 in fiscal year 2025 is for a
1314.5 grant to the Birth Justice Collaborative to plan
1314.6 for and engage the community in the
1314.7 development of an American Indian-focused
1314.8 birth center to improve access to culturally
1314.9 centered prenatal and postpartum care with
1314.10 the goal of improving maternal and child
1314.11 health outcomes. The Birth Justice
1314.12 Collaborative must report to the commissioner
1314.13 on the plan to develop an American
1314.14 Indian-focused birth center. This is a onetime
1314.15 appropriation. In accordance with Minnesota
1314.16 Statutes, section 16B.98, subdivision 14, the
1314.17 commissioner may use \$18,000 of this
1314.18 appropriation for administrative costs.

1314.19 **(d) Grant to Birth Justice Collaborative for**
1314.20 **African American-Focused Homeplace**
1314.21 **Model.** \$263,000 in fiscal year 2025 is for a
1314.22 grant to the Birth Justice Collaborative for
1314.23 planning and community engagement to
1314.24 develop a replicable African
1314.25 American-focused Homeplace model. The
1314.26 model's purpose must be to improve access to
1314.27 culturally centered healing and care during
1314.28 pregnancy and the postpartum period, with
1314.29 the goal of improving maternal and child
1314.30 health outcomes. The Birth Justice
1314.31 Collaborative must report to the commissioner
1314.32 on the needs of and plan to develop an African
1314.33 American-focused Homeplace model in
1314.34 Hennepin County. The report must outline
1314.35 potential state and public partnerships and

1315.1 financing strategies and must provide a
 1315.2 timeline for development. This is a onetime
 1315.3 appropriation. In accordance with Minnesota
 1315.4 Statutes, section 16B.98, subdivision 14, the
 1315.5 commissioner may use \$13,000 of this
 1315.6 appropriation for administrative costs.

1315.7 **(e) Request for Information; Evaluation of**
 1315.8 **Statewide Health Care Needs and Capacity.**
 1315.9 \$250,000 in fiscal year 2025 is for a request
 1315.10 for information for a future evaluation of
 1315.11 statewide health care needs and capacity and
 1315.12 projections of future health care needs. This
 1315.13 is a onetime appropriation.

1315.14 **(f) Reports on Prior Authorization**
 1315.15 **Requests.** \$191,000 in fiscal year 2025 is for
 1315.16 the purposes of Minnesota Statutes, section
 1315.17 62M.19. This appropriation is available until
 1315.18 June 30, 2027. The base for this appropriation
 1315.19 is \$21,000 in fiscal year 2026 and \$22,000 in
 1315.20 fiscal year 2027.

1315.21 **(g) Base Level Adjustment.** The general fund
 1315.22 base is increased by \$247,000 in fiscal year
 1315.23 2026 and increased by \$318,000 in fiscal year
 1315.24 2027.

1315.25 **Subd. 3. Health Protection**

1315.26	<u>Appropriations by Fund</u>		
1315.27	<u>General</u>	<u>-0-</u>	<u>410,000</u>
1315.28	<u>State Government</u>		
1315.29	<u>Special Revenue</u>	<u>4,000</u>	<u>(2,736,000)</u>

1315.30 **(a) Translation of Competency Evaluation**
 1315.31 **for Nursing Assistant Registry.** \$20,000 in
 1315.32 fiscal year 2025 is from the general fund for
 1315.33 translation of competency evaluation materials
 1315.34 for the nursing assistant registry. This is a
 1315.35 onetime appropriation.

1316.1 (b) Hospital Closure, Relocation, or Service
 1316.2 Cessation. \$9,000 in fiscal year 2025 is from
 1316.3 the general fund for activities under Minnesota
 1316.4 Statutes, section 144.555.

1316.5 (c) Natural Organic Reduction. \$140,000 in
 1316.6 fiscal year 2025 is from the state government
 1316.7 special revenue fund for the licensure of
 1316.8 natural organic reduction facilities. The base
 1316.9 for this appropriation is \$85,000 in fiscal year
 1316.10 2026 and \$16,000 in fiscal year 2027.

1316.11 (d) Groundwater Thermal Exchange Device
 1316.12 Permitting. \$4,000 in fiscal year 2024 and
 1316.13 \$4,000 in fiscal year 2025 are from the state
 1316.14 government special revenue fund for costs
 1316.15 related to issuing permits for groundwater
 1316.16 thermal exchange devices.

1316.17 (e) Base Level Adjustment. The general fund
 1316.18 base is increased by \$390,000 in fiscal year
 1316.19 2026 and increased by \$185,000 in fiscal year
 1316.20 2027. The state government special revenue
 1316.21 fund base is decreased by \$2,791,000 in fiscal
 1316.22 year 2026 and decreased by \$2,860,000 in
 1316.23 fiscal year 2027.

1316.24 Sec. 4. BOARD OF PHARMACY

1316.25	<u>Appropriations by Fund</u>		
1316.26	<u>General</u>	<u>1,500,000</u>	<u>-0-</u>
1316.27	<u>State Government</u>		
1316.28	<u>Special Revenue</u>	<u>-0-</u>	<u>27,000</u>

1316.29 (a) Legal Costs. \$1,500,000 in fiscal year
 1316.30 2024 is from the general fund for legal costs.
 1316.31 This is a onetime appropriation.

1316.32 (b) Base Level Adjustment. The state
 1316.33 government special revenue fund base is

1317.1 increased by \$27,000 in fiscal year 2026 and
 1317.2 increased by \$27,000 in fiscal year 2027.

1317.3 **Sec. 5. RARE DISEASE ADVISORY**
 1317.4 **COUNCIL**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>342,000</u>
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1317.5 This is a onetime appropriation and is
 1317.6 available until June 30, 2027.

1317.7 **Sec. 6. COMMISSIONER OF MANAGEMENT**
 1317.8 **AND BUDGET**

1317.9 Appropriations by Fund

	<u>2024</u>	<u>2025</u>
1317.10		
1317.11 <u>General</u>	<u>-0-</u>	<u>(232,000)</u>
1317.12 <u>Health Care Access</u>	<u>-0-</u>	<u>100,000</u>

1317.13 **(a) Insulin safety net program.** \$100,000 in
 1317.14 fiscal year 2025 is from the health care access
 1317.15 fund for the insulin safety net program in
 1317.16 Minnesota Statutes, section 151.74.

1317.17 **(b) Transfer.** The commissioner must transfer
 1317.18 from the health care access fund to the insulin
 1317.19 safety net program account in the special
 1317.20 revenue fund the amount certified by the
 1317.21 commissioner of administration under
 1317.22 Minnesota Statutes, section 151.741,
 1317.23 subdivision 5, paragraph (b), estimated to be
 1317.24 \$100,000 in fiscal year 2025, for
 1317.25 reimbursement to manufacturers for insulin
 1317.26 dispensed under the insulin safety net program
 1317.27 in Minnesota Statutes, section 151.74. The
 1317.28 base for this transfer is estimated to be
 1317.29 \$100,000 in fiscal year 2026 and \$100,000 in
 1317.30 fiscal year 2027.

1317.31 **(c) Base Level Adjustment.** The health care
 1317.32 access fund base is increased by \$100,000 in
 1317.33 fiscal year 2026 and increased by \$100,000 in
 1317.34 fiscal year 2027.

1318.1 **Sec. 7. BOARD OF DIRECTORS OF MNSURE \$ -0- \$ 2,330,000**

1318.2 **(a) Information Technology to Implement**

1318.3 **Federal Deferred Action for Childhood**

1318.4 **Arrivals Regulatory Requirements.**

1318.5 \$2,330,000 in fiscal year 2025 is for

1318.6 information technology to implement federal

1318.7 Deferred Action for Childhood Arrivals

1318.8 regulatory requirements. This is a onetime

1318.9 appropriation and is available until June 30,

1318.10 2027.

1318.11 **(b) Transfer to Enterprise Account. The**

1318.12 **Board of Directors of MNsure must transfer**

1318.13 **\$2,330,000 in fiscal year 2025 from the**

1318.14 **general fund to the enterprise account under**

1318.15 **Minnesota Statutes, section 62V.07. This is a**

1318.16 **onetime transfer.**

1318.17 **Sec. 8. COMMISSIONER OF COMMERCE \$ -0- \$ 149,000**

1318.18 **(a) Defrayal of Costs for Mandated**

1318.19 **Coverage of Orthotic and Prosthetic**

1318.20 **Devices. The general fund base is increased**

1318.21 **by \$558,000 in fiscal year 2026 and increased**

1318.22 **by \$539,000 in fiscal year 2027. The base**

1318.23 **includes \$520,000 in fiscal year 2026 and**

1318.24 **\$540,000 in fiscal year 2027 for the estimated**

1318.25 **amount of defrayal costs for mandated**

1318.26 **coverage of orthotic and prosthetic devices**

1318.27 **and \$38,000 in fiscal year 2026 and \$19,000**

1318.28 **in fiscal year 2027 for administrative costs to**

1318.29 **implement mandated coverage of orthotic and**

1318.30 **prosthetic devices.**

1318.31 **(b) Defrayal of Costs for Mandated**

1318.32 **Coverage of Abortions and**

1318.33 **Abortion-Related Services. The general fund**

1318.34 **base is increased by \$338,000 in fiscal year**

- 1320.1 **(a) Nonprofit Health Coverage Entity**
1320.2 **Conversion Transactions. \$53,000 in fiscal**
1320.3 **year 2025 is for review and related**
1320.4 **investigatory and enforcement actions for**
1320.5 **conversion transactions under Minnesota**
1320.6 **Statutes, sections 145D.30 to 145D.37.**
- 1320.7 **(b) Base Level Adjustment. The general fund**
1320.8 **base is increased by \$53,000 in fiscal year**
1320.9 **2026 and increased by \$53,000 in fiscal year**
1320.10 **2027.**

1320.11 Sec. 10. Laws 2023, chapter 22, section 4, subdivision 2, is amended to read:

1320.12 Subd. 2. **Grants to navigators.**

1320.13 (a) \$1,936,000 in fiscal year 2024 is
1320.14 appropriated from the health care access fund
1320.15 to the commissioner of human services for
1320.16 grants to organizations with a MNsure grant
1320.17 services navigator assister contract in good
1320.18 standing as of the date of enactment. The grant
1320.19 payment to each organization must be in
1320.20 proportion to the number of medical assistance
1320.21 and MinnesotaCare enrollees each
1320.22 organization assisted that resulted in a
1320.23 successful enrollment in the second quarter of
1320.24 fiscal years 2020 and 2023, as determined by
1320.25 MNsure's navigator payment process. This is
1320.26 a onetime appropriation and is available until
1320.27 June 30, 2025.

1320.28 (b) \$3,000,000 in fiscal year 2024 is
1320.29 appropriated from the health care access fund
1320.30 to the commissioner of human services for
1320.31 grants to organizations with a MNsure grant
1320.32 services navigator assister contract for
1320.33 successful enrollments in medical assistance
1320.34 and MinnesotaCare. This is a onetime

1321.1 appropriation and is available until June 30,
1321.2 2025.

1321.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1321.4 Sec. 11. Laws 2023, chapter 57, article 1, section 6, is amended to read:

1321.5 Sec. 6. **PREMIUM SECURITY ACCOUNT TRANSFER; OUT.**

1321.6 ~~\$275,775,000~~ \$284,605,000 in fiscal year 2026 is transferred from the premium security
1321.7 plan account under Minnesota Statutes, section 62E.25, subdivision 1, to the general fund.
1321.8 This is a onetime transfer.

1321.9 Sec. 12. Laws 2023, chapter 70, article 20, section 2, subdivision 5, is amended to read:

1321.10 Subd. 5. **Central Office; Health Care**

1321.11	Appropriations by Fund	
1321.12	General	35,807,000 31,349,000
1321.13	Health Care Access	30,668,000 50,168,000

1321.14 (a) **Medical assistance and MinnesotaCare**
1321.15 **accessibility improvements.** \$4,000,000 in
1321.16 fiscal year 2024 is from the general fund for
1321.17 interactive voice response upgrades and
1321.18 translation services for medical assistance and
1321.19 MinnesotaCare enrollees with limited English
1321.20 proficiency. This appropriation is available
1321.21 until June 30, 2025.

1321.22 (b) **Transforming service delivery.** \$155,000
1321.23 in fiscal year 2024 and \$180,000 in fiscal year
1321.24 2025 are from the general fund for
1321.25 transforming service delivery projects.

1321.26 (c) **Improving the Minnesota eligibility**
1321.27 **technology system functionality.** \$1,604,000
1321.28 in fiscal year 2024 and \$711,000 in fiscal year
1321.29 2025 are from the general fund for improving
1321.30 the Minnesota eligibility technology system
1321.31 functionality. The base for this appropriation

1322.1 is \$1,421,000 in fiscal year 2026 and \$0 in
1322.2 fiscal year 2027.

1322.3 **(d) Actuarial and economic analyses.**

1322.4 \$2,500,000 is from the health care access fund
1322.5 for actuarial and economic analyses and to
1322.6 prepare and submit a state innovation waiver
1322.7 under section 1332 of the federal Affordable
1322.8 Care Act for a Minnesota public option health
1322.9 care plan. This is a onetime appropriation and
1322.10 is available until June 30, 2025.

1322.11 **(e) Contingent appropriation for Minnesota**

1322.12 **public option health care plan. ~~\$22,000,000~~**

1322.13 \$21,000,000 in fiscal year 2025 is from the
1322.14 health care access fund to implement a
1322.15 Minnesota public option health care plan. This
1322.16 is a onetime appropriation and is available
1322.17 upon approval of a state innovation waiver
1322.18 under section 1332 of the federal Affordable
1322.19 Care Act. This appropriation is available until
1322.20 June 30, 2027.

1322.21 **(f) Carryforward authority.** Notwithstanding

1322.22 Minnesota Statutes, section 16A.28,
1322.23 subdivision 3, \$2,367,000 of the appropriation
1322.24 in fiscal year 2024 is available until June 30,
1322.25 2027.

1322.26 **(g) Base level adjustment.** The general fund

1322.27 base is \$32,315,000 in fiscal year 2026 and
1322.28 \$27,536,000 in fiscal year 2027. The health
1322.29 care access fund base is \$28,168,000 in fiscal
1322.30 year 2026 and \$28,168,000 in fiscal year 2027.

1322.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1323.1 Sec. 13. Laws 2023, chapter 70, article 20, section 2, subdivision 31, as amended by Laws
 1323.2 2023, chapter 75, section 12, is amended to read:

1323.3 Subd. 31. **Direct Care and Treatment - Mental**
 1323.4 **Health and Substance Abuse** -0- 6,109,000

1323.5 ~~(a) Keeping Nurses at the Bedside Act;~~
 1323.6 ~~contingent appropriation. The appropriation~~
 1323.7 ~~in this subdivision is contingent upon~~
 1323.8 ~~legislative enactment by the 93rd Legislature~~
 1323.9 ~~of provisions substantially similar to 2023 S.F.~~
 1323.10 ~~No. 1561, the second engrossment, article 2.~~

1323.11 ~~(b) Base level adjustment.~~ The general fund
 1323.12 base is increased by \$7,566,000 in fiscal year
 1323.13 2026 and increased by \$7,566,000 in fiscal
 1323.14 year 2027.

1323.15 Sec. 14. Laws 2023, chapter 70, article 20, section 3, subdivision 2, is amended to read:

1323.16 Subd. 2. **Health Improvement**

1323.17	Appropriations by Fund		
1323.18	General	229,600,000	210,030,000
1323.19	State Government		
1323.20	Special Revenue	12,392,000	12,682,000
1323.21	Health Care Access	49,051,000	53,290,000
1323.22	Federal TANF	11,713,000	11,713,000

1323.23 (a) **Studies of telehealth expansion and**
 1323.24 **payment parity.** \$1,200,000 in fiscal year
 1323.25 2024 is from the general fund for studies of
 1323.26 telehealth expansion and payment parity. This
 1323.27 is a onetime appropriation and is available
 1323.28 until June 30, 2025.

1323.29 (b) **Advancing equity through capacity**
 1323.30 **building and resource allocation grant**
 1323.31 **program.** \$916,000 in fiscal year 2024 and
 1323.32 \$916,000 in fiscal year 2025 are from the
 1323.33 general fund for grants under Minnesota

1324.1 Statutes, section 144.9821. This is a onetime
1324.2 appropriation.

1324.3 **(c) Grant to Minnesota Community Health**
1324.4 **Worker Alliance.** \$971,000 in fiscal year
1324.5 2024 and \$971,000 in fiscal year 2025 are
1324.6 from the general fund for Minnesota Statutes,
1324.7 section 144.1462.

1324.8 **(d) Community solutions for healthy child**
1324.9 **development grants.** \$2,730,000 in fiscal year
1324.10 2024 and \$2,730,000 in fiscal year 2025 are
1324.11 from the general fund for grants under
1324.12 Minnesota Statutes, section 145.9257. The
1324.13 base for this appropriation is \$2,415,000 in
1324.14 fiscal year 2026 and \$2,415,000 in fiscal year
1324.15 2027.

1324.16 **(e) Comprehensive Overdose and Morbidity**
1324.17 **Prevention Act.** \$9,794,000 in fiscal year
1324.18 2024 and \$10,458,000 in fiscal year 2025 are
1324.19 from the general fund for comprehensive
1324.20 overdose and morbidity prevention strategies
1324.21 under Minnesota Statutes, section 144.0528.
1324.22 The base for this appropriation is \$10,476,000
1324.23 in fiscal year 2026 and \$10,476,000 in fiscal
1324.24 year 2027.

1324.25 **(f) Emergency preparedness and response.**
1324.26 \$10,486,000 in fiscal year 2024 and
1324.27 \$14,314,000 in fiscal year 2025 are from the
1324.28 general fund for public health emergency
1324.29 preparedness and response, the sustainability
1324.30 of the strategic stockpile, and COVID-19
1324.31 pandemic response transition. The base for
1324.32 this appropriation is \$11,438,000 in fiscal year
1324.33 2026 and \$11,362,000 in fiscal year 2027.

1325.1 **(g) Healthy Beginnings, Healthy Families.**
1325.2 (1) \$8,440,000 in fiscal year 2024 and
1325.3 \$7,305,000 in fiscal year 2025 are from the
1325.4 general fund for grants under Minnesota
1325.5 Statutes, sections 145.9571 to 145.9576. The
1325.6 base for this appropriation is \$1,500,000 in
1325.7 fiscal year 2026 and \$1,500,000 in fiscal year
1325.8 2027. (2) Of the amount in clause (1),
1325.9 \$400,000 in fiscal year 2024 is to support the
1325.10 transition from implementation of activities
1325.11 under Minnesota Statutes, section 145.4235,
1325.12 to implementation of activities under
1325.13 Minnesota Statutes, sections 145.9571 to
1325.14 145.9576. The commissioner shall award four
1325.15 sole-source grants of \$100,000 each to Face
1325.16 to Face, Cradle of Hope, Division of Indian
1325.17 Work, and Minnesota Prison Doula Project.
1325.18 The amount in this clause is a onetime
1325.19 appropriation.

1325.20 **(h) Help Me Connect.** \$463,000 in fiscal year
1325.21 2024 and \$921,000 in fiscal year 2025 are
1325.22 from the general fund for the Help Me
1325.23 Connect program under Minnesota Statutes,
1325.24 section 145.988.

1325.25 **(i) Home visiting.** \$2,000,000 in fiscal year
1325.26 2024 and \$2,000,000 in fiscal year 2025 are
1325.27 from the general fund for home visiting under
1325.28 Minnesota Statutes, section 145.87, to provide
1325.29 home visiting to priority populations under
1325.30 Minnesota Statutes, section 145.87,
1325.31 subdivision 1, paragraph (e).

1325.32 **(j) No Surprises Act enforcement.**
1325.33 \$1,210,000 in fiscal year 2024 and \$1,090,000
1325.34 in fiscal year 2025 are from the general fund
1325.35 for implementation of the federal No Surprises

1326.1 Act under Minnesota Statutes, section
1326.2 62Q.021, and an assessment of the feasibility
1326.3 of a statewide provider directory. The general
1326.4 fund base for this appropriation is \$855,000
1326.5 in fiscal year 2026 and \$855,000 in fiscal year
1326.6 2027.

1326.7 **(k) Office of African American Health.**
1326.8 \$1,000,000 in fiscal year 2024 and \$1,000,000
1326.9 in fiscal year 2025 are from the general fund
1326.10 for grants under the authority of the Office of
1326.11 African American Health under Minnesota
1326.12 Statutes, section 144.0756.

1326.13 **(l) Office of American Indian Health.**
1326.14 \$1,000,000 in fiscal year 2024 and \$1,000,000
1326.15 in fiscal year 2025 are from the general fund
1326.16 for grants under the authority of the Office of
1326.17 American Indian Health under Minnesota
1326.18 Statutes, section 144.0757.

1326.19 **(m) Public health system transformation**
1326.20 **grants.** (1) \$9,844,000 in fiscal year 2024 and
1326.21 \$9,844,000 in fiscal year 2025 are from the
1326.22 general fund for grants under Minnesota
1326.23 Statutes, section 145A.131, subdivision 1,
1326.24 paragraph (f).

1326.25 (2) \$535,000 in fiscal year 2024 and \$535,000
1326.26 in fiscal year 2025 are from the general fund
1326.27 for grants under Minnesota Statutes, section
1326.28 145A.14, subdivision 2b.

1326.29 (3) \$321,000 in fiscal year 2024 and \$321,000
1326.30 in fiscal year 2025 are from the general fund
1326.31 for grants under Minnesota Statutes, section
1326.32 144.0759.

1326.33 **(n) Health care workforce.** (1) \$1,010,000
1326.34 in fiscal year 2024 and \$2,550,000 in fiscal

1327.1 year 2025 are from the health care access fund
1327.2 for rural training tracks and rural clinicals
1327.3 grants under Minnesota Statutes, sections
1327.4 144.1505 and 144.1507. The base for this
1327.5 appropriation is \$4,060,000 in fiscal year 2026
1327.6 and \$3,600,000 in fiscal year 2027.

1327.7 (2) \$420,000 in fiscal year 2024 and \$420,000
1327.8 in fiscal year 2025 are from the health care
1327.9 access fund for immigrant international
1327.10 medical graduate training grants under
1327.11 Minnesota Statutes, section 144.1911.

1327.12 (3) \$5,654,000 in fiscal year 2024 and
1327.13 \$5,550,000 in fiscal year 2025 are from the
1327.14 health care access fund for site-based clinical
1327.15 training grants under Minnesota Statutes,
1327.16 section 144.1508. The base for this
1327.17 appropriation is \$4,657,000 in fiscal year 2026
1327.18 and \$3,451,000 in fiscal year 2027.

1327.19 (4) \$1,000,000 in fiscal year 2024 and
1327.20 \$1,000,000 in fiscal year 2025 are from the
1327.21 health care access fund for mental health for
1327.22 health care professional grants. This is a
1327.23 onetime appropriation and is available until
1327.24 June 30, 2027.

1327.25 (5) \$502,000 in fiscal year 2024 and \$502,000
1327.26 in fiscal year 2025 are from the health care
1327.27 access fund for workforce research and data
1327.28 analysis of shortages, maldistribution of health
1327.29 care providers in Minnesota, and the factors
1327.30 that influence decisions of health care
1327.31 providers to practice in rural areas of
1327.32 Minnesota.

1327.33 (o) **School health.** \$800,000 in fiscal year
1327.34 2024 and \$1,300,000 in fiscal year 2025 are

1328.1 from the general fund for grants under
1328.2 Minnesota Statutes, section 145.903. The base
1328.3 for this appropriation is \$2,300,000 in fiscal
1328.4 year 2026 and \$2,300,000 in fiscal year 2027.

1328.5 (p) **Long COVID.** \$3,146,000 in fiscal year
1328.6 2024 and \$3,146,000 in fiscal year 2025 are
1328.7 from the general fund for grants and to
1328.8 implement Minnesota Statutes, section
1328.9 145.361.

1328.10 (q) **Workplace safety grants.** \$4,400,000 in
1328.11 fiscal year 2024 is from the general fund for
1328.12 grants to health care entities to improve
1328.13 employee safety or security. This is a onetime
1328.14 appropriation and is available until June 30,
1328.15 2027. The commissioner may use up to ten
1328.16 percent of this appropriation for
1328.17 administration.

1328.18 (r) **Clinical dental education innovation**
1328.19 **grants.** \$1,122,000 in fiscal year 2024 and
1328.20 \$1,122,000 in fiscal year 2025 are from the
1328.21 general fund for clinical dental education
1328.22 innovation grants under Minnesota Statutes,
1328.23 section 144.1913.

1328.24 (s) **Emmett Louis Till Victims Recovery**
1328.25 **Program.** \$500,000 in fiscal year 2024 is from
1328.26 the general fund for a grant to the Emmett
1328.27 Louis Till Victims Recovery Program. The
1328.28 commissioner must not use any of this
1328.29 appropriation for administration. This is a
1328.30 onetime appropriation and is available until
1328.31 June 30, 2025.

1328.32 (t) **Center for health care affordability.**
1328.33 \$2,752,000 in fiscal year 2024 and \$3,989,000
1328.34 in fiscal year 2025 are from the general fund

1329.1 to establish a center for health care
1329.2 affordability and to implement Minnesota
1329.3 Statutes, section 62J.312. The general fund
1329.4 base for this appropriation is \$3,988,000 in
1329.5 fiscal year 2026 and \$3,988,000 in fiscal year
1329.6 2027.

1329.7 (u) **Federally qualified health centers**
1329.8 **apprenticeship program.** \$690,000 in fiscal
1329.9 year 2024 and \$690,000 in fiscal year 2025
1329.10 are from the general fund for grants under
1329.11 Minnesota Statutes, section 145.9272.

1329.12 (v) **Alzheimer's public information**
1329.13 **program.** \$80,000 in fiscal year 2024 and
1329.14 \$80,000 in fiscal year 2025 are from the
1329.15 general fund for grants to community-based
1329.16 organizations to co-create culturally specific
1329.17 messages to targeted communities and to
1329.18 promote public awareness materials online
1329.19 through diverse media channels.

1329.20 (w) ~~**Keeping Nurses at the Bedside Act;**~~
1329.21 ~~**contingent appropriation Nurse and Patient**~~
1329.22 ~~**Safety Act.**~~ The appropriations in this
1329.23 paragraph are contingent upon legislative
1329.24 enactment of ~~2023 Senate File 1384~~ by the
1329.25 ~~93rd Legislature.~~ The appropriations in this
1329.26 paragraph are available until June 30, 2027.

1329.27 (1) \$5,317,000 in fiscal year 2024 and
1329.28 \$5,317,000 in fiscal year 2025 are from the
1329.29 general fund for loan forgiveness under
1329.30 Minnesota Statutes, section 144.1501, for
1329.31 eligible nurses who have agreed to work as
1329.32 hospital nurses in accordance with Minnesota
1329.33 Statutes, section 144.1501, subdivision 2,
1329.34 paragraph (a), clause (7).

1330.1 (2) \$66,000 in fiscal year 2024 and \$66,000
1330.2 in fiscal year 2025 are from the general fund
1330.3 for loan forgiveness under Minnesota Statutes,
1330.4 section 144.1501, for eligible nurses who have
1330.5 agreed to teach in accordance with Minnesota
1330.6 Statutes, section 144.1501, subdivision 2,
1330.7 paragraph (a), clause (3).

1330.8 ~~(3) \$545,000 in fiscal year 2024 and \$879,000~~
1330.9 ~~in fiscal year 2025 are from the general fund~~
1330.10 ~~to administer Minnesota Statutes, section~~
1330.11 ~~144.7057; to perform the evaluation duties~~
1330.12 ~~described in Minnesota Statutes, section~~
1330.13 ~~144.7058; to continue prevention of violence~~
1330.14 ~~in health care program activities; to analyze~~
1330.15 ~~potential links between adverse events and~~
1330.16 ~~understaffing; to convene stakeholder groups~~
1330.17 ~~and create a best practices toolkit; and for a~~
1330.18 ~~report on the current status of the state's~~
1330.19 ~~nursing workforce employed by hospitals. The~~
1330.20 ~~base for this appropriation is \$624,000 in fiscal~~
1330.21 ~~year 2026 and \$454,000 in fiscal year 2027.~~

1330.22 (x) **Supporting healthy development of**
1330.23 **babies.** \$260,000 in fiscal year 2024 and
1330.24 \$260,000 in fiscal year 2025 are from the
1330.25 general fund for a grant to the Amherst H.
1330.26 Wilder Foundation for the African American
1330.27 Babies Coalition initiative. The base for this
1330.28 appropriation is \$520,000 in fiscal year 2026
1330.29 and \$0 in fiscal year 2027. Any appropriation
1330.30 in fiscal year 2026 is available until June 30,
1330.31 2027. This paragraph expires on June 30,
1330.32 2027.

1330.33 (y) **Health professional education loan**
1330.34 **forgiveness.** \$2,780,000 in fiscal year 2024
1330.35 is from the general fund for eligible mental

1331.1 health professional loan forgiveness under
1331.2 Minnesota Statutes, section 144.1501. This is
1331.3 a onetime appropriation. The commissioner
1331.4 may use up to ten percent of this appropriation
1331.5 for administration.

1331.6 **(z) Primary care residency expansion grant**
1331.7 **program.** \$400,000 in fiscal year 2024 and
1331.8 \$400,000 in fiscal year 2025 are from the
1331.9 general fund for a psychiatry resident under
1331.10 Minnesota Statutes, section 144.1506.

1331.11 **(aa) Pediatric primary care mental health**
1331.12 **training grant program.** \$1,000,000 in fiscal
1331.13 year 2024 and \$1,000,000 in fiscal year 2025
1331.14 are from the general fund for grants under
1331.15 Minnesota Statutes, section 144.1509. The
1331.16 commissioner may use up to ten percent of
1331.17 this appropriation for administration.

1331.18 **(bb) Mental health cultural community**
1331.19 **continuing education grant program.**
1331.20 \$500,000 in fiscal year 2024 and \$500,000 in
1331.21 fiscal year 2025 are from the general fund for
1331.22 grants under Minnesota Statutes, section
1331.23 144.1511. The commissioner may use up to
1331.24 ten percent of this appropriation for
1331.25 administration.

1331.26 **(cc) Labor trafficking services grant**
1331.27 **program.** \$500,000 in fiscal year 2024 and
1331.28 \$500,000 in fiscal year 2025 are from the
1331.29 general fund for grants under Minnesota
1331.30 Statutes, section 144.3885.

1331.31 **(dd) Palliative Care Advisory Council.**
1331.32 ~~\$40,000~~ \$44,000 in fiscal year 2024 and
1331.33 ~~\$40,000~~ \$44,000 in fiscal year 2025 are from

1332.1 the general fund for ~~grants under~~ Minnesota
1332.2 Statutes, section 144.059.

1332.3 **(ee) Analysis of a universal health care**
1332.4 **financing system.** \$1,815,000 in fiscal year
1332.5 2024 and \$580,000 in fiscal year 2025 are
1332.6 from the general fund to the commissioner to
1332.7 contract for an analysis of the benefits and
1332.8 costs of a legislative proposal for a universal
1332.9 health care financing system and a similar
1332.10 analysis of the current health care financing
1332.11 system. The base for this appropriation is
1332.12 \$580,000 in fiscal year 2026 and \$0 in fiscal
1332.13 year 2027. This appropriation is available until
1332.14 June 30, 2027.

1332.15 **(ff) Charitable assets public interest review.**
1332.16 (1) The appropriations under this paragraph
1332.17 are contingent upon legislative enactment of
1332.18 2023 House File 402 by the 93rd Legislature.

1332.19 (2) \$1,584,000 in fiscal year 2024 and
1332.20 \$769,000 in fiscal year 2025 are from the
1332.21 general fund to review certain health care
1332.22 entity transactions; to conduct analyses of the
1332.23 impacts of health care transactions on health
1332.24 care cost, quality, and competition; and to
1332.25 issue public reports on health care transactions
1332.26 in Minnesota and their impacts. The base for
1332.27 this appropriation is \$710,000 in fiscal year
1332.28 2026 and \$710,000 in fiscal year 2027.

1332.29 **(gg) Study of the development of a statewide**
1332.30 **registry for provider orders for**
1332.31 **life-sustaining treatment.** ~~\$365,000~~ \$225,000
1332.32 in fiscal year 2024 ~~and \$365,000 in fiscal year~~
1332.33 ~~2025 are~~ is from the general fund for a study
1332.34 of the development of a statewide registry for

- 1333.1 provider orders for life-sustaining treatment.
- 1333.2 This is a onetime appropriation.
- 1333.3 **(hh) Task Force on Pregnancy Health and**
- 1333.4 **Substance Use Disorders.** \$199,000 in fiscal
- 1333.5 year 2024 and \$100,000 in fiscal year 2025
- 1333.6 are from the general fund for the Task Force
- 1333.7 on Pregnancy Health and Substance Use
- 1333.8 Disorders. This is a onetime appropriation and
- 1333.9 is available until June 30, 2025.
- 1333.10 **(ii) 988 Suicide and crisis lifeline.** \$4,000,000
- 1333.11 in fiscal year 2024 is from the general fund
- 1333.12 for 988 national suicide prevention lifeline
- 1333.13 grants under Minnesota Statutes, section
- 1333.14 145.561. This is a onetime appropriation.
- 1333.15 **(jj) Equitable Health Care Task Force.**
- 1333.16 \$779,000 in fiscal year 2024 and \$749,000 in
- 1333.17 fiscal year 2025 are from the general fund for
- 1333.18 the Equitable Health Care Task Force. This is
- 1333.19 a onetime appropriation.
- 1333.20 **(kk) Psychedelic Medicine Task Force.**
- 1333.21 \$338,000 in fiscal year 2024 and \$171,000 in
- 1333.22 fiscal year 2025 are from the general fund for
- 1333.23 the Psychedelic Medicine Task Force. This is
- 1333.24 a onetime appropriation.
- 1333.25 **(ll) Medical education and research costs.**
- 1333.26 \$300,000 in fiscal year 2024 and \$300,000 in
- 1333.27 fiscal year 2025 are from the general fund for
- 1333.28 the medical education and research costs
- 1333.29 program under Minnesota Statutes, section
- 1333.30 62J.692.
- 1333.31 **(mm) Special Guerilla Unit Veterans grant**
- 1333.32 **program.** \$250,000 in fiscal year 2024 and
- 1333.33 \$250,000 in fiscal year 2025 are from the
- 1333.34 general fund for a grant to the Special

1334.1 Guerrilla Units Veterans and Families of the
1334.2 United States of America to offer
1334.3 programming and culturally specific and
1334.4 specialized assistance to support the health
1334.5 and well-being of Special Guerilla Unit
1334.6 Veterans. The base for this appropriation is
1334.7 \$500,000 in fiscal year 2026 and \$0 in fiscal
1334.8 year 2027. Any amount appropriated in fiscal
1334.9 year 2026 is available until June 30, 2027.
1334.10 This paragraph expires June 30, 2027.

1334.11 (nn) **Safe harbor regional navigator.**
1334.12 \$300,000 in fiscal year 2024 and \$300,000 in
1334.13 fiscal year 2025 are for a regional navigator
1334.14 in northwestern Minnesota. The commissioner
1334.15 may use up to ten percent of this appropriation
1334.16 for administration.

1334.17 (oo) **Network adequacy.** \$798,000 in fiscal
1334.18 year 2024 and \$491,000 in fiscal year 2025
1334.19 are from the general fund for reviews of
1334.20 provider networks under Minnesota Statutes,
1334.21 section 62K.10, to determine network
1334.22 adequacy.

1334.23 (pp) **Grant to Minnesota Alliance for**
1334.24 **Volunteer Advancement.** \$278,000 in fiscal
1334.25 year 2024 is from the general fund for a grant
1334.26 to the Minnesota Alliance for Volunteer
1334.27 Advancement to administer needs-based
1334.28 volunteerism subgrants targeting
1334.29 underresourced nonprofit organizations in
1334.30 greater Minnesota. Subgrants must be used to
1334.31 support the ongoing efforts of selected
1334.32 organizations to address and minimize
1334.33 disparities in access to human services through
1334.34 increased volunteerism. Subgrant applicants
1334.35 must demonstrate that the populations to be

1335.1 served by the subgrantee are underserved or
1335.2 suffer from or are at risk of homelessness,
1335.3 hunger, poverty, lack of access to health care,
1335.4 or deficits in education. The Minnesota
1335.5 Alliance for Volunteer Advancement must
1335.6 give priority to organizations that are serving
1335.7 the needs of vulnerable populations. This is a
1335.8 onetime appropriation and is available until
1335.9 June 30, 2025.

1335.10 ~~(pp)~~ (qq)(1) **TANF Appropriations.** TANF
1335.11 funds must be used as follows:

1335.12 (i) \$3,579,000 in fiscal year 2024 and
1335.13 \$3,579,000 in fiscal year 2025 are from the
1335.14 TANF fund for home visiting and nutritional
1335.15 services listed under Minnesota Statutes,
1335.16 section 145.882, subdivision 7, clauses (6) and
1335.17 (7). Funds must be distributed to community
1335.18 health boards according to Minnesota Statutes,
1335.19 section 145A.131, subdivision 1;

1335.20 (ii) \$2,000,000 in fiscal year 2024 and
1335.21 \$2,000,000 in fiscal year 2025 are from the
1335.22 TANF fund for decreasing racial and ethnic
1335.23 disparities in infant mortality rates under
1335.24 Minnesota Statutes, section 145.928,
1335.25 subdivision 7;

1335.26 (iii) \$4,978,000 in fiscal year 2024 and
1335.27 \$4,978,000 in fiscal year 2025 are from the
1335.28 TANF fund for the family home visiting grant
1335.29 program under Minnesota Statutes, section
1335.30 145A.17. \$4,000,000 of the funding in fiscal
1335.31 year 2024 and \$4,000,000 in fiscal year 2025
1335.32 must be distributed to community health
1335.33 boards under Minnesota Statutes, section
1335.34 145A.131, subdivision 1. \$978,000 of the
1335.35 funding in fiscal year 2024 and \$978,000 in

1336.1 fiscal year 2025 must be distributed to Tribal
 1336.2 governments under Minnesota Statutes, section
 1336.3 145A.14, subdivision 2a;

1336.4 (iv) \$1,156,000 in fiscal year 2024 and
 1336.5 \$1,156,000 in fiscal year 2025 are from the
 1336.6 TANF fund for sexual and reproductive health
 1336.7 services grants under Minnesota Statutes,
 1336.8 section 145.925; and

1336.9 (v) the commissioner may use up to 6.23
 1336.10 percent of the funds appropriated from the
 1336.11 TANF fund each fiscal year to conduct the
 1336.12 ongoing evaluations required under Minnesota
 1336.13 Statutes, section 145A.17, subdivision 7, and
 1336.14 training and technical assistance as required
 1336.15 under Minnesota Statutes, section 145A.17,
 1336.16 subdivisions 4 and 5.

1336.17 (2) **TANF Carryforward.** Any unexpended
 1336.18 balance of the TANF appropriation in the first
 1336.19 year does not cancel but is available in the
 1336.20 second year.

1336.21 ~~(qq)~~ **(rr) Base level adjustments.** The general
 1336.22 fund base is \$197,644,000 in fiscal year 2026
 1336.23 and \$195,714,000 in fiscal year 2027. The
 1336.24 health care access fund base is \$53,354,000
 1336.25 in fiscal year 2026 and \$50,962,000 in fiscal
 1336.26 year 2027.

1336.27 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 1336.28 **paragraph (pp) is effective retroactively from July 1, 2023.**

1336.29 Sec. 15. Laws 2023, chapter 70, article 20, section 12, as amended by Laws 2023, chapter
 1336.30 75, section 13, is amended to read:

1336.31 Sec. 12. **COMMISSIONER OF**
 1336.32 **MANAGEMENT AND BUDGET** \$ 12,932,000 \$ 3,412,000

1337.1 (a) **Outcomes and evaluation consultation.**

1337.2 \$450,000 in fiscal year 2024 and \$450,000 in
1337.3 fiscal year 2025 are for outcomes and
1337.4 evaluation consultation requirements.

1337.5 (b) **Department of Children, Youth, and**

1337.6 **Families.** \$11,931,000 in fiscal year 2024 and
1337.7 \$2,066,000 in fiscal year 2025 are to establish
1337.8 the Department of Children, Youth, and
1337.9 Families. This is a onetime appropriation.

1337.10 ~~(e) **Keeping Nurses at the Bedside Act**~~

1337.11 ~~**impact evaluation; contingent**~~

1337.12 ~~**appropriation.** \$232,000 in fiscal year 2025~~

1337.13 ~~is for the Keeping Nurses at the Bedside Act~~

1337.14 ~~impact evaluation. This appropriation is~~

1337.15 ~~contingent upon legislative enactment by the~~

1337.16 ~~93rd Legislature of a provision substantially~~

1337.17 ~~similar to the impact evaluation provision in~~

1337.18 ~~2023 S.F. No. 2995, the third engrossment,~~

1337.19 ~~article 3, section 22. This is a onetime~~

1337.20 ~~appropriation and is available until June 30,~~

1337.21 ~~2029.~~

1337.22 ~~(d)~~ (c) **Health care subcabinet.** \$551,000 in

1337.23 fiscal year 2024 and \$664,000 in fiscal year

1337.24 2025 are to hire an executive director for the

1337.25 health care subcabinet and to provide staffing

1337.26 and administrative support for the health care

1337.27 subcabinet.

1337.28 ~~(e)~~ (d) **Base level adjustment.** The general

1337.29 fund base is \$1,114,000 in fiscal year 2026

1337.30 and \$1,114,000 in fiscal year 2027.

1337.31 Sec. 16. **APPROPRIATIONS GIVEN EFFECT ONCE.**

1337.32 If an appropriation or transfer in this act is enacted more than once during the 2024

1337.33 regular session, the appropriation or transfer must be given effect once.

1338.1 Sec. 17. EXPIRATION OF UNCODIFIED LANGUAGE.

1338.2 All uncodified language contained in this article expires on June 30, 2025, unless a
1338.3 different expiration date is explicit.

1338.4

ARTICLE 68

1338.5

INDIVIDUAL INCOME TAXES

1338.6 Section 1. Minnesota Statutes 2022, section 289A.08, subdivision 1, is amended to read:

1338.7 Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable
1338.8 year the taxpayer is required to file a return under section 6012 of the Internal Revenue
1338.9 Code or meets the requirements under paragraph (d) to file a return, except that:

1338.10 (1) an individual who is not a Minnesota resident for any part of the year is not required
1338.11 to file a Minnesota income tax return if the individual's gross income derived from Minnesota
1338.12 sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the
1338.13 filing requirements for a single individual who is a full year resident of Minnesota;

1338.14 (2) an individual who is a Minnesota resident is not required to file a Minnesota income
1338.15 tax return if the individual's gross income derived from Minnesota sources as determined
1338.16 under section 290.17, less the subtractions allowed under section 290.0132, subdivisions
1338.17 12 and 15, is less than the filing requirements for a single individual who is a full-year
1338.18 resident of Minnesota.

1338.19 (b) The decedent's final income tax return, and other income tax returns for prior years
1338.20 where the decedent had gross income in excess of the minimum amount at which an
1338.21 individual is required to file and did not file, must be filed by the decedent's personal
1338.22 representative, if any. If there is no personal representative, the return or returns must be
1338.23 filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property
1338.24 of the decedent.

1338.25 (c) The term "gross income," as it is used in this section, has the same meaning given it
1338.26 in section 290.01, subdivision 20.

1338.27 (d) The commissioner of revenue must annually determine the gross income levels at
1338.28 which individuals are required to file a return for each taxable year based on the amounts
1338.29 allowed as a deduction under section 290.0123.

1338.30 (e) Notwithstanding paragraph (a), an individual must file a Minnesota income tax return
1338.31 for each taxable year that the taxpayer has made an election to receive advance payments
1338.32 of the child tax credit under section 290.0661, subdivision 8.

1339.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
1339.2 31, 2024.

1339.3 Sec. 2. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 4, is amended
1339.4 to read:

1339.5 Subd. 4. **Phaseout.** The credits under ~~this section~~ subdivision 2 and section 290.0671
1339.6 are phased down jointly. The combined amount of the credits is reduced by 12 percent of
1339.7 earned income or adjusted gross income, whichever is greater, in excess of the phaseout
1339.8 threshold. The phaseout threshold equals:

1339.9 (1) \$35,000 for a married taxpayer filing a joint return; or

1339.10 (2) \$29,500 for all other filers.

1339.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
1339.12 31, 2024.

1339.13 Sec. 3. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 8, is amended
1339.14 to read:

1339.15 Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue ~~may~~ must
1339.16 establish a process to allow taxpayers to elect to receive one or more advance payments of
1339.17 the credit under this section. The amount of advance payments must be based on the taxpayer
1339.18 and commissioner's estimate of the amount of credits for which the taxpayer would be
1339.19 eligible in the taxable year beginning in the calendar year in which the payments were made.
1339.20 The commissioner must not distribute advance payments to a taxpayer who does not elect
1339.21 to receive advance payments.

1339.22 (b) The amount of a taxpayer's credit under this section for the taxable year is reduced
1339.23 by the amount of advance payments received by the taxpayer in the calendar year during
1339.24 which the taxable year began. If a taxpayer's advance payments exceeded the credit the
1339.25 taxpayer was eligible to receive for the taxable year, the taxpayer's liability for tax is increased
1339.26 by the difference between the amount of advance payments received and the credit amount.

1339.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
1339.28 31, 2024.

1340.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 290.0661, is amended by adding a
1340.2 subdivision to read:

1340.3 Subd. 9. **Minimum credit.** (a) An eligible taxpayer is allowed the greater of the credit
1340.4 allowed under subdivision 2 or the minimum credit described in this subdivision. A taxpayer
1340.5 is eligible for the minimum credit under this subdivision if:

1340.6 (1) the taxpayer received an advance payment of the credit under subdivision 8; and

1340.7 (2) the combined amount of the taxpayer's credits under subdivision 2 and section
1340.8 290.0671, after the phaseout in subdivision 4, is greater than \$0.

1340.9 (b) The credit allowed under this subdivision is equal to 50 percent of the credit received
1340.10 under subdivision 2 in the prior taxable year, unless paragraph (c) applies.

1340.11 (c) If a taxpayer is claiming fewer qualifying children in the current taxable year than
1340.12 in the prior taxable year, the minimum credit allowed under this subdivision is equal to 50
1340.13 percent of credit received under this section in the prior taxable year multiplied by a fraction
1340.14 in which:

1340.15 (1) the numerator is the number of qualifying children in the current taxable year; and

1340.16 (2) the denominator is the number of qualifying children in the prior taxable year.

1340.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
1340.18 31, 2024.

1340.19

ARTICLE 69

1340.20

MINERALS TAXES

1340.21 Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

1340.22 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
1340.23 revenue of a district is defined as follows:

1340.24 (1) the amount needed to produce between five and six percent in excess of the amount
1340.25 needed to meet when due the principal and interest payments on the obligations of the district
1340.26 for eligible projects according to subdivision 2, excluding the amounts listed in paragraph
1340.27 (b), minus

1340.28 (2) the amount of debt service excess levy reduction for that school year calculated
1340.29 according to the procedure established by the commissioner.

1340.30 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

- 1341.1 (1) obligations under section 123B.61;
- 1341.2 (2) the part of debt service principal and interest paid from the taconite environmental
1341.3 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
1341.4 taconite payments from the Iron Range ~~school consolidation and cooperatively operated~~
1341.5 ~~school~~ schools and community development account under section 298.28, subdivision 7a;
- 1341.6 (3) obligations for long-term facilities maintenance under section 123B.595;
- 1341.7 (4) obligations under section 123B.62; and
- 1341.8 (5) obligations equalized under section 123B.535.
- 1341.9 (c) For purposes of this section, if a preexisting school district reorganized under sections
1341.10 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the
1341.11 preexisting district's bonded indebtedness or capital loans, debt service equalization aid
1341.12 must be computed separately for each of the preexisting districts.
- 1341.13 (d) For purposes of this section, the adjusted net tax capacity determined according to
1341.14 sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
1341.15 generally exempted from ad valorem taxes under section 272.02, subdivision 64.
- 1341.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 1341.17 Sec. 2. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:
- 1341.18 Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1
1341.19 shall be:
- 1341.20 (a) In the case of property located within a municipality as defined under section 273.134,
1341.21 paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the
1341.22 maximum amounts specified in paragraph (c).
- 1341.23 (b) In the case of property located within the boundaries of a school district which
1341.24 qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the
1341.25 boundaries of a municipality which meets the qualifications prescribed in section 273.134,
1341.26 paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the
1341.27 maximum amounts specified in paragraph (c).
- 1341.28 (c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph
1341.29 (a) and ~~\$289.80~~ on property described in paragraph (b).
- 1341.30 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
1341.31 in 2025.

1342.1 Sec. 3. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to
1342.2 read:

1342.3 Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of
1342.4 property subject to the areawide tax under section 276A.06, subdivision 7, for both the
1342.5 current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes
1342.6 shown for each taxing jurisdiction must be based on the property's total net tax capacity
1342.7 multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to
1342.8 the tax amounts shown for each jurisdiction, the statement must include a line showing the
1342.9 "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax
1342.10 amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may
1342.11 be a negative number. If the fiscal disparities adjustment for either the current year taxes
1342.12 or the proposed tax amount is a negative number, the percentage change must not be shown.
1342.13 In all other respects the statement must fulfill the requirements of subdivision 3.

1342.14 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for
1342.15 property taxes payable in 2025.

1342.16 Sec. 4. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to
1342.17 read:

1342.18 Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case
1342.19 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the
1342.20 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax
1342.21 shown for each taxing jurisdiction must be based on the property's total net tax capacity
1342.22 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown
1342.23 for each jurisdiction, the statement must include a line showing the "fiscal disparities
1342.24 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown
1342.25 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may
1342.26 be a negative number. In all other respects the statement must fulfill the requirements of
1342.27 subdivision 2.

1342.28 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for
1342.29 property taxes payable in 2025.

1342.30 Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

1342.31 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to
1342.32 25 percent of the areawide levy certified by the commissioner of Iron Range resources and
1342.33 rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board,

1343.1 to be used for the purposes of the Iron Range ~~school consolidation and cooperatively operated~~
1343.2 ~~school~~ schools and community development account under section 298.28, subdivision 7a.

1343.3 (b) The allocation under paragraph (a) shall only be made after the commissioner of
1343.4 Iron Range resources and rehabilitation, after consultation with the Iron Range Resources
1343.5 and Rehabilitation Board, has certified by June 30 that the Iron Range ~~school consolidation~~
1343.6 ~~and cooperatively operated~~ schools and community development account has insufficient
1343.7 funds to make payments as authorized under section 298.28, subdivision 7a.

1343.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1343.9 Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

1343.10 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine
1343.11 for each county the difference between the total levy on distribution value pursuant to
1343.12 subdivision 3, clause (1), including the school fund allocation within the county and the
1343.13 total tax on contribution value pursuant to subdivision 7, within the county. On or before
1343.14 May 16 of each year, the administrative auditor shall certify the differences so determined
1343.15 and the county's portion of the school fund allocation to each county auditor. In addition,
1343.16 the administrative auditor shall certify to those county auditors for whose county the total
1343.17 tax on contribution value exceeds the total levy on distribution value the settlement the
1343.18 county is to make to the other counties of the excess of the total tax on contribution value
1343.19 over the total levy on distribution value in the county. On or before June 15 and November
1343.20 15 of each year, each county treasurer in a county having a total tax on contribution value
1343.21 in excess of the total levy on distribution value shall pay one-half of the excess to the other
1343.22 counties in accordance with the administrative auditor's certification. On or before June 15
1343.23 and November 15 of each year, each county treasurer shall pay to the administrative auditor
1343.24 that county's share of the school fund allocation. On or before December 1 of each year,
1343.25 the administrative auditor shall pay the school fund allocation to the commissioner of Iron
1343.26 Range resources and rehabilitation for deposit in the Iron Range ~~school consolidation and~~
1343.27 ~~cooperatively operated~~ schools and community development account.

1343.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1343.29 Sec. 7. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended
1343.30 to read:

1343.31 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under
1343.32 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
1343.33 taconite assistance area defined in section 273.1341, shall be allocated as follows:

1344.1 (1) except as provided under paragraph (b), five percent to the city or town within which
1344.2 the minerals or energy resources are mined or extracted, or within which the concentrate
1344.3 was produced. If the mining and concentration, or different steps in either process, are
1344.4 carried on in more than one taxing district, the commissioner shall apportion equitably the
1344.5 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to
1344.6 the operation of mining or extraction, and the remainder to the concentrating plant and to
1344.7 the processes of concentration, and with respect to each thereof giving due consideration
1344.8 to the relative extent of the respective operations performed in each taxing district;

1344.9 (2) ten percent to the taconite municipal aid account to be distributed as provided in
1344.10 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

1344.11 (3) ten percent to the school district within which the minerals or energy resources are
1344.12 mined or extracted, or within which the concentrate was produced. If the mining and
1344.13 concentration, or different steps in either process, are carried on in more than one school
1344.14 district, distribution among the school districts must be based on the apportionment formula
1344.15 prescribed in clause (1);

1344.16 (4) 20 percent to a group of school districts comprised of those school districts wherein
1344.17 the mineral or energy resource was mined or extracted or in which there is a qualifying
1344.18 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
1344.19 district indexes as follows: for each school district, its pupil units determined under section
1344.20 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
1344.21 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
1344.22 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
1344.23 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
1344.24 portion of the distribution which its index bears to the sum of the indices for all school
1344.25 districts that receive the distributions;

1344.26 (5) ten percent to the county within which the minerals or energy resources are mined
1344.27 or extracted, or within which the concentrate was produced. If the mining and concentration,
1344.28 or different steps in either process, are carried on in more than one county, distribution
1344.29 among the counties must be based on the apportionment formula prescribed in clause (1),
1344.30 provided that any county receiving distributions under this clause shall pay one percent of
1344.31 its proceeds to the Range Association of Municipalities and Schools;

1344.32 (6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed
1344.33 as provided in sections 273.134 to 273.136;

1345.1 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the
1345.2 purposes of section 298.22;

1345.3 (8) three percent to the Douglas J. Johnson economic protection trust fund;

1345.4 (9) seven percent to the taconite environmental protection fund; and

1345.5 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for
1345.6 capital improvements to Giants Ridge Recreation Area.

1345.7 (b) If the materials or energy resources are mined, extracted, or concentrated in School
1345.8 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead
1345.9 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes
1345.10 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township
1345.11 must each receive ten percent of the amount.

1345.12 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is
1345.13 distributed under this subdivision, ten percent of the total proceeds distributed in each year
1345.14 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total
1345.15 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).
1345.16 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt
1345.17 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city
1345.18 of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies
1345.19 only to tax paid by a person engaged in the business of mining within the area described in
1345.20 section 273.1341, clauses (1) and (2).

1345.21 **EFFECTIVE DATE.** This section is effective beginning with the 2025 distribution.

1345.22 Sec. 8. Minnesota Statutes 2022, section 298.17, is amended to read:

1345.23 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

1345.24 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock
1345.25 companies, corporations, and associations, however or for whatever purpose organized,
1345.26 engaged in the business of mining or producing iron ore or other ores, when collected shall
1345.27 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,
1345.28 article X, section 3, in the manner following: 90 percent shall be deposited in the state
1345.29 treasury and credited to the general fund of which four-ninths shall be used for the support
1345.30 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed
1345.31 by this section shall be deposited in the state treasury and credited to the general fund for
1345.32 the general support of the university.

1346.1 (b) Of the money apportioned to the general fund by this section: (1) there is annually
1346.2 appropriated and credited to the mining environmental and regulatory account in the special
1346.3 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax
1346.4 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.
1346.5 Money in the mining environmental and regulatory account is appropriated annually to the
1346.6 commissioner of natural resources to fund agency staff to work on environmental issues
1346.7 and provide regulatory services for ferrous and nonferrous mining operations in this state.
1346.8 Payment to the mining environmental and regulatory account shall be made by July 1
1346.9 annually. The commissioner of natural resources shall execute an interagency agreement
1346.10 with the Pollution Control Agency to assist with the provision of environmental regulatory
1346.11 services such as monitoring and permitting required for ferrous and nonferrous mining
1346.12 operations; (2) there is annually appropriated and credited to the Iron Range resources and
1346.13 rehabilitation account in the special revenue fund an amount equal to that which would have
1346.14 been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced
1346.15 in the preceding calendar year, to be expended for the purposes of section 298.22; and (3)
1346.16 there is annually appropriated and credited to the Iron Range resources and rehabilitation
1346.17 account in the special revenue fund for transfer to the Iron Range ~~school consolidation and~~
1346.18 ~~cooperatively operated school~~ schools and community development account under section
1346.19 298.28, subdivision 7a, an amount equal to that which would have been generated by a six
1346.20 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar
1346.21 year. Payment to the Iron Range resources and rehabilitation account shall be made by May
1346.22 15 annually.

1346.23 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to
1346.24 provide environmental development grants to local governments located within any county
1346.25 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,
1346.26 which does not contain a municipality qualifying pursuant to section 273.134, paragraph
1346.27 (b), or (ii) to provide economic development loans or grants to businesses located within
1346.28 any such county, provided that the county board or an advisory group appointed by the
1346.29 county board to provide recommendations on economic development shall make
1346.30 recommendations to the commissioner of Iron Range resources and rehabilitation regarding
1346.31 the loans. Payment to the Iron Range resources and rehabilitation account shall be made by
1346.32 May 15 annually.

1346.33 (d) Of the money allocated to Koochiching County, one-third must be paid to the
1346.34 Koochiching County Economic Development Commission.

1346.35 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1347.1 Sec. 9. Minnesota Statutes 2022, section 298.2215, subdivision 1, is amended to read:

1347.2 Subdivision 1. **Establishment.** A county may establish a scholarship fund from any
1347.3 unencumbered revenue received pursuant to section 93.22, 298.018, 298.28, 298.39, 298.396,
1347.4 or 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be
1347.5 used at a two-year Minnesota State Colleges and Universities institution, or an accredited
1347.6 skilled trades program, within the county. The county shall establish procedures for applying
1347.7 for and distributing the scholarships.

1347.8 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

1347.9 Sec. 10. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended
1347.10 to read:

1347.11 Subd. 7a. ~~Iron Range school consolidation and cooperatively operated school schools~~
1347.12 ~~and community development account.~~ (a) The following amounts must be allocated to
1347.13 the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron
1347.14 Range ~~school consolidation and cooperatively operated school schools~~ schools and community
1347.15 development account that is hereby created:

1347.16 (1) (i) for distributions ~~beginning in 2015~~ beginning in 2024 through 2032, ten 24 cents per taxable
1347.17 ton of the tax imposed under section 298.24, (ii) for distributions beginning in 2033, ten
1347.18 cents per taxable ton of the tax imposed under section 298.24;

1347.19 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

1347.20 (3) any other amount as provided by law.

1347.21 (b) Expenditures from this account may be approved as ongoing annual expenditures
1347.22 and shall be made only to provide disbursements to assist school districts with the payment
1347.23 of bonds that were issued for qualified school projects, or for any other school disbursement
1347.24 as approved by the commissioner of Iron Range resources and rehabilitation after consultation
1347.25 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,
1347.26 "qualified school projects" means school projects within the taconite assistance area as
1347.27 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;
1347.28 and (2) approved by the commissioner of education pursuant to section 123B.71.

1347.29 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for
1347.30 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset
1347.31 any reduction in debt service equalization aid that the school district qualifies for in that
1347.32 year, under section 123B.53, subdivision 6, compared with the amount the school district
1347.33 qualified for in fiscal year 2018.

1348.1 (d) No expenditure under this section shall be made unless approved by the commissioner
1348.2 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources
1348.3 and Rehabilitation Board.

1348.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1348.5 Sec. 11. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

1348.6 Subd. 8. **Range Association of Municipalities and Schools.** ~~30~~ 0.50 cent per taxable
1348.7 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose
1348.8 of providing an areawide approach to problems which demand coordinated and cooperative
1348.9 actions and which are common to those areas of northeast Minnesota affected by operations
1348.10 involved in mining iron ore and taconite and producing concentrate therefrom, and for the
1348.11 purpose of promoting the general welfare and economic development of the cities, towns,
1348.12 and school districts within the Iron Range area of northeast Minnesota.

1348.13 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

1348.14 Sec. 12. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended
1348.15 to read:

1348.16 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson
1348.17 Economic Protection Trust Fund under this section, \$3,500,000 shall be transferred to the
1348.18 ~~Iron Range school consolidation and cooperatively operated school~~ schools and community
1348.19 development account under subdivision 7a. Any remaining amount of the amount annually
1348.20 distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred
1348.21 to the Iron Range resources and rehabilitation account under subdivision 7. The transfers
1348.22 under this subdivision must be made within ten days of the August payment.

1348.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1348.24 Sec. 13. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

1348.25 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount
1348.26 deposited with the county as provided in section 298.28, subdivision 3, must be distributed
1348.27 as provided by this section among: (1) the municipalities located within a taconite assistance
1348.28 area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2)
1348.29 a township that contains a state park consisting primarily of an underground iron ore mine;
1348.30 (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis
1348.31 County, each being referred to in this section as a qualifying municipality. The distribution
1348.32 to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

1349.1 (b) The amount deposited in the state general fund as provided in section 298.018,
1349.2 subdivision 1, must be distributed in the same manner as provided under paragraph (a),
1349.3 except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the
1349.4 dates provided under section 298.018, subdivision 1a.

1349.5 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

1349.6 Sec. 14. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

1349.7 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust
1349.8 fund may be used for the following purposes:

1349.9 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
1349.10 with private sources of financing, but a loan to a private enterprise shall be for a principal
1349.11 amount not to exceed one-half of the cost of the project for which financing is sought, and
1349.12 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
1349.13 percent or an interest rate three percentage points less than a full faith and credit obligation
1349.14 of the United States government of comparable maturity, at the time that the loan is approved;

1349.15 (2) to fund reserve accounts established to secure the payment when due of the principal
1349.16 of and interest on bonds issued pursuant to section 298.2211, including bonds authorized
1349.17 by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

1349.18 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
1349.19 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
1349.20 retrofitting heating facilities in connection with district heating systems or systems utilizing
1349.21 alternative energy sources;

1349.22 (4) to invest in a venture capital fund or enterprise that will provide capital to other
1349.23 entities that are engaging in, or that will engage in, projects or programs that have the
1349.24 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
1349.25 or enterprise unless at least two other unrelated investors make investments of at least
1349.26 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
1349.27 Johnson economic protection trust fund may not exceed the amount of the largest investment
1349.28 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
1349.29 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
1349.30 which the investment is made or to any individual who owns more than 40 percent of the
1349.31 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
1349.32 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
1349.33 interests in it. For purposes of determining the limitations under this clause, the amount of

1350.1 investments made by an investor other than the Douglas J. Johnson economic protection
1350.2 trust fund is the sum of all investments made in the venture capital fund or enterprise during
1350.3 the period beginning one year before the date of the investment by the Douglas J. Johnson
1350.4 economic protection trust fund; and

1350.5 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
1350.6 be held and managed as a public trust for the benefit of the area for the purposes authorized
1350.7 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
1350.8 commissioner, after consultation with the advisory board. The net proceeds must be deposited
1350.9 in the trust fund for the purposes and uses of this section.

1350.10 (b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite
1350.11 assistance area defined in section 273.1341.

1350.12 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,
1350.13 or transferred from the trust fund for any purpose except as provided in this section.

1350.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1350.15 Sec. 15. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
1350.16 **BONDS AUTHORIZED IN 2024.**

1350.17 **Subdivision 1. Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
1350.18 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
1350.19 rehabilitation shall, by March 31, 2025, issue revenue bonds in one or more series in a
1350.20 principal amount of up to \$49,000,000 plus an amount sufficient to pay costs of issuance
1350.21 and fund a debt service reserve fund for the bonds if determined by the commissioner to be
1350.22 necessary, and thereafter may issue bonds to refund those bonds. The proceeds of the bonds
1350.23 must be used to pay the costs of issuance, fund a debt service reserve fund if determined
1350.24 by the commissioner to be necessary, and make distributions pursuant to this section. The
1350.25 commissioner may establish a debt service reserve fund from funds available under Minnesota
1350.26 Statutes, section 298.291 to 298.297, or from the proceeds of the bonds. The commissioner
1350.27 of Iron Range resources and rehabilitation must distribute these transferred funds as outlined
1350.28 in this section. In order to receive a distribution, a recipient must submit to the commissioner
1350.29 a plan of how the distribution will be spent and the commissioner must ensure that the plan
1350.30 matches the intended use outlined in this section. The plan must be submitted in a form and
1350.31 manner determined by the commissioner. The uses listed are not subject to review or
1350.32 recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions
1350.33 equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy
1350.34 of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2025,

1351.1 each recipient must report to the commissioner how the distribution received under this
1351.2 section was spent. If a recipient's plan is submitted and approved, the commissioner must
1351.3 distribute the funds for the uses outlined in subdivision 3. The bonds issued under this
1351.4 section do not constitute public debt as that term is defined in article XI, section 4 of the
1351.5 Minnesota Constitution, and as such are not subject to its provisions.

1351.6 (b) The bonds issued under this section are debt obligations and the commissioner of
1351.7 Iron Range resources and rehabilitation is a district for purposes of Minnesota Statutes,
1351.8 section 126C.55, except that payments made under Minnesota Statutes, section 126C.55,
1351.9 subdivision 2, are not subject to Minnesota Statutes, section 126C.55, subdivisions 4 to 7.

1351.10 (c) If the commissioner of Iron Range resources and rehabilitation determines that
1351.11 available funds, other than through the issuance of bonds pursuant to subdivision 1, shall
1351.12 be used to make grants as provided in subdivision 3, the requirements of subdivision 1,
1351.13 relating to the submission of a plan and report to the commissioner of Iron Range resources
1351.14 and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision
1351.15 3, relating to the grant amount and identified purpose, shall apply.

1351.16 (d) Funds under this section are available for 30 months from the date the bonds are
1351.17 issued. Any unexpended funds after that date cancel to the Iron Range resources and
1351.18 rehabilitation account under Minnesota Statutes, section 298.28, subdivision 7, and must
1351.19 be used by the commissioner of Iron Range resources and rehabilitation for publicly owned
1351.20 capital investments located within the taconite tax relief area as defined in Minnesota
1351.21 Statutes, section 273.134.

1351.22 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,
1351.23 subdivision 7a, paragraph (b), there is annually appropriated from the allocation of the
1351.24 revenues under Minnesota Statutes, section 298.28, subdivision 7a, from the taconite
1351.25 assistance area prior to the calculation of any amount remaining, an amount sufficient to
1351.26 pay when due the principal and interest on the bonds issued pursuant to subdivision 1.
1351.27 Notwithstanding the foregoing and Minnesota Statutes, section 298.28, subdivisions 7a to
1351.28 11, to the extent bonds authorized by subdivision 1 are paid from taconite production tax
1351.29 revenues, any outstanding bonds payable from distributions of taconite production tax
1351.30 revenues shall be paid pro rata based on debt service when due.

1351.31 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal
1351.32 and interest due on the bonds in that year, an additional amount is appropriated from the
1351.33 Douglas J. Johnson economic protection trust fund to make up the deficiency.

1352.1 (c) The appropriation under this subdivision terminates upon payment or maturity of
1352.2 the last of the bonds issued under this section.

1352.3 Subd. 3. Grants. (a) The commissioner of Iron Range resources and rehabilitation must
1352.4 distribute funds available for distribution under subdivision 1 for the following uses:

1352.5 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a
1352.6 playground;

1352.7 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and
1352.8 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

1352.9 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and
1352.10 construction of a new fire and training hall and related equipment;

1352.11 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur
1352.12 Country ATV in the city of Orr;

1352.13 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable
1352.14 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to
1352.15 construct, furnish, and equip a solid waste transfer station in the county;

1352.16 (6) \$1,000,000 to the Northland Learning Center for construction costs;

1352.17 (7) \$2,720,000 to the city of Chisholm, of which \$1,520,000 must be used for the
1352.18 renovation of the Chisholm Ice Arena facility and parking and the remaining amount must
1352.19 be used for the public works facility;

1352.20 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

1352.21 (9) \$360,000 to the city of Biwabik for housing infrastructure;

1352.22 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

1352.23 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
1352.24 publicly owned infrastructure including sewers, water systems, utility extensions, street
1352.25 construction, wastewater treatment, stormwater management systems, sidewalks, and
1352.26 compliance with the Americans with Disabilities Act;

1352.27 (12) \$2,100,000 to St. Louis County for the development of the Canyon Integrated Solid
1352.28 Waste Management Campus;

1352.29 (13) \$3,640,000 to the city of Eveleth to design, engineer, and construct public utilities
1352.30 in its business park and construction of the Hat Trick Avenue slip ramp;

- 1353.1 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and
1353.2 a community center;
- 1353.3 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must
1353.4 be used for septic system upgrades at South Ridge School and \$200,000 must be used for
1353.5 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School
1353.6 in Tower;
- 1353.7 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and
1353.8 Trail restoration;
- 1353.9 (17) \$850,000 to the Central Iron Range Sanitary Sewer District for infrastructure
1353.10 projects;
- 1353.11 (18) \$2,420,000 to the Minnesota Discovery Center, of which \$200,000 may, at the
1353.12 discretion of the director of the Minnesota Discovery Center, be used for operating expenses,
1353.13 and \$2,220,000 must be used to design, construct, renovate, furnish, and repair facilities,
1353.14 including HVAC upgrades, demolition, and compliance with the Americans with Disabilities
1353.15 Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research
1353.16 funding;
- 1353.17 (19) \$5,200,000 to the commissioner of Iron Range resources and rehabilitation for the
1353.18 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and
1353.19 for the design, engineering, demolition, and construction of a nordic and welcome center
1353.20 at the Giants Ridge Recreation Area;
- 1353.21 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;
- 1353.22 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 1353.23 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial
1353.24 drivers' licenses and trades training to the region along with educational training and academic
1353.25 support to remote populations;
- 1353.26 (23) \$200,000 to Save Our Ship, Inc., for renovation costs;
- 1353.27 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;
- 1353.28 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the
1353.29 building of a triplex that is compliant with the Americans with Disabilities Act;
- 1353.30 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 1353.31 (27) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,
1353.32 purchase land, and develop the Sportsperson Training and Development Center;

- 1354.1 (28) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and
1354.2 hydrology study of the lakes, for regulatory and community outreach, and for preparing
1354.3 recommendations to the commissioner of natural resources related to bank stabilization and
1354.4 maintenance;
- 1354.5 (29) \$300,000 to the Northern Lights Music Festival to support programs, of this amount
1354.6 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 1354.7 (30) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 1354.8 (31) \$350,000 to the East Range Developmental Achievement Center for building
1354.9 renovations;
- 1354.10 (32) \$500,000 to the Department of Iron Range Resources and Rehabilitation for grants
1354.11 or loans to (i) businesses or resorts that were economically damaged by floods that occurred
1354.12 in 2022 or 2023 and which are eligible under article 5 of the Canadian border counties
1354.13 economic relief program, or (ii) outfitters in the border region who experienced either more
1354.14 than a 50 percent reduction in Boundary Waters Canoe Area Wilderness permits obtained
1354.15 by their customers between 2019 and 2021, or a 50 percent reduction between 2019 and
1354.16 2021 in trips across the fee-based mechanical portages into the Boundary Waters Canoe
1354.17 Area Wilderness or Quetico Provincial Park. Businesses may be awarded a maximum grant
1354.18 under this clause of up to \$50,000, must be located within the taconite assistance area, as
1354.19 defined under Minnesota Statutes, section 273.1341, and must not have received a grant
1354.20 under the Canadian border counties economic relief program;
- 1354.21 (33) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson
1354.22 Community Center;
- 1354.23 (34) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility
1354.24 upgrades and programs;
- 1354.25 (35) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;
- 1354.26 (36) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility
1354.27 and its displays in Tower;
- 1354.28 (37) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;
- 1354.29 (38) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;
- 1354.30 (39) \$150,000 to the Lake Superior School District to support an emergency preparedness
1354.31 career introduction program;

- 1355.1 (40) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's
1355.2 parks;
- 1355.3 (41) \$75,000 to the Vermilion Penguins Snowmobile Club and \$75,000 to the Cook
1355.4 Timberwolves Snowmobile Club, to update maintenance equipment and trail programs;
- 1355.5 (42) \$3,000,000 to Lone Pine Township to design, engineer, and begin construction for
1355.6 its sewage treatment plan in partnership with the city of Nashwauk;
- 1355.7 (43) \$50,000 to Essentia Health-Virginia Regional Foundation for the development of
1355.8 a substance use disorder community education and awareness program;
- 1355.9 (44) \$3,300,00 to the city of Virginia for a grant to be used by Essentia Health-Virginia
1355.10 for:
- 1355.11 (i) modernization, renovation, and expansion of the hospital's emergency room complex
1355.12 to 12 emergency rooms;
- 1355.13 (ii) construction of an emergency behavior health suite for adults and children within
1355.14 the hospital; and
- 1355.15 (iii) security and safety upgrades to the hospital. The grant must be transferred by the
1355.16 city to the hospital within 30 days of receipt; and
- 1355.17 (45) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).
- 1355.18 (b) Of the amount under paragraph (a), clause (45), grants of \$25,000 to be used for trail
1355.19 grooming costs or equipment must be made available to the following entities:
- 1355.20 (1) Alborn Dirt Devils ATV Club;
- 1355.21 (2) Wild Country ATV Club;
- 1355.22 (3) Ely Igloo Snowmobile Club;
- 1355.23 (4) CC Riders Snowmobile Club;
- 1355.24 (5) PathBlazers Snowmobile Club;
- 1355.25 (6) Cook Timberwolves Snowmobile Club;
- 1355.26 (7) Crane Lake Voyageurs Club;
- 1355.27 (8) Pequaywan Area Trail Blazers Snowmobile Club;
- 1355.28 (9) Eveleth Trail Hawks Snowmobile Club;
- 1355.29 (10) Ranger Snowmobile/ATV Club;

- 1356.1 (11) Silver Trail Riders Snowmobile and ATV Club;
- 1356.2 (12) Voyageur Snowmobile Club;
- 1356.3 (13) Mesabi Sno Voyageurs;
- 1356.4 (14) Quad Cities ATV Club;
- 1356.5 (15) Prospector ATV Club;
- 1356.6 (16) Northern Traxx ATV Club;
- 1356.7 (17) Finland Snowmobile and ATV Club;
- 1356.8 (18) Babbitt ATV and Snowmobile Club;
- 1356.9 (19) Cook County ATV Club; and
- 1356.10 (20) Vermilion Penguins Snowmobile Club.
- 1356.11 (c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money
- 1356.12 distributed under this subdivision, the commissioner of Iron Range resources and
- 1356.13 rehabilitation must not use any amount for administrative uses.
- 1356.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 1356.15 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.
- 1356.16 **Sec. 16. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
- 1356.17 **BONDS AUTHORIZED IN 2025.**
- 1356.18 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
- 1356.19 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
- 1356.20 rehabilitation shall, in 2025, issue revenue bonds in one or more series in a principal amount
- 1356.21 of up to \$31,000,000 plus an amount sufficient to pay costs of issuance and fund a debt
- 1356.22 service reserve fund for the bonds if determined by the commissioner to be necessary, and
- 1356.23 thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used
- 1356.24 to pay the costs of issuance, fund a debt service reserve fund if determined by the
- 1356.25 commissioner to be necessary, and make distributions pursuant to this section. The
- 1356.26 commissioner may establish a debt service reserve fund from funds available under Minnesota
- 1356.27 Statutes, section 298.291 to 298.297, or from the proceeds of the bonds. The commissioner
- 1356.28 of Iron Range resources and rehabilitation must distribute these transferred funds as outlined
- 1356.29 in this section. In order to receive a distribution, a recipient must submit to the commissioner
- 1356.30 a plan of how the distribution will be spent and the commissioner must ensure that the plan
- 1356.31 matches the intended use outlined in this section. The plan must be submitted in a form and

1357.1 manner determined by the commissioner. The uses listed are not subject to review or
1357.2 recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions
1357.3 equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy
1357.4 of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2026,
1357.5 each recipient must report to the commissioner how the distribution received under this
1357.6 section was spent. If a recipient's plan is submitted and approved, the commissioner must
1357.7 distribute the funds for the uses outlined in subdivision 3. The bonds issued under this
1357.8 section do not constitute public debt as that term is defined in Article XI, section 4 of the
1357.9 Minnesota Constitution, and as such are not subject to its provisions.

1357.10 (b) The bonds issued under this section are debt obligations and the commissioner of
1357.11 Iron Range resources and rehabilitation is a district for purposes of Minnesota Statutes,
1357.12 section 126C.55, except that payments made under Minnesota Statutes, section 126C.55,
1357.13 subdivision 2, are not subject to Minnesota Statutes, section 126C.55, subdivisions 4 to 7.

1357.14 (c) If the commissioner of Iron Range resources and rehabilitation determines that
1357.15 available funds, other than through the issuance of bonds pursuant to subdivision 1, shall
1357.16 be used to make grants as provided in subdivision 3, the requirements of subdivision 1,
1357.17 relating to the submission of a plan and report to the commissioner of Iron Range resources
1357.18 and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision
1357.19 3, relating to the grant amount and identified purpose, shall apply.

1357.20 (d) Funds under this section are available for 30 months from the date the bonds are
1357.21 issued. Any unexpended funds after that date cancel to the Iron Range resources and
1357.22 rehabilitation account under Minnesota Statutes, section 298.28, subdivision 7, and must
1357.23 be used by the commissioner of Iron Range resources and rehabilitation for publicly owned
1357.24 capital investments located within the taconite tax relief area as defined in Minnesota
1357.25 Statutes, section 273.134.

1357.26 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,
1357.27 subdivision 7a, paragraph (b), there is annually appropriated from the allocation of the
1357.28 revenues under Minnesota Statutes, section 298.28, subdivision 7a, from the taconite
1357.29 assistance area prior to the calculation of any amount remaining, an amount sufficient to
1357.30 pay when due the principal and interest on the bonds issued pursuant to subdivision 1.
1357.31 Notwithstanding the foregoing and Minnesota Statutes, section 298.28, subdivisions 7a to
1357.32 11, to the extent bonds authorized by subdivision 1 are paid from taconite production tax
1357.33 revenues, any outstanding bonds payable from distributions of taconite production tax
1357.34 revenues shall be paid pro rata based on debt service when due.

1358.1 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal
1358.2 and interest due on the bonds in that year, an additional amount is appropriated from the
1358.3 Douglas J. Johnson economic protection trust fund to make up the deficiency.

1358.4 (c) The appropriation under this subdivision terminates upon payment or maturity of
1358.5 the last of the bonds issued under this section.

1358.6 Subd. 3. **Grants.** (a) The commissioner of Iron Range resources and rehabilitation must
1358.7 distribute funds available for distribution under subdivision 1 for the following uses:

1358.8 (1) \$3,200,000 to the Minnesota Discovery Center, of which \$200,000 may, at the
1358.9 discretion of the director of the Minnesota Discovery Center, be used for operating expenses
1358.10 and \$3,000,000 must be used to design, construct, renovate, furnish, and repair facilities,
1358.11 including HVAC upgrades, demolition, and compliance with the Americans with Disabilities
1358.12 Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research
1358.13 funding;

1358.14 (2) \$7,600,000 to the commissioner of Iron Range resources and rehabilitation for the
1358.15 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and
1358.16 for the design, engineering, demolition, and construction of a nordic and welcome center
1358.17 at the Giants Ridge Recreation Area;

1358.18 (3) \$350,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

1358.19 (4) \$1,000,000 to Independent School District No. 2909, Rock Ridge, for demolition of
1358.20 the James Madison Elementary School in Virginia;

1358.21 (5) \$500,000 to the city of Buhl for infrastructure projects;

1358.22 (6) \$500,000 to St. Louis and Lake Counties Regional Railroad Authority to design,
1358.23 engineer, acquire right-of-way, and begin construction on the Mesabi Trail Spur from Aurora
1358.24 to Hoyt Lakes;

1358.25 (7) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not
1358.26 limited to Enterprise Drive North East infrastructure development, water main and other
1358.27 infrastructure in the city, waste water plant improvements to comply with new permits,
1358.28 supervisory control and data acquisition on lift stations, and recreation projects;

1358.29 (8) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
1358.30 publicly owned infrastructure including sewers, water systems, utility extensions, street
1358.31 construction, wastewater treatment, stormwater management systems, sidewalks, and
1358.32 compliance with the Americans with Disabilities Act;

- 1359.1 (9) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,
1359.2 engineering, demolition, and construction related to the district's athletic complex;
- 1359.3 (10) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning
1359.4 Center on the campus in the city of Mountain Iron;
- 1359.5 (11) \$1,000,000 for the city of Biwabik for a public safety facility;
- 1359.6 (12) \$1,770,000 to Hibbing Public Utilities for water infrastructure projects;
- 1359.7 (13) \$300,000 to Independent School District No. 701, Hibbing, to be used for long term
1359.8 maintenance needs;
- 1359.9 (14) \$1,150,000 to the city of Hibbing for housing development;
- 1359.10 (15) \$550,000 to the city of Hibbing to develop the Hull Rust Mine historic site;
- 1359.11 (16) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes;
1359.12 and
- 1359.13 (17) \$1,500,000 to the city of Babbitt for renovations to the ice arena.
- 1359.14 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money
1359.15 distributed under this subdivision, the commissioner of Iron Range resources and
1359.16 rehabilitation must not use any amount for administrative uses.
- 1359.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
1359.18 applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.
- 1359.19 Sec. 17. **TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC**
1359.20 **DEVELOPMENT FUND.**
- 1359.21 Of the funds distributed to the taconite economic development fund under Minnesota
1359.22 Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to
1359.23 \$300,000 shall be transferred from the taconite economic development fund to the city of
1359.24 Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made
1359.25 within ten days of the August 2024 payment. If less than \$300,000 is distributed to the
1359.26 taconite economic development fund in 2024, distributions to the fund in future years must
1359.27 be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount
1359.28 transferred equals \$300,000.
- 1359.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1360.1

ARTICLE 70

1360.2

TAX-FORFEITED PROPERTY

1360.3

Section 1. [16A.287] TRANSFER; HOUSING SUPPORT.

1360.4

In fiscal year 2025 and each year thereafter, the commissioner of management and budget

1360.5

must transfer \$450,000 from the general fund to the housing support account, under section

1360.6

462A.43.

1360.7

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

1360.8

Sec. 2. Minnesota Statutes 2022, section 279.06, subdivision 1, is amended to read:

1360.9

Subdivision 1. **List and notice.** Within five days after the filing of such list, the court

1360.10

administrator shall return a copy thereof to the county auditor, with a notice prepared and

1360.11

signed by the court administrator, and attached thereto, which may be substantially in the

1360.12

following form:

1360.13

State of Minnesota)

1360.14

) ss.

1360.15

County of)

1360.16

District Court

1360.17

..... Judicial District.

1360.18

The state of Minnesota, to all persons, companies, or corporations who have or claim

1360.19

any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of land

1360.20

described in the list hereto attached:

1360.21

The list of taxes and penalties on real property for the county of

1360.22

remaining delinquent on the first Monday in January,, has been filed in the office of

1360.23

the court administrator of the district court of said county, of which that hereto attached is

1360.24

a copy. Therefore, you, and each of you, are hereby required to file in the office of said

1360.25

court administrator, on or before the 20th day after the publication of this notice and list,

1360.26

your answer, in writing, setting forth any objection or defense you may have to the taxes,

1360.27

or any part thereof, upon any parcel of land described in the list, in, to, or on which you

1360.28

have or claim any estate, right, title, interest, claim, or lien, and, in default thereof, judgment

1360.29

will be entered against such parcel of land for the taxes on such list appearing against it,

1360.30

and for all penalties, interest, and costs. Based upon said judgment, the land shall be sold

1360.31

to the state of Minnesota on the second Monday in May,

1360.32

Inquiries as to the proceedings set forth above can be made to the county auditor of....

1360.33

county whose address is

1361.1 (Signed) ,
 1361.2 Court Administrator of the District Court of
 1361.3 the
 1361.4 County of
 1361.5 (Here insert list.)

1361.6 The notice must contain a narrative description of the various periods to redeem, specified
 1361.7 in sections 281.17, 281.173, and 281.174, information about property tax relief programs
 1361.8 that the property owner may be eligible for, including the property tax refund program under
 1361.9 chapter 290A and the senior citizens' property tax deferral program under chapter 290B,
 1361.10 and where further information about unencumbered interest in the property may be obtained.
 1361.11 The notice must be made in the manner prescribed by the commissioner of revenue under
 1361.12 subdivision 2. The commissioner of revenue must make the form available in multiple
 1361.13 languages on the Department of Revenue's website. Counties must post these forms on their
 1361.14 county website.

1361.15 The list referred to in the notice shall be substantially in the following form:

1361.16 List of real property for the county of, on which taxes remain delinquent
 1361.17 on the first Monday in January,

1361.18 Town of (Fairfield),
 1361.19 Township (40), Range (20),

1361.20 Names (and Current Filed
 1361.21 Addresses) for the
 1361.22 Taxpayers and Fee
 1361.23 Owners and in Addition
 1361.24 Those Parties Who Have
 1361.25 Filed Their Addresses

1361.26 Pursuant to section	Subdivision of		Tax Parcel	Total Tax
1361.27 276.041	Section	Section	Number	and Penalty

1361.28 \$ cts.

1361.29 John Jones (825 Fremont	S.E. 1/4 of S.W. 1/4	10	23101	2.20
1361.30 Fairfield, MN 55000)				

1361.31 Bruce Smith (2059 Hand	That part of N.E. 1/4 of	21	33211	3.15
1361.32 Fairfield, MN 55000) and	S.W. 1/4 desc. as follows:			
1361.33 Fairfield State Bank (100	Beg. at the S.E. corner of			
1361.34 Main Street Fairfield,	said N.E. 1/4 of S.W. 1/4;			
1361.35 MN 55000)	thence N. along the E.			
1361.36	line of said N.E. 1/4 of			
1361.37	S.W. 1/4 a distance of			
1361.38	600 ft.; thence W. parallel			
1361.39	with the S. line of said			
1361.40	N.E. 1/4 of S.W. 1/4 a			
1361.41	distance of 600 ft.; thence			
1361.42	S. parallel with said E.			
1361.43	line a distance of 600 ft.			

1362.1 to S. line of said N.E. 1/4
 1362.2 of S.W. 1/4; thence E.
 1362.3 along said S. line a
 1362.4 distance of 600 ft. to the
 1362.5 point of beg.

1362.6 As to platted property, the form of heading shall conform to circumstances and be
 1362.7 substantially in the following form:

1362.8 City of (Smithtown)

1362.9 Brown's Addition, or Subdivision

1362.10 Names (and Current Filed
 1362.11 Addresses) for the
 1362.12 Taxpayers and Fee
 1362.13 Owners and in Addition
 1362.14 Those Parties Who Have
 1362.15 Filed Their Addresses
 1362.16 Pursuant to section

1362.17 276.041	Lot	Block	Tax Parcel Number	Total Tax and Penalty
				\$ cts.
1362.19 John Jones (825 Fremont 1362.20 Fairfield, MN 55000)	15	9	58243	2.20
1362.21 Bruce Smith (2059 Hand 1362.22 Fairfield, MN 55000) and 1362.23 Fairfield State Bank (100 1362.24 Main Street Fairfield, 1362.25 MN 55000)	16	9	58244	3.15

1362.26 The names, descriptions, and figures employed in parentheses in the above forms are
 1362.27 merely for purposes of illustration.

1362.28 The name of the town, township, range or city, and addition or subdivision, as the case
 1362.29 may be, shall be repeated at the head of each column of the printed lists as brought forward
 1362.30 from the preceding column.

1362.31 Errors in the list shall not be deemed to be a material defect to affect the validity of the
 1362.32 judgment and sale.

1362.33 Sec. 3. Minnesota Statutes 2022, section 281.23, subdivision 2, is amended to read:

1362.34 Subd. 2. **Form.** The notice of expiration of redemption must contain the tax parcel
 1362.35 identification numbers and legal descriptions of parcels subject to notice of expiration of
 1362.36 redemption provisions prescribed under subdivision 1. The notice must also indicate the
 1362.37 names of taxpayers and fee owners of record in the office of the county auditor at the time
 1362.38 the notice is prepared and names of those parties who have filed their addresses according
 1362.39 to section 276.041 and the amount of payment necessary to redeem as of the date of the

1363.1 notice. At the option of the county auditor, the current filed addresses of affected persons
1363.2 may be included on the notice. The notice is sufficient if substantially in the following form:

1363.3 "NOTICE OF EXPIRATION OF REDEMPTION

1363.4 Office of the County Auditor

1363.5 County of, State of Minnesota.

1363.6 To all persons having an interest in lands described in this notice:

1363.7 You are notified that the parcels of land described in this notice and located in the county
1363.8 of, state of Minnesota, are subject to forfeiture to the state of Minnesota
1363.9 because of nonpayment of delinquent property taxes, special assessments, penalties, interest,
1363.10 and costs levied on those parcels. The time for redemption from forfeiture expires if a
1363.11 redemption is not made by the later of (1) 60 days after service of this notice on all persons
1363.12 having an interest in the lands of record at the office of the county recorder or registrar of
1363.13 titles, or (2) by the second Monday in May. The redemption must be made in my office.

1363.14 IMPORTANT: If the parcels forfeit, they will be sold. If the proceeds from the sale
1363.15 exceed the total amount of the delinquent taxes, special assessments, penalties, interest, and
1363.16 costs assigned to those parcels, you may be entitled to the excess proceeds from the sale.
1363.17 If there are excess proceeds, you will be notified and must submit the claim form included
1363.18 with the notification in order to receive the proceeds.

1363.19	Names (and Current		
1363.20	Filed Addresses) for		
1363.21	the Taxpayers and		
1363.22	Fee Owners and		
1363.23	Those Parties Who		
1363.24	Have Filed Their	Tax	Amount Necessary to
1363.25	Addresses Pursuant	Parcel	Redeem as of Date of
1363.26	to section 276.041	Number	Notice
1363.27
1363.28

1363.29 FAILURE TO REDEEM THE LANDS PRIOR TO THE EXPIRATION
1363.30 OF REDEMPTION WILL RESULT IN THE LOSS OF THE LAND AND
1363.31 FORFEITURE TO THE STATE OF MINNESOTA.

1363.32 Inquiries as to these proceedings can be made to the County Auditor for County,
1363.33 whose address is set forth below.

1363.34 Witness my hand and official seal this day of,

1364.1

1364.2 County Auditor

1364.3 (OFFICIAL SEAL)

1364.4

1364.5 (Address)

1364.6

1364.7 (Telephone)."

1364.8 The notice must be posted by the auditor in the auditor's office, subject to public
1364.9 inspection, and must remain so posted until at least one week after the date of the last
1364.10 publication of notice, as provided in this section. Proof of posting must be made by the
1364.11 certificate of the auditor, filed in the auditor's office.

1364.12 Sec. 4. 282.005 TAX-FORFEITED LAND; INITIAL SALE.

1364.13 Subdivision 1. Public auction required. Prior to managing tax-forfeited lands as
1364.14 otherwise provided in this chapter, a county must first offer tax-forfeited parcels for sale
1364.15 pursuant to this section, except that any interests in iron-bearing stockpiles, minerals, or
1364.16 mineral interests are reserved for the state as provided under subdivision 8, and any parcel
1364.17 withdrawn from sale by the commissioner of natural resources under section 282.007 must
1364.18 be managed as provided in section 282.007. If a property cannot be sold under this section
1364.19 for more than the minimum bid, the state is deemed to have purchased the property through
1364.20 a credit bid and the parcels may be disposed of as otherwise provided in this chapter.

1364.21 Subd. 2. Definitions. For the purposes of this section, the following terms have the
1364.22 meanings given:

1364.23 (1) "interested party" means any party with an interest in the real estate including but
1364.24 not limited to an owner of the property, a lienholder, or any other party who has filed their
1364.25 name according to section 276.041;

1364.26 (2) "mineral interest" means an interest in any minerals, including but not limited to
1364.27 iron, gas, coal, oil, copper, gold, or other valuable minerals; and

1364.28 (3) "minimum bid" means the sum of delinquent taxes, special assessments, penalties,
1364.29 interests, and costs assigned to the parcel.

1364.30 Subd. 3. Repurchase. Prior to the public sale required under this section, an interested
1364.31 party may repurchase the property by payment of the sum of all delinquent taxes and
1364.32 assessments computed under section 282.251, together with penalties, interest, and costs,
1364.33 that accrued or would have accrued if the parcel of land had not forfeited. A property

1365.1 repurchased under this subdivision is no longer subject to the requirements of this section.
1365.2 All rights and interests of all interested parties remain unaffected if a property is repurchased
1365.3 under this subdivision.

1365.4 Subd. 4. **Public auction.** (a) The county auditor must sell the property at a public auction
1365.5 to the highest bidder in a manner reasonably calculated to facilitate public participation,
1365.6 including by online auction. The sale under this section must occur within six months of
1365.7 either the filing of the certificate of forfeiture pursuant to section 281.23, subdivision 9, or
1365.8 the date the property is vacated by the occupant, whichever is later. Notice of the sale under
1365.9 this subdivision must be provided by publication in newspapers, websites, and other forums
1365.10 that serve diverse communities in the county where the property is located at least 30 days
1365.11 before the commencement of the sale.

1365.12 (b) At auction, the county auditor must calculate the minimum bid and make the figure
1365.13 available to those participating in the auction. The county auditor must also calculate and
1365.14 make available the initial price of the property, which is equal to the estimated market value,
1365.15 as determined by the most recent assessment. The property must not be sold for less than
1365.16 the initial price for 30 days after it is initially made available at auction. If no buyer is willing
1365.17 to pay the initial price, the price for the property must be reduced to the minimum bid. If
1365.18 no buyer is willing to pay the minimum bid, the state is deemed to have purchased the
1365.19 property through a credit bid and the parcels may be disposed of as otherwise provided in
1365.20 this chapter.

1365.21 Subd. 5. **Sale proceeds.** The auction proceeds must be collected by the county auditor.
1365.22 The amount of the minimum bid shall be deposited into a county's forfeited tax sale fund.
1365.23 The proceeds in excess of the minimum bid shall be available for distribution pursuant to
1365.24 subdivision 6.

1365.25 Subd. 6. **Claims for surplus proceeds.** (a) If a sale under this section results in a surplus,
1365.26 within 60 days of the sale, the county auditor must notify interested parties, in a manner
1365.27 described in subdivision 7, of the surplus by sending notice of the surplus and a claim form
1365.28 to the interested parties. The commissioner of revenue must prescribe the form and manner
1365.29 of the claim form. The notice must indicate that the sale of the property resulted in a surplus,
1365.30 the amount of the surplus, that parties with an interest in the property are entitled to the
1365.31 surplus amount, and that interested parties have an obligation to submit a claim for the
1365.32 surplus. Interested parties are entitled to make a claim for surplus proceeds under this
1365.33 subdivision if they file a claim within six months from the date the notice is first mailed to
1365.34 the interested parties.

1366.1 (b) Unless disputed by the county auditor, if a single claim is filed, the county auditor
1366.2 must pay the surplus to the interested party filing the claim. A county must not pay any
1366.3 claimant until after the period of time in which to file a claim has expired.

1366.4 (c) If there are multiple claims for a given property, the county must divide payments
1366.5 under this subdivision among the claimants according to each claimant's interest in proportion
1366.6 to the interest of all claimants. If the county auditor disputes a claim, or if there is a dispute
1366.7 as to how to divide the surplus among multiple claimants, the county auditor may deposit
1366.8 the surplus funds in district court and file a petition pursuant to Rule 67 of the Minnesota
1366.9 Rules of Civil Procedure, asking the court to determine claimants' rights to the funds
1366.10 deposited. The county auditor is entitled to recover the costs it reasonably incurs in
1366.11 commencing and maintaining this action from the amount of funds submitted to the court
1366.12 in the action. If the court determines that no claimant is entitled to the surplus, the surplus
1366.13 must be returned to the county and deposited into the county's forfeited tax sale fund.

1366.14 (d) The county and the county auditor are entitled to absolute immunity related to any
1366.15 claim predicated on distribution of surplus if the county auditor distributed proceeds
1366.16 consistent with this subdivision.

1366.17 Subd. 7. **Manner of service.** (a) A notice provided under subdivision 6 or 8 must be
1366.18 served as follows:

1366.19 (1) by certified mail to all interested parties of record within 60 days of the sale;

1366.20 (2) if an interested party of record has not filed a claim, a second notice must be sent by
1366.21 first class mail to all interested parties between 90 and 120 days after the sale;

1366.22 (3) unless the property is vacant land, within 60 days of the sale, by first class mail to
1366.23 the property addressed to the attention of the occupants of the property; and

1366.24 (4) within 60 days of the sale, by publishing a list of property sales with surplus with
1366.25 unexpired claims periods to the county's website.

1366.26 (b) In addition, solely at the discretion of the county, a list of property sales with surplus
1366.27 with unexpired claims periods may be published in the county's designated newspaper for
1366.28 publication of required public notices.

1366.29 Subd. 8. **Claims for mineral interests; payments; appropriation.** (a) Upon forfeiture,
1366.30 any iron-bearing stockpiles, minerals, and mineral interests shall be sold to the state for \$50.
1366.31 The county auditor must notify interested parties within 60 days of the sale by sending
1366.32 notice and a claim form. The commissioner of revenue must prescribe the form and manner
1366.33 of the claim form. Notice must be provided in a manner described in subdivision 7. An

1367.1 interested party may submit a claim alleging that the value of the iron-bearing stockpiles,
1367.2 minerals, or mineral interests in the property exceeds the minimum bid. Claims must be
1367.3 submitted within six months from the date the notice under this subdivision is first mailed
1367.4 to the interested parties.

1367.5 (b) If a claim is filed under this subdivision, the commissioner of natural resources must
1367.6 determine the value of the forfeited iron-bearing stockpiles, minerals, and mineral interests.
1367.7 If the value of the iron-bearing stockpiles, minerals, and mineral interests does not exceed
1367.8 the minimum bid, the claimant is not entitled to any payment under this subdivision. If the
1367.9 value of the iron-bearing stockpiles, minerals, and mineral interests exceeds the minimum
1367.10 bid, the claimant is entitled to a payment from the commissioner of natural resources equal
1367.11 to this excess amount.

1367.12 (c) If there are multiple claims, the county must divide payments under this subdivision
1367.13 among the claimants according to each claimant's ownership interest in proportion to the
1367.14 ownership interest of all claimants. If the county auditor disputes a claim, or if there is a
1367.15 dispute as to how to divide the surplus among multiple claimants, the commissioner of
1367.16 natural resources must transfer the amount due to the claimants under this subdivision to
1367.17 the county auditor. The county auditor must then deposit the transferred amount in district
1367.18 court and file a petition pursuant to Rule 67 of the Minnesota Rules of Civil Procedure,
1367.19 asking the court to determine claimants' rights to the funds deposited. The county auditor
1367.20 is entitled to recover the costs it reasonably incurs in commencing and maintaining this
1367.21 action from the amount of funds submitted to the court in the action. If the court determines
1367.22 that no party that filed a claim is entitled to the surplus, the payment must be returned to
1367.23 the commissioner of natural resources and is canceled to the general fund.

1367.24 (d) An amount necessary to make payments under this subdivision is annually
1367.25 appropriated from the general fund to the commissioner of natural resources.

1367.26 Subd. 9. **Expiration of surplus.** If a sale under this section results in a surplus and either
1367.27 (1) no interested party makes a claim for the proceeds within the time allowed under
1367.28 subdivision 6, or (2) it is determined that no claimant was entitled to the surplus proceeds,
1367.29 then interested parties are no longer eligible to receive payment of any surplus. Once
1367.30 interested parties are no longer eligible to receive payment of any surplus, the proceeds
1367.31 must be returned to the county's forfeited tax sale fund.

1367.32 Subd. 10. **Rights affected by forfeiture.** The forfeiture of the property extinguishes all
1367.33 liens, claims, and encumbrances other than:

1367.34 (1) the rights of interested parties to surplus proceeds under this section;

- 1368.1 (2) rights of redemption provided under federal law;
1368.2 (3) easements and rights-of-way holders who are not interested parties; and
1368.3 (4) benefits or burdens of any real covenants filed of record as of the date of forfeiture.

1368.4 Subd. 11. **Property bought by the state.** Property deemed to be purchased by the state
1368.5 pursuant to this section shall be held in trust for the benefit of the taxing districts. All land
1368.6 becoming property of the state pursuant to this chapter shall be managed in accordance with
1368.7 chapters 93 and 282 and other applicable law.

1368.8 Sec. 5. **[282.007] LAND WITHDRAWN FROM INITIAL SALE.**

1368.9 Subdivision 1. **Property withdrawn from sale.** The commissioner of natural resources
1368.10 may withhold or withdraw from the sale required under section 282.005 any property allowed
1368.11 to be withheld or withdrawn from sale in section 85.012, 85.013, 282.01, subdivision 8, or
1368.12 282.018. The commissioner of natural resources must condemn parcels withheld or
1368.13 withdrawn from sale under this section according to procedures set forth in chapter 117.
1368.14 Notwithstanding section 282.005, subdivision 1, any interests in iron-bearing stockpiles,
1368.15 minerals, or mineral interests in property withheld or withdrawn from sale under this section
1368.16 are not severed from the property and are not subject to section 282.005, subdivision 8.

1368.17 Subd. 2. **Notice.** The county auditor must provide notice to the commissioner of natural
1368.18 resources of the forfeiture of any lands eligible to be withheld or withdrawn from sale under
1368.19 this section. Notice must be provided within 30 days of either the filing of the certificate of
1368.20 forfeiture pursuant to section 281.23, subdivision 9, or the date the property is vacated by
1368.21 the occupant, whichever is later. Within 30 days of this notice, the commissioner of natural
1368.22 resources must notify the county auditor of a decision to withhold or withdraw a property
1368.23 from the sale under section 282.005. If no such notice is given, the county auditor must sell
1368.24 the property pursuant to section 282.005.

1368.25 Subd. 3. **Repurchase.** Prior to the initiation of the condemnation proceedings of a
1368.26 property withheld or withdrawn from sale under this section, an interested party may
1368.27 repurchase the property by payment of the sum of all delinquent taxes and assessments
1368.28 computed under section 282.251, together with penalties, interest, and costs that accrued
1368.29 or would have accrued if the parcel of land had not forfeited. The county auditor must notify
1368.30 the commissioner of natural resources if a property is repurchased under this subdivision.
1368.31 A property repurchased under this subdivision is no longer subject to the requirements of
1368.32 this section or section 282.005. All rights and interests of all interested parties remain

1369.1 unaffected if a property is repurchased under this subdivision. For the purposes of this
1369.2 section, "interested party" has the meaning given in section 282.005, subdivision 2.

1369.3 Subd. 4. **Proceeds.** Notwithstanding any law to the contrary in chapter 117, all proceeds
1369.4 from the condemnation proceedings of a property withheld or withdrawn from sale under
1369.5 this section must be transferred from the commissioner of natural resources to the county
1369.6 auditor. Any proceeds up to the value of the minimum bid are transferred to the county's
1369.7 forfeited tax sale fund. Any proceeds in excess of the minimum bid must be made available
1369.8 for claims pursuant to section 282.005, subdivision 6. For the purposes of this section,
1369.9 "minimum bid" has the meaning given in section 282.005, subdivision 2.

1369.10 Sec. 6. Minnesota Statutes 2022, section 282.01, subdivision 6, is amended to read:

1369.11 Subd. 6. **Duties of commissioner after sale.** (a) When any sale has been made by the
1369.12 county auditor under sections ~~282.01~~ 282.005 to 282.13, the auditor shall immediately
1369.13 certify to the commissioner of revenue such information relating to such sale, on such forms
1369.14 as the commissioner of revenue may prescribe as will enable the commissioner of revenue
1369.15 to prepare an appropriate deed if the sale is for cash, or keep necessary records if the sale
1369.16 is on terms; and not later than October 31 of each year the county auditor shall submit to
1369.17 the commissioner of revenue a statement of all instances wherein any payment of principal,
1369.18 interest, or current taxes on lands held under certificate, due or to be paid during the preceding
1369.19 calendar years, are still outstanding at the time such certificate is made. When such statement
1369.20 shows that a purchaser or the purchaser's assignee is in default, the commissioner of revenue
1369.21 may instruct the county board of the county in which the land is located to cancel said
1369.22 certificate of sale in the manner provided by subdivision 5, provided that upon
1369.23 recommendation of the county board, and where the circumstances are such that the
1369.24 commissioner of revenue after investigation is satisfied that the purchaser has made every
1369.25 effort reasonable to make payment of both the annual installment and said taxes, and that
1369.26 there has been no willful neglect on the part of the purchaser in meeting these obligations,
1369.27 then the commissioner of revenue may extend the time for the payment for such period as
1369.28 the commissioner may deem warranted, not to exceed one year. On payment in full of the
1369.29 purchase price, appropriate conveyance in fee, in such form as may be prescribed by the
1369.30 attorney general, shall be issued by the commissioner of revenue, which conveyance must
1369.31 be recorded by the county and shall have the force and effect of a patent from the state
1369.32 subject to easements and restrictions of record at the date of the tax judgment sale, including,
1369.33 but without limitation, permits for telephone and electric power lines either by underground
1369.34 cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipe lines for
1369.35 gas, liquids, or solids in suspension.

1370.1 (b) The commissioner of revenue shall issue an appropriate conveyance in fee when
1370.2 approval from the county auditor is given based upon written confirmation from a licensed
1370.3 closing agent, title insurer, or title insurance agent as specified in section 82.641. For purposes
1370.4 of this paragraph, "written confirmation" means a written commitment or approval that the
1370.5 funding for the conveyance is held in an escrow account available for disbursement upon
1370.6 delivery of a conveyance. The county recorder or registrar of titles must not record or file
1370.7 a conveyance issued under this paragraph unless the conveyance contains a certification
1370.8 signed by the county auditor where the land is located stating that the recorder or registrar
1370.9 of titles can accept the conveyance for recording or filing. The conveyance issued by the
1370.10 commissioner of revenue shall not be effective as a conveyance until it is recorded. The
1370.11 conveyance shall be issued to the county auditor where the land is located. Upon receipt of
1370.12 the conveyance, the county auditor shall hold the conveyance until the conveyance is
1370.13 requested from a licensed closing agent, title insurer, or title insurance agent to settle and
1370.14 close on the conveyance. If a request for the conveyance is not made within 30 days of the
1370.15 date the conveyance is issued by the commissioner of revenue, the county auditor shall
1370.16 return the conveyance to the commissioner. If the conveyance is delivered to the licensed
1370.17 closing agent, title insurer, or title insurance agent and the closing does not occur within
1370.18 ten days of the request, the licensed closing agent, title insurer, or title insurance agent shall
1370.19 immediately return the conveyance to the county auditor and, upon receipt, the county
1370.20 auditor shall return the conveyance to the commissioner of revenue. The commissioner of
1370.21 revenue shall cancel and destroy all conveyances returned by the county auditor pursuant
1370.22 to this subdivision. The licensed closing agent, title insurer, or title insurance agent must
1370.23 promptly record the conveyance after the closing and must deliver an attested or certified
1370.24 copy to the county auditor and to the grantee or grantees named on the conveyance.

1370.25 Sec. 7. Minnesota Statutes 2022, section 282.241, subdivision 1, is amended to read:

1370.26 Subdivision 1. **Repurchase requirements.** The owner at the time of forfeiture, or the
1370.27 owner's heirs, devisees, or representatives, or any person to whom the right to pay taxes
1370.28 was given by statute, mortgage, or other agreement, may repurchase any parcel of land
1370.29 claimed by the state to be forfeited to the state for taxes unless before the time repurchase
1370.30 is made the parcel is sold under installment payments, or otherwise, by the state as provided
1370.31 by law, or is under mineral prospecting permit or lease, or proceedings have been commenced
1370.32 by the state or any of its political subdivisions or by the United States to condemn the parcel
1370.33 of land. The parcel of land may be repurchased for the sum of all delinquent taxes and
1370.34 assessments computed under section 282.251, together with penalties, interest, and costs,
1370.35 that accrued or would have accrued if the parcel of land had not forfeited to the state. Except

1371.1 for property which was homesteaded on the date of forfeiture, repurchase is permitted during
1371.2 six months only from the date of forfeiture, and in any case only after the adoption of a
1371.3 resolution by the board of county commissioners determining that by repurchase undue
1371.4 hardship or injustice resulting from the forfeiture will be corrected, or that permitting the
1371.5 repurchase will promote the use of the lands that will best serve the public interest. If the
1371.6 county board has good cause to believe that a repurchase installment payment plan for a
1371.7 particular parcel is unnecessary and not in the public interest, the county board may require
1371.8 as a condition of repurchase that the entire repurchase price be paid at the time of repurchase.
1371.9 A repurchase is subject to any easement, lease, or other encumbrance granted by the state
1371.10 before the repurchase, and if the land is located within a restricted area established by any
1371.11 county under Laws 1939, chapter 340, the repurchase must not be permitted unless the
1371.12 resolution approving the repurchase is adopted by the unanimous vote of the board of county
1371.13 commissioners. Notwithstanding the foregoing, any application to repurchase a property
1371.14 that is made available for sale pursuant to section 282.005 must be made before the date of
1371.15 that sale.

1371.16 The person seeking to repurchase under this section shall pay all maintenance costs
1371.17 incurred by the county auditor during the time the property was tax-forfeited.

1371.18 Sec. 8. Minnesota Statutes 2022, section 282.301, is amended to read:

1371.19 **282.301 RECEIPTS FOR PAYMENTS; CERTIFICATION BY COUNTY**
1371.20 **AUDITOR.**

1371.21 When any sale has been made under sections 282.005, 282.012, and 282.241 to 282.324,
1371.22 the purchaser shall receive from the county auditor at the time of repurchase a receipt, in
1371.23 such form as may be prescribed by the attorney general. When the purchase price of a parcel
1371.24 of land shall be paid in full, the following facts shall be certified by the county auditor to
1371.25 the commissioner of revenue of the state of Minnesota: the description of land and the date
1371.26 when the final installment of the purchase price was paid.

1371.27 Sec. 9. [462A.43] HOUSING SUPPORT ACCOUNT.

1371.28 The commissioner of management and budget shall establish the housing support account
1371.29 in the special revenue fund for the deposit of certain funds provided by law. Money
1371.30 appropriated from the account by law must provide housing support for Minnesotans.

1371.31 EFFECTIVE DATE. This section is effective the day following final enactment.

1372.1 Sec. 10. Laws 2024, chapter 113, section 1, subdivision 2, is amended to read:

1372.2 Subd. 2. **Requirements of participating counties.** (a) If a county elects to participate
1372.3 in the settlement, or is deemed to elect to participate in the settlement under subdivision 4,
1372.4 the county must agree:

1372.5 (1) to provide the claims administrator administering the settlement with all public
1372.6 property tax records reasonably necessary to effectuate the settlement agreement by August
1372.7 1, 2024;

1372.8 (2) to make a good faith effort to sell all properties that forfeited between the applicable
1372.9 start date and December 31, 2023, other than those that are classified as conservation lands,
1372.10 those that are part of a rehabilitation program, and those in which title is no longer held in
1372.11 trust by the state of Minnesota for taxing districts;

1372.12 (3) that for any sale made under clause (2):

1372.13 (i) the county will conduct an auction of the property, either in person or online; list the
1372.14 property through a private broker; or, if the property meets the criteria in Minnesota Statutes,
1372.15 section 282.01, subdivision 7a, sell the property pursuant to that subdivision;

1372.16 (ii) the sale will be for no less than its appraised value;

1372.17 (iii) the sale will be for cash only and not on terms; ~~and~~

1372.18 (iv) notwithstanding any provision of Minnesota Statutes, chapter 282, to the contrary,
1372.19 for any property sold on or after the effective date of this section, 75 percent of the proceeds
1372.20 of any sale on or before June 30, 2027, and 85 percent of the proceeds of any sale on or
1372.21 after July 1, 2027, and on or before June 30, 2029, will be remitted to the commissioner for
1372.22 deposit in the general fund and the remaining proceeds will be retained by the county to be
1372.23 used for any permissible purpose; ~~and~~

1372.24 (v) if the property is a residential property with four or fewer residential units or a
1372.25 property that is unimproved with a structure, the property will first be offered for a period
1372.26 of 30 days to persons who intend to own and occupy the property as a residence or who
1372.27 intend to use the property for a noncommercial personal use; and

1372.28 (vi) the sale will be advertised for 30 days by publication in newspapers, websites, and
1372.29 other forums that serve diverse communities in the county where the property is located;

1372.30 (4) that any properties subject to sale under clause (2) that remain unsold on June 30,
1372.31 2029, must continue to be managed under the laws governing tax-forfeited lands until they
1372.32 are disposed of under those laws.

1373.1 (b) The commissioner of revenue must create the form for a person purchasing a property
1373.2 described under paragraph (a), clause (3), item (v), to certify that they intend to use the
1373.3 property accordingly.

1373.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1373.5 Sec. 11. **DEPARTMENT OF NATURAL RESOURCES; APPROPRIATION.**

1373.6 \$1,537,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
1373.7 of natural resources to perform the duties required under Minnesota Statutes, section 282.005.
1373.8 The base for this appropriation is \$1,537,000 in fiscal year 2026 and each fiscal year
1373.9 thereafter.

1373.10 Sec. 12. **EFFECTIVE DATE.**

1373.11 Section 2 is effective beginning January 1, 2025. Section 3 is effective for notices
1373.12 provided after the day following final enactment. Sections 4 to 8 are effective for forfeitures
1373.13 occurring after December 31, 2023.

1373.14

ARTICLE 71

1373.15

MISCELLANEOUS TAX PROVISIONS

1373.16 Section 1. Minnesota Statutes 2022, section 270C.21, is amended to read:

1373.17 **270C.21 TAXPAYER ASSISTANCE GRANTS; TAX CREDIT OUTREACH**
1373.18 **GRANTS.**

1373.19 Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants to ~~eligible~~
1373.20 ~~organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer~~
1373.21 ~~assistance services~~ under this section, the commissioner must provide public notice of the
1373.22 grants in a timely manner so that the grant process is completed and grants are awarded by
1373.23 October 1, in order for recipient ~~eligible~~ organizations to adequately plan expenditures for
1373.24 the filing season. At the time the commissioner provides public notice, the commissioner
1373.25 must also notify ~~eligible~~ organizations that received grants in the previous biennium. Amounts
1373.26 appropriated for grants under this section are not subject to retention of administrative costs
1373.27 under section 16B.98, subdivision 14.

1373.28 Subd. 2. **Eligible organization Definitions.** ~~"Eligible organization" means an organization~~
1373.29 ~~that meets the definition of eligible organization provided in section 7526A(e)(2)(B) of the~~
1373.30 ~~Internal Revenue Code.~~

1373.31 (a) For the purposes of this section, the following terms have the meanings given.

1374.1 (b) "Eligible credit" means a credit, refund, or other tax preference targeting low-income
1374.2 taxpayers, including but not limited to the credits under sections 290.0661, 290.0671,
1374.3 290.0674, and 290.0693, and chapter 290A.

1374.4 (c) "Tax outreach organization" means a nonprofit organization or federally recognized
1374.5 Indian Tribe with experience serving demographic groups or geographic regions that have
1374.6 historically had low rates of participation in eligible credits.

1374.7 (d) "Taxpayer assistance services" means accounting and tax preparation services
1374.8 provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to
1374.9 help them file federal and state income tax returns and Minnesota property tax refund claims
1374.10 and to provide personal representation before the Department of Revenue and Internal
1374.11 Revenue Service.

1374.12 (e) "Volunteer taxpayer assistance organization" means an eligible organization qualifying
1374.13 under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986.

1374.14 Subd. 3. **Taxpayer assistance grants.** The commissioner must make grants to one or
1374.15 more volunteer taxpayer assistance organizations to coordinate, facilitate, encourage, and
1374.16 aid in the provision of taxpayer assistance services.

1374.17 Subd. 4. **Tax credit outreach grants.** The commissioner must make one or more grants
1374.18 to tax outreach organizations and volunteer assistance organizations. Grants provided under
1374.19 this subdivision must be used to:

1374.20 (1) publicize and promote the availability of eligible credits to taxpayers likely to be
1374.21 eligible for those credits; or

1374.22 (2) provide taxpayer assistance services.

1374.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1374.24 Sec. 2. Minnesota Statutes 2022, section 297F.01, subdivision 10b, is amended to read:

1374.25 Subd. 10b. **Moist snuff.** "Moist snuff" means any finely cut, ground, or powdered
1374.26 smokeless tobacco, or similar product containing nicotine, that is intended to be placed or
1374.27 dipped in the mouth.

1374.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1374.29 Sec. 3. Minnesota Statutes 2022, section 297F.01, subdivision 19, is amended to read:

1374.30 Subd. 19. **Tobacco products.** (a) "Tobacco products" means any product containing,
1374.31 made, or derived from tobacco that is intended for human consumption, whether chewed,

1375.1 smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or
1375.2 any component, part, or accessory of a tobacco product, including, but not limited to, cigars;
1375.3 cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking
1375.4 tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing
1375.5 tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds
1375.6 and forms of tobacco; but does not include cigarettes as defined in this section. Tobacco
1375.7 products includes nicotine solution products and moist snuff. Tobacco products excludes
1375.8 any tobacco product that has been approved by the United States Food and Drug
1375.9 Administration for sale as a tobacco cessation product, as a tobacco dependence product,
1375.10 or for other medical purposes, and is being marketed and sold solely for such an approved
1375.11 purpose.

1375.12 (b) Except for the imposition of tax under section 297F.05, subdivisions 3 and 4, tobacco
1375.13 products includes a premium cigar, as defined in subdivision 13a.

1375.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1375.15 Sec. 4. **APPROPRIATION; TAX CREDIT OUTREACH GRANTS; TAXPAYER**
1375.16 **ASSISTANCE GRANTS.**

1375.17 (a) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the
1375.18 commissioner of revenue for tax credit outreach grants under Minnesota Statutes, section
1375.19 270C.21, subdivision 4. This appropriation is in addition to the amount appropriated in
1375.20 Laws 2023, chapter 64, article 7, section 30.

1375.21 (b) The base for the \$1,000,000 appropriation in paragraph (a) is \$500,000 in fiscal year
1375.22 2026 and \$500,000 in fiscal year 2027.

1375.23 (c) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the
1375.24 commissioner of revenue for taxpayer assistance grants under Minnesota Statutes, section
1375.25 270C.21, subdivision 3. This appropriation is in addition to the amount appropriated for
1375.26 taxpayer assistance in Laws 2023, chapter 62, article 1, section 14, subdivision 2.

1375.27 (d) The base for the \$1,000,000 appropriation in paragraph (c) is \$500,000 in fiscal year
1375.28 2026 and \$500,000 in fiscal year 2027.

1375.29 Sec. 5. **DEPARTMENT OF REVENUE; ADMINISTRATIVE APPROPRIATION.**

1375.30 \$4,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
1375.31 of revenue to administer this act. This is a onetime appropriation and is available until June
1375.32 30, 2027.

1376.1

ARTICLE 72

1376.2

EMPLOYEE COMPENSATION

1376.3 Section 1. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 2, is amended
1376.4 to read:

1376.5 Subd. 2. ~~Unrepresented State employee compensation.~~ (a) The commissioner of
1376.6 management and budget shall submit to the chair of the commission any compensation
1376.7 plans or salaries prepared under section 43A.18, subdivisions 2, 3, 3b, and 4. The chancellor
1376.8 of the Minnesota State Colleges and Universities shall submit any compensation plan under
1376.9 section 43A.18, subdivision 3a. ~~If the commission disapproves a compensation plan or~~
1376.10 ~~salary, the commission shall specify in writing to the parties those portions with which it~~
1376.11 ~~disagrees and its reasons. If the commission approves a compensation plan or salary, it shall~~
1376.12 ~~submit the matter to the legislature to be accepted or rejected under this section.~~

1376.13 (b) ~~When the legislature is not in session, the commission may give interim approval to~~
1376.14 ~~a salary or compensation plan. The commission shall submit the salaries and compensation~~
1376.15 ~~plans for which it has provided approval to the entire legislature for ratification at a special~~
1376.16 ~~legislative session called to consider them or at its next regular legislative session as provided~~
1376.17 ~~in this section. Approval or disapproval by the commission is not binding on the legislature.~~

1376.18 (e) ~~When the legislature is not in session, (b)~~ The proposed salary or compensation plan
1376.19 must be implemented upon its approval by submission to the commission, ~~and state~~
1376.20 ~~employees covered by the proposed plan or salary do not have the right to strike while the~~
1376.21 ~~interim approval is in effect.~~

1376.22 Sec. 2. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 3, is amended to
1376.23 read:

1376.24 Subd. 3. ~~Other salaries and compensation plans~~ salary and compensation plan. The
1376.25 commission shall:

1376.26 (1) ~~review and approve or reject a plan for compensation and terms and conditions of~~
1376.27 ~~employment prepared and submitted by the commissioner of management and budget under~~
1376.28 ~~section 43A.18, subdivision 2, covering all state employees who are not represented by an~~
1376.29 ~~exclusive bargaining representative and whose compensation is not provided for by chapter~~
1376.30 ~~43A or other law;~~

1376.31 (2) ~~review and approve or reject a plan for total compensation and terms and conditions~~
1376.32 ~~of employment for employees in positions identified as being managerial under section~~

1377.1 ~~43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or~~
1377.2 ~~other plans established under chapter 43A;~~

1377.3 ~~(3) review and approve or reject recommendations for salary range of officials of higher~~
1377.4 ~~education systems under section 15A.081, subdivision 7e;~~

1377.5 ~~(4) review and approve or reject plans for compensation, terms, and conditions of~~
1377.6 ~~employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and~~

1377.7 ~~(5) review and approve or reject the plan for compensation, terms, and conditions of~~
1377.8 ~~employment of classified employees in the office of the legislative auditor under section~~
1377.9 ~~3.971, subdivision 2.~~

1377.10 Sec. 3. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 6, is amended to
1377.11 read:

1377.12 Subd. 6. **Information required; collective bargaining agreements, memoranda of**
1377.13 **understanding, and interest arbitration awards.** Within 14 days after the implementation
1377.14 of a collective bargaining agreement, memorandum of understanding, compensation plan,
1377.15 or receipt of an interest arbitration award, the commissioner of management and budget
1377.16 must submit to the Legislative Coordinating Commission the following:

1377.17 (1) a copy of the collective bargaining agreement or compensation plan showing changes
1377.18 from previous agreements and a copy of the executed agreement;

1377.19 (2) a copy of any memorandum of understanding that has a fiscal impact or interest
1377.20 arbitration award;

1377.21 (3) a comparison of biennial compensation costs under the current agreement or plan to
1377.22 the projected biennial compensation costs under the new agreement, memorandum of
1377.23 understanding, or interest arbitration award; and

1377.24 (4) a comparison of biennial compensation costs under the current agreement or plan to
1377.25 the projected biennial compensation costs for the following biennium under the new
1377.26 agreement, memorandum of understanding, or interest arbitration award.

1377.27 Sec. 4. Minnesota Statutes 2022, section 43A.05, subdivision 3, is amended to read:

1377.28 Subd. 3. **Commissioner's plan.** The commissioner shall periodically develop and
1377.29 establish pursuant to this chapter a commissioner's plan. The commissioner shall submit
1377.30 the plan, ~~before becoming effective,~~ to the Legislative Coordinating Commission for
1377.31 approval.

1378.1 Sec. 5. Minnesota Statutes 2022, section 43A.18, subdivision 2, is amended to read:

1378.2 Subd. 2. **Commissioner's plan.** Except as provided in section 43A.01, the compensation,
1378.3 terms and conditions of employment for all classified and unclassified employees, except
1378.4 unclassified employees in the legislative and judicial branches, who are not covered by a
1378.5 collective bargaining agreement and not otherwise provided for in chapter 43A or other law
1378.6 are governed solely by a plan developed by the commissioner. The Legislative Coordinating
1378.7 Commission shall review ~~and approve, reject, or modify~~ the plan under section 3.855,
1378.8 subdivision 2. The plan need not be adopted in accordance with the rulemaking provisions
1378.9 of chapter 14.

1378.10 Sec. 6. Minnesota Statutes 2022, section 43A.18, subdivision 3, is amended to read:

1378.11 Subd. 3. **Managerial plan.** (a) The commissioner shall identify individual positions or
1378.12 groups of positions in the classified and unclassified service in the executive branch as being
1378.13 managerial. The list must not include positions listed in subdivision 4.

1378.14 (b) The commissioner shall periodically prepare a plan for total compensation and terms
1378.15 and conditions of employment for employees of those positions identified as being managerial
1378.16 and whose salaries and benefits are not otherwise provided for in law or other plans
1378.17 established under this chapter. Before becoming effective those portions of the plan
1378.18 establishing compensation and terms and conditions of employment must be ~~reviewed and~~
1378.19 ~~approved or modified by~~ submitted to the Legislative Coordinating Commission and the
1378.20 ~~legislature~~ under section 3.855, subdivisions 2 and 3.

1378.21 (c) Incumbents of managerial positions as identified under this subdivision must be
1378.22 excluded from any bargaining units under chapter 179A.

1378.23 (d) The management compensation plan must provide methods and levels of
1378.24 compensation for managers that will be generally comparable to those applicable to managers
1378.25 in other public and private employment. The plan must ensure that compensation within
1378.26 assigned salary ranges is related to level of performance. The plan must also provide a
1378.27 procedure for establishment of a salary rate for a newly created position and a new appointee
1378.28 to an existing position and for progression through assigned salary ranges. The employee
1378.29 benefits established under the provisions of the managerial plan may be extended to agency
1378.30 heads whose salaries are established in section 15A.0815 and to constitutional officers,
1378.31 judges of the Workers' Compensation Court of Appeals, and Tax Court judges.

1379.1 Sec. 7. Minnesota Statutes 2022, section 43A.18, subdivision 9, is amended to read:

1379.2 Subd. 9. **Summary information on website.** Before the commissioner submits a
1379.3 proposed collective bargaining agreement, arbitration award, or compensation plan to the
1379.4 Legislative Coordinating Commission for review under section 3.855, the commissioner
1379.5 must post on a state website a summary of the proposed agreement, award, or plan. The
1379.6 summary must include the amount of and nature of proposed changes in employee
1379.7 compensation, the estimated cost to the state of proposed changes in employee compensation,
1379.8 and a description of proposed significant changes in policy. After approval of an agreement,
1379.9 award, or plan by the Legislative Coordinating Commission, the commissioner must provide
1379.10 a link from the commissioner's summary to the full text of the agreement, award, or plan.
1379.11 The summary must remain on the website at least until the full legislature has approved the
1379.12 agreement, award, or plan. This section also applies to agreements, awards, and plans
1379.13 covering employees of the Minnesota State Colleges and Universities and to compensation
1379.14 plans that must be submitted to the Legislative Coordinating Commission by other executive
1379.15 appointing authorities. The Minnesota State Colleges and Universities and other executive
1379.16 appointing authorities must submit information to the commissioner, at a time and in a
1379.17 manner specified by the commissioner, so the commissioner can post information relating
1379.18 to these appointing authorities on the web as required by this section.

1379.19 Sec. 8. **REPEALER.**

1379.20 Minnesota Statutes 2023 Supplement, section 3.855, subdivision 5, is repealed.

1379.21 **ARTICLE 73**

1379.22 **PAID LEAVE**

1379.23 Section 1. **[268B.001] CITATION.**

1379.24 This chapter may be cited as the "Minnesota Paid Leave Law."

1379.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1379.26 Sec. 2. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 3, is amended
1379.27 to read:

1379.28 Subd. 3. **Applicant.** "Applicant" means an individual or the individual's authorized
1379.29 representative applying for leave with benefits under this chapter.

1379.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1380.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
 1380.2 subdivision to read:

1380.3 Subd. 4a. **Authorized representative.** "Authorized representative" means an individual
 1380.4 designated by the person or the individual's legal representative to act on their behalf. This
 1380.5 individual may be a family member, guardian, or other individual designated by the person
 1380.6 or the individual's legal representative, if any, to assist in purchasing and arranging for
 1380.7 supports. For the purposes of this chapter, an authorized representative must be at least 18
 1380.8 years of age.

1380.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1380.10 Sec. 4. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 5, is amended
 1380.11 to read:

1380.12 Subd. 5. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 1380.13 means the most recent four completed calendar quarters before the effective date of an
 1380.14 applicant's application for family or medical leave benefits if the application has an effective
 1380.15 date occurring after the month following the most recent completed calendar quarter. The
 1380.16 base period under this paragraph is as follows:

1380.17 If the application for family or medical leave	
1380.18 benefits is effective on or between these	
1380.19 dates:	The base period is the prior:
1380.20 February 1 to March 31	January 1 to December 31
1380.21 May 1 to June 30	April 1 to March 31
1380.22 August 1 to September 30	July 1 to June 30
1380.23 November 1 to December 31	October 1 to September 30

1380.24 (b) If an application for family or medical leave benefits has an effective date that is
 1380.25 during the month following the most recent completed calendar quarter, then the base period
 1380.26 is the first four of the most recent five completed calendar quarters before the effective date
 1380.27 of an applicant's application for family or medical leave benefits. The base period under
 1380.28 this paragraph is as follows:

1380.29 If the application for family or medical leave	
1380.30 benefits is effective on or between these	
1380.31 dates:	The base period is the prior:
1380.32 January 1 to January 31	October 1 to September 30
1380.33 April 1 to April 30	January 1 to December 31
1380.34 July 1 to July 31	April 1 to March 31
1380.35 October 1 to October 31	July 1 to June 30

1381.1 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
1381.2 completed calendar quarters must be used if the applicant would have more wage credits
1381.3 under that base period than under a base period of the four most recent completed calendar
1381.4 quarters.

1381.5 (d) If the applicant has insufficient wage credits to establish a benefit account under a
1381.6 base period of the four most recent completed calendar quarters, or a base period of the first
1381.7 four of the most recent five completed calendar quarters, but during either base period the
1381.8 applicant received workers' compensation for temporary disability under chapter 176 or a
1381.9 similar federal law or similar law of another state, or if the applicant whose own serious
1381.10 illness caused a loss of work for which the applicant received compensation for loss of
1381.11 wages from some other source, the applicant may request a base period as follows:

1381.12 (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a
1381.13 base period referred to in paragraph (a) or (b), then the base period is the first four of the
1381.14 most recent six completed calendar quarters before the effective date of the application for
1381.15 family or medical leave benefits;

1381.16 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base
1381.17 period referred to in paragraph (a) or (b), then the base period is the first four of the most
1381.18 recent seven completed calendar quarters before the effective date of the application for
1381.19 family or medical leave benefits;

1381.20 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base
1381.21 period referred to in paragraph (a) or (b), then the base period is the first four of the most
1381.22 recent eight completed calendar quarters before the effective date of the application for
1381.23 family or medical leave benefits; and

1381.24 (4) if an applicant was compensated for a loss of work of 40 to ~~52~~ or more weeks during
1381.25 a base period referred to in paragraph (a) or (b), then the base period is the first four of the
1381.26 most recent nine completed calendar quarters before the effective date of the application
1381.27 for family or medical leave benefits.

1381.28 (e) For an applicant under a private plan as provided in section 268B.10, the base period
1381.29 is those most recent four quarters in which wage credits were earned ~~with the current~~
1381.30 ~~employer as provided by the current employer~~. If an employer does not have four quarters
1381.31 of wage detail information, the employer must accept an employee's certification of wage
1381.32 credits, based on the employee's records. If the employee does not provide certification of
1381.33 additional wage credits, the employer may use a base period that consists of all available
1381.34 quarters.

1382.1 (f) The base period is calculated once during the benefit year.

1382.2 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1382.3 Sec. 5. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 8, is amended
1382.4 to read:

1382.5 Subd. 8. **Benefit year.** (a) Except as provided in ~~paragraph~~ paragraphs (b) to (d), "benefit
1382.6 year" means the period of 52 calendar weeks beginning the ~~date a benefit account~~ effective
1382.7 date of leave under section 268B.04 is effective. For ~~a benefit account established an~~ effective
1382.8 date of leave that is any January 1, April 1, July 1, or October 1, the benefit year will be a
1382.9 period of 53 calendar weeks.

1382.10 (b) For an individual with multiple employers participating in the state plan, "benefit
1382.11 year" means the period of 52 calendar weeks beginning the date an effective date of leave
1382.12 under section 268B.04 is effective for any of the multiple employers.

1382.13 ~~(b)~~ (c) For a private plan under section 268B.10, "benefit year" means:

1382.14 (1) a calendar year;

1382.15 (2) any fixed 12-month period, such as a fiscal year or a 12-month period measured
1382.16 forward from an employee's first date of employment;

1382.17 (3) a 12-month period measured forward from an employee's first day of leave taken;

1382.18 or

1382.19 (4) a rolling 12-month period measured backward from an employee's first day of leave
1382.20 taken.

1382.21 Employers are required to notify employees of their benefit year within 30 days of the
1382.22 private plan approval and first day of employment.

1382.23 (d) For individuals with multiple employers with at least one employer participating in
1382.24 the state plan and at least one employer participating in a private plan:

1382.25 (1) for the employer or employers participating in the state plan, "benefit year" means
1382.26 the period of 52 calendar weeks beginning the effective date of leave is effective for any
1382.27 employer; and

1382.28 (2) the employer or employers participating in a private plan may define their benefit
1382.29 year according to paragraph (c).

1382.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1383.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 15, is amended
1383.2 to read:

1383.3 Subd. 15. **Covered employment.** (a) "Covered employment" means performing services
1383.4 of whatever nature, unlimited by the relationship of master and servant as known to the
1383.5 common law, or any other legal relationship performed for wages or under any contract
1383.6 calling for the performance of services, written or oral, express or implied.

1383.7 (b) For the purposes of this chapter, covered employment means an employee's entire
1383.8 employment during a calendar year if:

1383.9 (1) 50 percent or more of the employment during the calendar year is performed in
1383.10 Minnesota; or

1383.11 (2) 50 percent or more of the employment during the calendar year is not performed in
1383.12 Minnesota or any other single state within the United States, or Canada United States territory
1383.13 or foreign nation, but some of the employment is performed in Minnesota and the employee's
1383.14 residence is in Minnesota during 50 percent or more of the calendar year; ~~or.~~

1383.15 ~~(3) 50 percent or more of the employment during the calendar year is not performed in~~
1383.16 ~~Minnesota or any other state, or Canada, but the place from where the employee's~~
1383.17 ~~employment is controlled and directed is based in Minnesota.~~

1383.18 (c) "Covered employment" does not include:

1383.19 (1) a self-employed individual;

1383.20 (2) an independent contractor; or

1383.21 (3) employment by a seasonal employee, as defined in subdivision 35.

1383.22 (d) Entities that are excluded under this section may opt in to coverage following a
1383.23 procedure determined by the commissioner. In such cases, services provided by employees
1383.24 are considered covered employment under subdivision 15.

1383.25 (e) The commissioner may adopt rules in accordance with chapter 14 to:

1383.26 (1) further define the application of this subdivision; and

1383.27 (2) establish the criteria for covered employment for individuals that do not meet the
1383.28 criteria in paragraphs (a) and (b), but that perform services as an employee to a Minnesota
1383.29 employer.

1383.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1384.1 Sec. 7. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
1384.2 subdivision to read:

1384.3 Subd. 15a. **Covered individual.** "Covered individual" means either:

1384.4 (1) an applicant who meets the financial eligibility requirements of section 268B.04,
1384.5 subdivision 2, if services provided are covered employment under subdivision 15; or

1384.6 (2) a self-employed individual or independent contractor who has elected coverage under
1384.7 section 268B.11 and who meets the financial eligibility requirements under section 268B.11.

1384.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1384.9 Sec. 8. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
1384.10 subdivision to read:

1384.11 Subd. 15b. **Effective date of application.** "Effective date of application" means the date
1384.12 on which an application is submitted to the department.

1384.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1384.14 Sec. 9. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
1384.15 subdivision to read:

1384.16 Subd. 15c. **Effective date of leave.** "Effective date of leave" means the date of first
1384.17 absence associated with a leave under section 268B.09.

1384.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1384.19 Sec. 10. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 23, is amended
1384.20 to read:

1384.21 Subd. 23. **Family member.** (a) "Family member" means, with respect to an applicant:

1384.22 (1) a spouse or domestic partner;

1384.23 (2) a child, including a biological child, adopted child, ~~or~~ foster child, a stepchild, child
1384.24 of a domestic partner, or a child to whom the applicant stands in loco parentis, is a legal
1384.25 guardian, or is a de facto ~~parent~~ custodian;

1384.26 (3) a parent or legal guardian of the applicant;

1384.27 (4) a sibling;

1384.28 (5) a grandchild;

1384.29 (6) a grandparent or spouse's grandparent;

1385.1 (7) a son-in-law or daughter-in-law; and

1385.2 (8) an individual who has a personal relationship with the applicant that creates an
1385.3 expectation and reliance that the applicant care for the individual without compensation,
1385.4 whether or not the applicant and the individual reside together.

1385.5 (b) For the purposes of this chapter, "grandchild" means a child of the applicant's child.

1385.6 (c) For the purposes of this chapter, "grandparent" means a parent of the applicant's
1385.7 parent.

1385.8 (d) For the purposes of this chapter, "parent" means the biological, adoptive, de facto
1385.9 custodian, or foster parent, stepparent, or legal guardian of an applicant or the applicant's
1385.10 spouse, or an individual who stood in loco parentis to an applicant when the applicant was
1385.11 a child.

1385.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1385.13 Sec. 11. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
1385.14 subdivision to read:

1385.15 Subd. 23a. **Financially eligible.** "Financially eligible" means an applicant meets the
1385.16 requirements established under section 268B.04, subdivision 2.

1385.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1385.18 Sec. 12. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a
1385.19 subdivision to read:

1385.20 Subd. 27a. **Initial paid week.** "Initial paid week" means the first seven days of a leave,
1385.21 which must be paid and is a payable period for leave types including family care, medical
1385.22 care related to pregnancy, serious health condition, qualifying exigency, or safety leave.
1385.23 For intermittent leave, initial paid week means seven consecutive or nonconsecutive, or a
1385.24 combination of consecutive and nonconsecutive, calendar days from the effective date of
1385.25 leave, of which only days when leave is taken are payable. The initial week must be paid
1385.26 retroactively after the applicant has met the seven-day qualifying event under section
1385.27 268B.06, subdivision 2. A retroactive payment must be included in the first benefit payment
1385.28 to the applicant.

1385.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1386.1 Sec. 13. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 44, is amended
1386.2 to read:

1386.3 Subd. 44. **Typical workweek.** "Typical workweek" means:

1386.4 ~~(1) for an hourly employee, the average number of hours worked per week by an~~
1386.5 ~~employee within the high quarter during the base year; or~~ last two quarters prior to the
1386.6 effective date of application.

1386.7 ~~(2) 40 hours for a salaried employee, regardless of the number of hours the salaried~~
1386.8 ~~employee typically works.~~

1386.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1386.10 Sec. 14. Minnesota Statutes 2023 Supplement, section 268B.04, is amended to read:

1386.11 **268B.04 BENEFIT ACCOUNT FINANCIAL ELIGIBILITY; BENEFITS.**

1386.12 Subdivision 1. **Application for benefits; determination of ~~benefit account~~ financial**
1386.13 **eligibility.** (a) An application for benefits may be filed up to 60 days before leave taken
1386.14 under chapter 268B in person, by mail, or by electronic transmission as the commissioner
1386.15 may require. The applicant must include certification supporting a request for leave under
1386.16 this chapter. The applicant must meet eligibility requirements and must provide all requested
1386.17 information in the manner required. If the applicant fails to provide all requested information;
1386.18 ~~the communication is not an application for family and medical leave benefits~~ within a time
1386.19 period to be specified by the commissioner, the application is considered closed and the
1386.20 division must not further act on it.

1386.21 (b) The commissioner must examine each application for benefits to determine the base
1386.22 period and the benefit year, and based upon all the covered employment in the base period
1386.23 the commissioner must determine the financial eligibility of the applicant, which includes
1386.24 the weekly benefit amount available, if any, and the maximum amount of benefits available,
1386.25 if any. The determination, which is a document separate and distinct from a document titled
1386.26 a determination of eligibility or determination of ineligibility, must be titled determination
1386.27 of benefit account. A determination of benefit account must be sent to the applicant and all
1386.28 base period employers, by mail or electronic transmission. The department must notify all
1386.29 employers from which the applicant is taking leave, either in writing or electronically, not
1386.30 more than five business days after a claim for benefits has been filed by an employee or
1386.31 former employee as provided under this section.

1386.32 (c) If a base period employer did not provide wage detail information for the applicant
1386.33 as required under section 268B.12, the commissioner may accept an applicant certification

1387.1 of wage credits, based upon the applicant's records, and ~~issue a determination of benefit~~
1387.2 ~~account~~ determine the financial eligibility of the applicant.

1387.3 (d) The commissioner may, at any time within 12 months from the establishment of a
1387.4 ~~benefit account~~ leave, reconsider any determination of benefit account and make an amended
1387.5 determination if the commissioner finds that the wage credits listed in the determination
1387.6 were incorrect for any reason. An amended determination of benefit account must be
1387.7 promptly sent to the applicant and ~~all~~ any impacted base period employers, by mail or
1387.8 electronic transmission. This paragraph does not apply to ~~documents titled~~ determinations
1387.9 of eligibility or determinations of ineligibility issued.

1387.10 (e) If an amended determination of benefit account reduces the weekly benefit amount
1387.11 or maximum amount of benefits available, any benefits that have been paid greater than the
1387.12 applicant was entitled is an overpayment of benefits. A determination or amended
1387.13 determination issued under this section that results in an overpayment of benefits must set
1387.14 out the amount of the overpayment and the requirement that the overpaid benefits must be
1387.15 repaid according to section 268B.185.

1387.16 Subd. 2. **Benefit account requirements.** To establish a benefit account, an applicant
1387.17 must have wage credits of at least 5.3 percent of the state's average annual wage rounded
1387.18 down to the next lower \$100.

1387.19 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**
1387.20 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit
1387.21 is calculated by adding the amounts obtained by applying the following percentage to an
1387.22 applicant's average ~~typical workweek and~~ weekly wage during the high quarter of the base
1387.23 period:

1387.24 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
1387.25 plus

1387.26 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
1387.27 not 100 percent; plus

1387.28 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

1387.29 (b) For applicants that have changed employers within the base period, the weekly benefit
1387.30 amount is calculated based on the highest quarter of wages in the base period.

1387.31 ~~(b)~~ (c) The state's average weekly wage is the average wage as calculated under section
1387.32 268.035, subdivision 23, at the time a benefit amount is first determined.

1388.1 ~~(e)~~ (d) The maximum weekly benefit amount is the state's average weekly wage as
1388.2 calculated under section 268.035, subdivision 23.

1388.3 ~~(d)~~ (e) The state's maximum weekly benefit amount, computed in accordance with section
1388.4 268.035, subdivision 23, applies to a ~~benefit account~~ leaves established effective on or after
1388.5 the last Sunday in October. Once established, an applicant's weekly benefit amount is not
1388.6 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

1388.7 ~~(e)~~ (f) For an ~~employee~~ a covered individual receiving family or medical leave, a weekly
1388.8 benefit amount is prorated when:

1388.9 (1) the ~~employee~~ covered individual works hours for wages;

1388.10 (2) the ~~employee~~ covered individual uses paid sick leave, paid vacation leave, or other
1388.11 paid time off that is not considered a supplemental benefit payment as defined in section
1388.12 268B.01, subdivision 41; or

1388.13 (3) leave is taken intermittently.

1388.14 Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
1388.15 must be paid weekly.

1388.16 Subd. 5. **Maximum length of benefits.** (a) The total number of weeks that an applicant
1388.17 may take benefits in a single benefit year for a serious health condition is the lesser of 12
1388.18 weeks, or 12 weeks minus the number of weeks within the same benefit year that the
1388.19 applicant received benefits for bonding, safety leave, family care, ~~or~~ and qualifying exigency
1388.20 plus eight weeks.

1388.21 (b) The total number of weeks that an applicant may take benefits in a single benefit
1388.22 year for bonding, safety leave, family care, ~~or~~ and qualifying exigency is the lesser of 12
1388.23 weeks, or 12 weeks minus the number of weeks within the same benefit year that the
1388.24 applicant received benefits for a serious health condition plus eight weeks.

1388.25 Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits
1388.26 for bonding leave, any claim for benefits must be based on a single qualifying event of at
1388.27 least seven calendar days. ~~The minimum duration to receive benefits under this chapter is~~
1388.28 ~~one work day in a work week.~~

1388.29 Subd. 6a. **Minimum increment of leave.** Intermittent leave must be taken in increments
1388.30 consistent with the established policy of the employer to account for use of other forms of
1388.31 leave, so long as such employer's policy permits a minimum increment of at most one
1388.32 calendar day of intermittent leave. An applicant is not permitted to apply for payment for
1388.33 benefits associated with intermittent leave until the applicant has eight hours of accumulated

1389.1 leave time, unless more than 30 calendar days have lapsed since the initial taking of the
1389.2 leave.

1389.3 ~~Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit~~
1389.4 ~~account is final unless an appeal is filed by the applicant within 60 calendar days after the~~
1389.5 ~~sending of the determination or amended determination.~~

1389.6 ~~(b) Any applicant may appeal from a determination or amended determination of benefit~~
1389.7 ~~account on the issue of whether services performed constitute employment, whether the~~
1389.8 ~~employment is covered employment, and whether money paid constitutes wages.~~

1389.9 Subd. 8. **Limitations on applications and benefit accounts leaves.** (a) An application
1389.10 for family or medical leave benefits is effective the Sunday of the calendar week that the
1389.11 application was filed. An application for benefits may be backdated one calendar week
1389.12 before the Sunday of the week the application was actually filed if the applicant requests
1389.13 the backdating within seven calendar days of the ~~date the application is filed~~ effective date
1389.14 of application. An application may be backdated only if the applicant was eligible for the
1389.15 benefit during the period of the backdating. If an individual attempted to file an application
1389.16 for benefits, but was prevented from filing an application by the department, the application
1389.17 is effective the Sunday of the calendar week the individual first attempted to file an
1389.18 application.

1389.19 (b) If the applicant was unable to apply in a timely manner due to incapacitation or due
1389.20 to no fault of their own, the commissioner may backdate the claim beyond one calendar
1389.21 week to the effective date of leave. The commissioner may require the employee to prove
1389.22 the circumstances that prevented timely filing.

1389.23 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1389.24 Sec. 15. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 2, is amended
1389.25 to read:

1389.26 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
1389.27 benefits must be or have been based on a single event of at least seven calendar days' duration
1389.28 related to medical care related to pregnancy, family care, a qualifying exigency, safety leave,
1389.29 or the applicant's serious health condition. The days must be consecutive, unless the leave
1389.30 is intermittent. The seven-day qualifying event under this paragraph is a retroactively payable
1389.31 period, not an unpaid waiting period.

1389.32 (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

1390.1 (c) The commissioner shall use the rulemaking authority under section 268B.02,
1390.2 subdivision 3, to adopt rules regarding what serious health conditions and other events are
1390.3 prospectively presumed to constitute seven-day qualifying events under this chapter.

1390.4 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1390.5 Sec. 16. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 3, is amended
1390.6 to read:

1390.7 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the
1390.8 applicant's serious health condition shall be sufficient if the certification states the date on
1390.9 which the serious health condition began, the probable duration of the condition, and the
1390.10 appropriate medical facts within the knowledge of the health care provider as required by
1390.11 the commissioner. If the applicant requests intermittent leave, the certification must include
1390.12 the health care provider's reasonable estimate of the frequency and duration and estimated
1390.13 treatment schedule, if applicable.

1390.14 (b) Certification for an applicant taking leave to care for a family member with a serious
1390.15 health condition shall be sufficient if the certification states the date on which the serious
1390.16 health condition commenced, the probable duration of the condition, the appropriate medical
1390.17 facts within the knowledge of the health care provider as required by the commissioner, a
1390.18 statement that the family member requires care, and an estimate of the amount of time that
1390.19 the family member will require care.

1390.20 (c) Certification for an applicant taking leave due to medical care related to pregnancy
1390.21 shall be sufficient if the certification states the applicant is experiencing medical care related
1390.22 to pregnancy and recovery period based on appropriate medical facts within the knowledge
1390.23 of the health care provider.

1390.24 (d) Certification for an applicant taking bonding leave because of the birth of the
1390.25 applicant's child shall be sufficient if the certification includes either the child's birth
1390.26 certificate or a document issued by the health care provider of the child or the health care
1390.27 provider of the person who gave birth, stating the child's birth date or estimated due date.

1390.28 (e) Certification for an applicant taking bonding leave because of the placement of a
1390.29 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
1390.30 a document issued by the health care provider of the child, an adoption or foster care agency
1390.31 involved in the placement, or by other individuals as determined by the commissioner that
1390.32 confirms the placement and the date of placement. To the extent that the status of an applicant
1390.33 as an adoptive or foster parent changes while an application for benefits is pending, or while

1391.1 the covered individual is receiving benefits, the applicant must notify the department of
1391.2 such change in status in writing.

1391.3 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
1391.4 sufficient if the certification includes:

1391.5 (1) a copy of the family member's active-duty orders;

1391.6 (2) other documentation issued by the United States armed forces; or

1391.7 (3) other documentation permitted by the commissioner.

1391.8 (g) Certification for an applicant taking safety leave is sufficient if the certification
1391.9 includes a court record or documentation signed by ~~an employee of a victim's services~~
1391.10 ~~organization, an attorney, a police officer, or an antiviolence counselor~~ a qualified person
1391.11 acting in the qualified person's professional capacity to declare a need for safety leave. The
1391.12 commissioner must not require disclosure of details relating to an applicant's or applicant's
1391.13 family member's domestic abuse, sexual assault, or stalking. The commissioner may adopt
1391.14 rules regarding safety leave.

1391.15 (h) Certifications under paragraphs (a) to ~~(e)~~ (d) must be reviewed and signed by a health
1391.16 care provider with knowledge of the qualifying event associated with the leave.

1391.17 (i) For a leave taken on an intermittent basis, based on a serious health condition of an
1391.18 applicant or applicant's family member, the certification under this subdivision must include
1391.19 an explanation of how such leave would be medically beneficial to the individual with the
1391.20 serious health condition.

1391.21 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1391.22 Sec. 17. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 4, is amended
1391.23 to read:

1391.24 Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for
1391.25 any portion of a typical workweek:

1391.26 (1) that occurs before the effective date of ~~a benefit account~~ leave;

1391.27 (2) that the applicant fails or refuses to provide information on an issue of ineligibility
1391.28 required under section 268B.07, subdivision 2; ~~or~~

1391.29 (3) for which the applicant worked for pay;

1391.30 (4) for which the applicant is incarcerated; or

1391.31 (5) for which the applicant is receiving or has received unemployment insurance benefits.

1392.1 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1392.2 Sec. 18. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 5, is amended
1392.3 to read:

1392.4 Subd. 5. **Vacation, sick leave, and paid time off, ~~and disability insurance~~**
1392.5 **payments.** (a) An employee may use vacation pay, sick pay, or paid time off pay, ~~or disability~~
1392.6 ~~insurance payments~~, in lieu of family or medical leave program benefits under this chapter,
1392.7 provided the employee is concurrently eligible and subject to the total amount of leave
1392.8 available under section 268B.04, subdivision 5. Subject to the limitations of section 268B.09,
1392.9 ~~subdivision 4~~ subdivisions 6 and 7, an employee is entitled to the employment protections
1392.10 under section 268B.09 for those workdays during which this option is exercised. This
1392.11 subdivision applies to private plans under section 268B.10.

1392.12 (b) An employer may offer supplemental benefit payments, as defined in section 268B.01,
1392.13 subdivision 41, to an employee taking leave under this chapter. The choice to receive
1392.14 supplemental benefits lies with the employee. Nothing in this section shall be construed as
1392.15 requiring an employee to receive or an employer to provide supplemental benefits payments.
1392.16 The total amount of paid benefits under this chapter and the supplemental benefits paid
1392.17 must not exceed the employee's usual salary.

1392.18 (c) An employer may provide an employee with wage replacement during an absence.
1392.19 If the total amount of paid benefits under this chapter and the supplemental benefits paid
1392.20 exceed the employee's usual salary, the employee must refund the excess to either the
1392.21 employer or the paid leave division.

1392.22 (d) If an employer provides wage replacement to an employee for weeks that should be
1392.23 paid by the division, the department may reimburse the employer directly for those weeks.

1392.24 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1392.25 Sec. 19. Minnesota Statutes 2023 Supplement, section 268B.06, is amended by adding a
1392.26 subdivision to read:

1392.27 Subd. 7a. **Disability insurance offset.** An employee may receive disability insurance
1392.28 payments in addition to family and medical leave benefits provided the employee is
1392.29 concurrently eligible for both benefits. Disability insurance benefits may be offset by family
1392.30 and medical leave benefits paid to the employee pursuant to the terms of a disability insurance
1392.31 policy.

1392.32 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1393.1 Sec. 20. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 1, is amended
1393.2 to read:

1393.3 Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is
1393.4 entitled to benefits, the commissioner must promptly send a notification to ~~each current~~
1393.5 ~~employer~~ the employer or employers of the applicant from which the applicant is taking
1393.6 leave, if any, in accordance with paragraph (b).

1393.7 (b) The notification under paragraph (a) must include, at a minimum:

1393.8 (1) the name of the applicant;

1393.9 (2) that the applicant has applied for and received benefits;

1393.10 (3) the week the benefits commence;

1393.11 (4) the weekly benefit amount payable; and

1393.12 (5) the maximum duration of benefits.

1393.13 (c) The commissioner may adopt rules regarding additional information that may be
1393.14 requested from an applicant and notifications provided to an employer as part of the
1393.15 application and eligibility determination process for benefits.

1393.16 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1393.17 Sec. 21. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 2, is amended
1393.18 to read:

1393.19 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
1393.20 raised by information required from an applicant and send to the applicant and any current
1393.21 base period employer from which the applicant applied to take leave, by mail or electronic
1393.22 transmission, ~~a document titled~~ a determination of eligibility or a determination of
1393.23 ineligibility, as is appropriate, within two weeks, unless the application is incomplete due
1393.24 to outstanding requests for information including clerical or other errors. Nothing prohibits
1393.25 the commissioner from requesting additional information or the applicant from supplementing
1393.26 their initial application before a determination of eligibility. The commissioner may extend
1393.27 the deadline for a determination under this subdivision due to extenuating circumstances.

1393.28 (b) The commissioner shall set requirements for an applicant to respond to a request for
1393.29 information. If the required information is not provided in the timeline provided in paragraph
1393.30 (a), the application is denied.

1394.1 (c) The commissioner shall prescribe requirements for when an incomplete application
1394.2 is closed. Applicants shall have the ability to reopen closed claims in a manner and form
1394.3 prescribed by the commissioner.

1394.4 ~~(b)~~ (d) If an applicant obtained benefits through misrepresentation, the department is
1394.5 authorized to issue a determination of ineligibility within 12 months of the ~~establishment~~
1394.6 ~~of the benefit account~~ effective date of leave.

1394.7 ~~(e)~~ (e) If the department has filed an intervention in a ~~worker's~~ workers' compensation
1394.8 matter under section 176.361, the department is authorized to issue a determination of
1394.9 ineligibility within 48 months of the ~~establishment of the benefit account~~ effective date of
1394.10 leave.

1394.11 ~~(d) A determination of eligibility or determination of ineligibility is final unless an appeal~~
1394.12 ~~is filed by the applicant within 60 calendar days after sending.~~ (f) The determination must
1394.13 contain a prominent statement indicating the consequences of not appealing. ~~Proceedings~~
1394.14 ~~on the appeal are conducted in accordance with section 268B.08.~~

1394.15 ~~(e)~~ (g) An issue of ineligibility required to be determined under this section includes
1394.16 any question regarding the denial or allowing of benefits under this chapter.

1394.17 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1394.18 Sec. 22. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 3, is amended
1394.19 to read:

1394.20 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,
1394.21 on the commissioner's own motion, may reconsider a determination of eligibility or
1394.22 determination of ineligibility that has not become final and issue an amended determination.
1394.23 Any amended determination must be sent to the applicant and any employer in the current
1394.24 base period from which the applicant applied for leave by mail or electronic transmission.
1394.25 ~~Any amended determination is final unless an appeal is filed by the applicant within 60~~
1394.26 ~~calendar days after sending.~~

1394.27 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1394.28 Sec. 23. **[268B.081] APPEALS.**

1394.29 Subdivision 1. **Appeal filing.** (a) The commissioner may allow an appeal to be filed by
1394.30 electronic transmission. The commissioner may restrict the manner and format under which
1394.31 an appeal by electronic transmission may be filed. The notification of the determination or
1394.32 decision that is subject to appeal must clearly state the manner in which the determination

1395.1 or decision may be appealed. Subject to paragraph (b), this paragraph applies to requests
1395.2 for reconsideration under subdivision 6.

1395.3 (b) Except as provided in paragraph (c), the commissioner must allow an applicant to
1395.4 file an appeal by mail even if an appeal by electronic transmission is allowed. To be
1395.5 considered an appeal, a written statement delivered or mailed to the department must identify:

1395.6 (1) the determination or decision that the applicant disagrees with; and

1395.7 (2) the reason the applicant disagrees with the determination or decision.

1395.8 (c) If an agent files an appeal on behalf of an employer, the commissioner may require
1395.9 the appeal to be filed online. If the commissioner requires the appeal to be filed online, the
1395.10 appeal must be filed through the electronic address provided on the determination being
1395.11 appealed and use of another method of filing does not constitute an appeal. This paragraph
1395.12 does not apply to:

1395.13 (1) an employee filing an appeal on behalf of an employer; or

1395.14 (2) an attorney licensed to practice law who is directly representing the employer on
1395.15 appeal.

1395.16 (d) All information requested by the department when the appeal is filed must be supplied
1395.17 or the communication does not constitute an appeal.

1395.18 (e) If no appeal is filed by the deadlines listed in subdivision 2, the determination or
1395.19 decision is conclusive and final, unless the appealing party can demonstrate good cause for
1395.20 failing to file in a timely manner. For purposes of this paragraph, "good cause" is a reason
1395.21 that would have prevented a reasonable person acting with due diligence from filing in a
1395.22 timely manner. Unless otherwise specified, deadlines in this section may be extended up to
1395.23 60 days for good cause.

1395.24 Subd. 2. **Appealable issues and deadlines.** (a) An applicant may appeal to the
1395.25 department:

1395.26 (1) within 30 calendar days after a financial eligibility determination or amended financial
1395.27 eligibility determination sent by mail or electronic transmission by the department under
1395.28 section 268B.04 regarding:

1395.29 (i) whether services performed constitute employment;

1395.30 (ii) whether the employment is covered employment;

1395.31 (iii) whether money paid constitutes wages; or

- 1396.1 (iv) a denial resulting from the applicant's missing or incomplete documentation;
- 1396.2 (2) within 30 calendar days after an eligibility determination sent by the department
- 1396.3 related to seasonal employment status under section 268B.06, subdivision 9;
- 1396.4 (3) within 30 calendar days after an eligibility determination sent by the department
- 1396.5 under section 268B.07 regarding:
- 1396.6 (i) financial eligibility, calculations of benefit amount, work schedule, and leave balance
- 1396.7 available; or
- 1396.8 (ii) a denial resulting from missing or incomplete documentation;
- 1396.9 (4) within 30 calendar days after the denial of a good cause demonstration under
- 1396.10 subdivision 1, paragraph (e). The deadline for appeals of denials of good cause demonstration
- 1396.11 may not be extended;
- 1396.12 (5) within 30 calendar days after an applicant receives a decision from an insurer,
- 1396.13 approved private plan administrator, or employer under section 268B.10, subdivision 6,
- 1396.14 regarding the results of the administrative review under section 268B.10, subdivision 6,
- 1396.15 paragraph (b); and
- 1396.16 (6) within 30 calendar days after a determination of overpayment penalty sent by the
- 1396.17 department under section 268B.185.
- 1396.18 (b) A base period employer may appeal to the department:
- 1396.19 (1) within 30 calendar days after a denial of an application for seasonal worker status
- 1396.20 under section 268B.01, subdivision 35;
- 1396.21 (2) within 30 calendar days after a financial eligibility determination or amended financial
- 1396.22 eligibility determination sent by mail or electronic transmission by the department under
- 1396.23 section 268B.04 regarding:
- 1396.24 (i) whether services performed constitute employment;
- 1396.25 (ii) whether the employment is covered employment; or
- 1396.26 (iii) whether money paid constitutes wages;
- 1396.27 (3) within 30 calendar days after a denial of an application for substitution of a private
- 1396.28 plan is sent under section 268B.10;
- 1396.29 (4) within 30 calendar days after a notice of termination of a private plan is sent by the
- 1396.30 department under section 268B.10, subdivision 16;

1397.1 (5) within 30 calendar days after a notice of penalties is sent by the department under
1397.2 section 268B.10, subdivision 17;

1397.3 (6) within 30 calendar days after the notice of the determination of the calculation of
1397.4 premiums has been sent by the department under section 268B.14, subdivision 1;

1397.5 (7) within 30 calendar days after a determination of denial is sent by the department
1397.6 under section 268B.15, subdivision 7; and

1397.7 (8) within 30 calendar days after a determination of penalty is sent by the department
1397.8 under section 268B.19.

1397.9 (c) Notwithstanding any provision of this chapter, the commissioner or a hearing officer
1397.10 may, before a determination is made under this chapter, refer any issue of ineligibility, or
1397.11 any other issue under this chapter, directly for hearing in accordance with this section. The
1397.12 status of the issue is the same as if a determination had been made and an appeal filed.

1397.13 (d) The computation of time provisions of sections 645.15 and 645.151 apply to this
1397.14 section.

1397.15 Subd. 3. **Notice of hearing.** The notice of hearing must include materials that provide:

1397.16 (1) a statement that the purpose of the hearing is to take sworn testimony and other
1397.17 evidence on the issues involved, that the hearing is the only procedure available under the
1397.18 law at which a party may present evidence, and that further appeals consist of a review of
1397.19 the evidence submitted at the hearing;

1397.20 (2) a statement of the parties' right to represent themselves or to be represented by an
1397.21 attorney or other authorized representative;

1397.22 (3) a brief description of the procedure to be followed to request a continuance of the
1397.23 hearing;

1397.24 (4) a brief description of the procedure to be followed at the hearing, including the role
1397.25 of the hearing officer;

1397.26 (5) a statement that the parties should arrange in advance for the participation of witnesses
1397.27 the parties need to support their position;

1397.28 (6) a statement that a party may find out the name of the other party's attorney or other
1397.29 authorized representative, names of the witnesses that the other party intends to have testify
1397.30 at the hearing, and an explanation of the process for making the request;

1397.31 (7) a statement that subpoenas may be available to compel the participation of witnesses
1397.32 or the production of documents and an explanation of the process for requesting a subpoena;

1398.1 (8) a statement that documents contained in the department's records and documents
1398.2 submitted by the parties that will be introduced at the hearing as possible exhibits will be
1398.3 sent to the parties in advance of the hearing;

1398.4 (9) a statement that even if the applicant already received benefits, the applicant should
1398.5 participate in the hearing, because if the applicant is held ineligible, the applicant is not
1398.6 eligible to receive further benefits and will have to pay back the benefits already received;

1398.7 (10) a statement that the hearing officer will determine the facts based upon a
1398.8 preponderance of the evidence along with the statutory definition of "preponderance of the
1398.9 evidence"; and

1398.10 (11) a statement that a party who fails to participate in the hearing will not be allowed
1398.11 a rehearing unless the party can show good cause for failing to participate, along with the
1398.12 statutory definition of "good cause."

1398.13 Subd. 4. **Hearing.** (a) Upon a timely appeal to a determination having been filed or upon
1398.14 a referral for direct hearing, the department must set a time and date for a de novo due
1398.15 process hearing and send notice to an applicant and an employer, by mail or electronic
1398.16 transmission, not less than ten calendar days before the date of the hearing.

1398.17 (b) The commissioner may adopt rules on procedures for hearings. The rules need not
1398.18 conform to common law or statutory rules of evidence and other technical rules of procedure.

1398.19 (c) The department has discretion regarding the method by which the hearing is
1398.20 conducted.

1398.21 (d) The department may conduct a joint hearing with the unemployment insurance
1398.22 division if the substance of the appeal pertains to both programs.

1398.23 (e) The department must assign a hearing officer to conduct a hearing and may transfer
1398.24 to another hearing officer any proceedings pending before another hearing officer.

1398.25 (f) The department has discretion regarding the method by which the hearing is conducted.
1398.26 The hearing must be conducted by a hearing officer as an evidence-gathering inquiry, without
1398.27 regard to a burden of proof. The order of presentation of evidence is determined by the
1398.28 hearing officer.

1398.29 (g) Each party may present and examine witnesses and offer their own documents or
1398.30 other exhibits. Parties have the right to examine witnesses, object to exhibits and testimony,
1398.31 and cross-examine the other party's witnesses. The hearing officer must assist all parties in
1398.32 the presentation of evidence. The hearing officer must rule upon evidentiary objections on
1398.33 the record. The hearing officer must permit rebuttal testimony. Parties have the right to

1399.1 make closing statements. Closing statements may include comments based upon the evidence
1399.2 and arguments of law. The hearing officer may limit repetitious testimony and arguments.

1399.3 (h) The hearing officer must exercise control over the hearing procedure in a manner
1399.4 that protects the parties' rights to a fair hearing, including the sequestration of witnesses to
1399.5 avoid prejudice or collusion. The hearing officer must ensure that all relevant facts are
1399.6 clearly and fully developed. The hearing officer may obtain testimony and other evidence
1399.7 from department employees and any other person the hearing officer believes will assist in
1399.8 reaching a proper result.

1399.9 (i) Before taking testimony, the hearing officer must inform the parties:

1399.10 (1) that the purpose of the hearing is to take testimony and other evidence on the issues;

1399.11 (2) that the hearing is the only opportunity available to the parties to present testimony
1399.12 and other evidence on the issues involved;

1399.13 (3) of an explanation of how the hearing will be conducted, including the role and
1399.14 obligations of the hearing officer;

1399.15 (4) that the parties have the right to request that the hearing be continued so that additional
1399.16 witnesses and documents can be presented, by subpoena if necessary;

1399.17 (5) that the facts will be determined upon a preponderance of the evidence, along with
1399.18 the statutory definition of "preponderance of the evidence";

1399.19 (6) of the statutory provision on burden of proof;

1399.20 (7) that certain government agencies may have access to the information provided at the
1399.21 hearing if allowed by statute and that the information provided may be disclosed under a
1399.22 district court order; and

1399.23 (8) that after the hearing is over, the hearing officer will issue a written decision, which
1399.24 will be sent to the parties by mail or electronic transmission.

1399.25 Subd. 5. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
1399.26 the hearing officer must serve by mail or electronic transmission to all parties the decision,
1399.27 reasons for the decision, and written findings of fact. The hearing officer's decision is final
1399.28 unless a request for reconsideration is filed under subdivision 6.

1399.29 (b) If the appellant fails to participate in the hearing, the hearing officer has the discretion
1399.30 to dismiss the appeal by summary decision. By failing to participate, the appellant is
1399.31 considered to have failed to exhaust available administrative remedies unless the appellant
1399.32 files a request for reconsideration under subdivision 6 and establishes good cause for failing

1400.1 to participate in the hearing. Submission of a written statement does not constitute
1400.2 participation. The appellant must participate personally or through an authorized
1400.3 representative.

1400.4 (c) The hearing officer must issue a decision dismissing the appeal as untimely if the
1400.5 judge decides the appeal was not filed in accordance with the deadlines under subdivision
1400.6 2 after sending the determination. The hearing officer may dismiss the appeal by summary
1400.7 decision or may conduct a hearing to obtain evidence on the timeliness of the appeal.

1400.8 (d) Decisions of a hearing officer are not precedential.

1400.9 Subd. 6. Request for reconsideration. (a) Any party, or the commissioner, may, within
1400.10 30 calendar days after service of the hearing officer's decision, file a request for
1400.11 reconsideration asking the hearing officer to reconsider that decision. Upon the filing of a
1400.12 request for reconsideration, the division must send a notice by mail or electronic transmission
1400.13 to the appellant that a request for reconsideration has been filed. The notice must inform
1400.14 the appellant:

1400.15 (1) that reconsideration is the procedure for the hearing officer to correct any factual or
1400.16 legal mistake in the decision or to order an additional hearing when appropriate;

1400.17 (2) of the opportunity to provide comment on the request for reconsideration and the
1400.18 right to obtain a copy of any recorded testimony and exhibits offered or received into
1400.19 evidence at the hearing;

1400.20 (3) that providing specific comments as to a perceived factual or legal mistake in the
1400.21 decision, or a perceived mistake in procedure during the hearing, will assist the hearing
1400.22 officer in deciding the request for reconsideration;

1400.23 (4) of the right to obtain any comments and submissions provided by any other party
1400.24 regarding the request for reconsideration; and

1400.25 (5) of the provisions of paragraph (c) regarding additional evidence.

1400.26 This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not
1400.27 mean the hearing officer has decided the request for reconsideration was timely filed.

1400.28 (b) In deciding a request for reconsideration, the hearing officer must not consider
1400.29 evidence that was not submitted at the hearing, except for purposes of determining whether
1400.30 to order an additional hearing. The hearing officer must order an additional hearing if a
1400.31 party shows that evidence which was not submitted at the hearing:

1401.1 (1) would likely change the outcome of the decision and there was good cause for not
1401.2 having previously submitted that evidence; or

1401.3 (2) would show that the evidence that was submitted at the hearing was likely false and
1401.4 that the likely false evidence had an effect on the outcome of the decision.

1401.5 For purposes of this paragraph, "good cause" is a reason that would have prevented a
1401.6 reasonable person acting with due diligence from submitting the evidence.

1401.7 (c) If the appellant failed to participate in the hearing, the hearing officer must issue an
1401.8 order setting aside the decision and ordering an additional hearing if the party who failed
1401.9 to participate had good cause for failing to do so. The appellant who failed to participate in
1401.10 the hearing must be informed of the requirement to show good cause for failing to participate.
1401.11 If the hearing officer determines that good cause for failure to participate has not been
1401.12 shown, the judge must state that determination in the decision issued under paragraph (f).
1401.13 Submission of a written statement at the hearing does not constitute participation for purposes
1401.14 of this paragraph. "Good cause" for purposes of this paragraph is a reason that would have
1401.15 prevented a reasonable person acting with due diligence from participating in the hearing.

1401.16 (d) A request for reconsideration must be decided by the hearing officer who issued the
1401.17 decision under subdivision 5 unless that hearing officer:

1401.18 (1) is no longer employed by the department as a hearing officer;

1401.19 (2) is on an extended or indefinite leave; or

1401.20 (3) has been removed from the proceedings by the department.

1401.21 (e) If a request for reconsideration is timely filed, the hearing officer must issue:

1401.22 (1) a decision affirming the findings of fact, reasons for the decision, and a decision
1401.23 issued under subdivision 5;

1401.24 (2) a decision modifying the findings of fact, reasons for the decision, and a decision
1401.25 issued under subdivision 5; or

1401.26 (3) an order setting aside the findings of fact, reasons for the decision, and a decision
1401.27 issued under subdivision 5 and ordering an additional hearing.

1401.28 (f) The hearing officer must issue a decision dismissing the request for reconsideration
1401.29 as untimely if the judge decides the request for reconsideration was not filed within 30
1401.30 calendar days after sending the decision under subdivision 5.

1401.31 (g) The hearing officer must send to all parties by mail or electronic transmission the
1401.32 decision or order issued under this subdivision. A decision affirming or modifying the

1402.1 previously issued findings of fact, reasons for the decision, and a decision issued under
1402.2 subdivision 5, or a decision dismissing the request for reconsideration as untimely, is the
1402.3 final decision on the matter and is binding on the parties unless judicial review is sought
1402.4 under subdivision 9.

1402.5 Subd. 7. **Withdrawal of an appeal.** (a) An appeal that is pending before a hearing officer
1402.6 may be withdrawn by the appealing party, or an authorized representative of that party, by
1402.7 filing a notice of withdrawal. A notice of withdrawal may be filed by mail or by electronic
1402.8 transmission.

1402.9 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless a
1402.10 hearing officer directs that further proceedings are required. An order of dismissal issued
1402.11 because of a notice of withdrawal is not subject to reconsideration or appeal.

1402.12 (c) A party may file a new appeal after the order of dismissal, but the original deadline
1402.13 period for appeal begins from the date of issuance of the determination, and that period is
1402.14 not suspended or restarted by the notice of withdrawal and order of dismissal. The new
1402.15 appeal may only be filed by mail or facsimile transmission.

1402.16 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
1402.17 filed under subdivision 6.

1402.18 Subd. 8. **Effect of decisions.** (a) If a hearing officer's decision allows benefits to an
1402.19 applicant, the benefits must be paid regardless of any request for reconsideration or petition
1402.20 to the Minnesota Court of Appeals.

1402.21 (b) If a hearing officer's decision modifies or reverses a determination that allowed
1402.22 benefits to be paid, or on reconsideration the decision modifies or reverses a prior decision
1402.23 that allowed benefits to be paid, any benefits paid are an overpayment of those benefits. A
1402.24 decision that results in an overpayment of benefits must set out the amount of the
1402.25 overpayment and the requirement under section 268B.185, subdivision 1, that the benefits
1402.26 must be repaid.

1402.27 (c) If a hearing officer, on reconsideration under subdivision 6, orders the taking of
1402.28 additional evidence, the hearing officer's prior decision must continue to be enforced until
1402.29 new findings of fact and decision are made by the hearing officer.

1402.30 Subd. 9. **Use of evidence; data privacy.** (a) All testimony at a hearing must be recorded.
1402.31 A copy of recorded testimony and exhibits offered or received into evidence at the hearing
1402.32 must, upon request, be furnished to a party at no cost:

1402.33 (1) during the time period for filing a request for reconsideration;

1403.1 (2) while a request for reconsideration is pending;

1403.2 (3) during the time for filing a petition under subdivision 12; or

1403.3 (4) while a petition is pending.

1403.4 Regardless of any law to the contrary, recorded testimony and other evidence may later be

1403.5 made available only under a district court order. A subpoena is not considered a district

1403.6 court order.

1403.7 (b) Testimony obtained at a hearing must not be used or considered for any purpose,

1403.8 including impeachment, in any civil, administrative, or contractual proceeding, except by

1403.9 a local, state, or federal human rights agency with enforcement powers, unless the proceeding

1403.10 is initiated by the department. This paragraph does not apply to criminal proceedings.

1403.11 Subd. 10. **No collateral estoppel.** No findings of fact, decision, or order issued by a

1403.12 hearing officer may be held conclusive or binding or used as evidence in any separate or

1403.13 subsequent action in any other forum, be it contractual, administrative, or judicial, except

1403.14 proceedings provided for under this chapter, regardless of whether the action involves the

1403.15 same or related parties or involves the same facts.

1403.16 Subd. 11. **Representation; fees.** (a) In any proceeding under subdivision 4 or 6, an

1403.17 applicant or employer may be self-represented or represented by an attorney or an authorized

1403.18 representative. Except for services provided by a licensed attorney, no person may charge

1403.19 an applicant a fee of any kind for advising, assisting, or representing an applicant in a

1403.20 hearing, on reconsideration, or in a proceeding under subdivision 12.

1403.21 (b) A hearing officer may refuse to allow a person to represent others in a hearing if that

1403.22 person acts in an unethical manner or repeatedly fails to follow the instructions of the hearing

1403.23 officer.

1403.24 (c) An applicant may not be charged fees, costs, or disbursements of any kind in a

1403.25 proceeding before a hearing officer, the Minnesota Court of Appeals, or the Supreme Court

1403.26 of Minnesota.

1403.27 (d) No attorney fees may be awarded, or costs or disbursements assessed, against the

1403.28 department as a result of any proceedings under this section.

1403.29 Subd. 12. **Appeal to court of appeals.** (a) Any final determination on a request for

1403.30 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

1403.31 The Minnesota Court of Appeals must, by writ of certiorari to the department, review the

1403.32 hearing officer's decision on reconsideration, provided a petition for the writ is filed with

1403.33 the court and a copy is served upon the hearing officer or the commissioner and any other

1404.1 party within 30 calendar days of the sending of the hearing officer's decision on
1404.2 reconsideration under subdivision 6. Three days are added to the 30-calendar-day period if
1404.3 the decision on reconsideration was mailed to the parties.

1404.4 (b) Any employer petitioning for a writ of certiorari must pay to the court the required
1404.5 filing fee in accordance with the Rules of Civil Appellate Procedure. If the employer requests
1404.6 a written transcript of the testimony received at the hearing conducted under this section,
1404.7 the employer must pay to the department the cost of preparing the transcript. That money
1404.8 is credited to the administration account.

1404.9 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a result
1404.10 of an applicant's petition, the department must furnish to the applicant at no cost a written
1404.11 transcript of any testimony received at the hearing conducted under this section and, if
1404.12 requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is required
1404.13 of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

1404.14 (d) The Minnesota Court of Appeals may affirm the decision of the hearing officer or
1404.15 remand the case for further proceedings, or it may reverse or modify the decision if the
1404.16 substantial rights of the petitioner may have been prejudiced because the findings, inferences,
1404.17 conclusion, or decision are:

1404.18 (1) in violation of constitutional provisions;

1404.19 (2) in excess of the statutory authority or jurisdiction of the department;

1404.20 (3) made upon unlawful procedure;

1404.21 (4) affected by other error of law;

1404.22 (5) unsupported by substantial evidence in view of the hearing record as submitted; or

1404.23 (6) arbitrary or capricious.

1404.24 (e) The department is the primary responding party to any judicial action involving a
1404.25 hearing officer's decision. The department may be represented by an attorney licensed to
1404.26 practice law in Minnesota.

1404.27 Subd. 13. **Rescheduling and continuances.** (a) Requests to reschedule a hearing must
1404.28 be addressed in a manner and form prescribed by the commissioner in advance of the
1404.29 regularly scheduled hearing date. A hearing must be rescheduled based on a party's good
1404.30 cause need for additional time to obtain necessary evidence or to obtain representation or
1404.31 adequately prepare, inability to participate due to illness, or other compelling reasons beyond
1404.32 the control of the party that prevent participation at the originally scheduled time. A hearing

1405.1 may be rescheduled only once by each party except in the case of an emergency. If requested,
1405.2 a written statement by mail or electronic transmission confirming the reasons for requesting
1405.3 that the case be rescheduled must be provided to the department.

1405.4 (b) The ten-calendar-day notice requirement for hearings does not apply to rescheduled
1405.5 hearings.

1405.6 (c) If a request for rescheduling is made because of the unavailability of a witness or
1405.7 the need to obtain documents, the hearing officer may direct that the hearing take place as
1405.8 scheduled. After obtaining the testimony and other evidence then available, the hearing
1405.9 officer must determine whether the hearing should be continued to obtain the testimony of
1405.10 the unavailable witness or the unavailable documents. The ten-calendar-day notice
1405.11 requirement for hearings does not apply to continued hearings. The hearing officer has the
1405.12 discretion to continue a hearing if the hearing officer determines that additional evidence
1405.13 is necessary for a proper result.

1405.14 Subd. 14. **Consolidation of parties, issues, and new issues.** Upon the request of a party
1405.15 or on the hearing officer's motion, the hearing officer may consolidate for hearing issues
1405.16 involving one or more of the same parties. The hearing officer may take testimony and
1405.17 render a decision on issues not listed on the notice of hearing if each party is notified on
1405.18 the record, is advised of the right to object, and does not object. If a party objects, the hearing
1405.19 officer must:

1405.20 (1) continue the hearing to allow the party to prepare for consideration of the issue; or

1405.21 (2) direct the department to address the issue and send to the parties a determination by
1405.22 mail or electronic transmission.

1405.23 Subd. 15. **Interpreters.** (a) The department must provide an interpreter, when necessary,
1405.24 upon the request of a party. The requesting party must notify the department at least five
1405.25 calendar days before the date of the hearing that an interpreter is required. The hearing
1405.26 officer must continue any hearing where a witness or party needs an interpreter to be
1405.27 understood or to understand the proceedings.

1405.28 (b) A written statement in the five most common languages spoken in Minnesota must
1405.29 accompany all notices and written materials sent to the parties stating that the accompanying
1405.30 documents are important and that if the reader does not understand the documents the reader
1405.31 should seek immediate assistance.

1405.32 Subd. 16. **Exhibits in hearings.** (a) Upon receipt of the notice of hearing, and no later
1405.33 than five calendar days before the scheduled date of hearing, parties may submit to the

1406.1 department, by electronic transmission or mail, any documents a party would like to offer
1406.2 as exhibits at the hearing. Copies of the documents submitted by the parties, as well as all
1406.3 documents that are contained in the department's records that will be introduced as exhibits,
1406.4 must be mailed, or sent by electronic transmission, to all parties or the parties' authorized
1406.5 representatives by the department in advance of the hearing.

1406.6 (b) If a party requests to introduce additional documents during the hearing, and the
1406.7 hearing officer rules that the documents should be considered, the requesting party must
1406.8 provide copies of the documents to the hearing officer and the other party. The record must
1406.9 be left open for sufficient time for the submission of a written response to the documents.
1406.10 The response may be sent by mail or electronic transmission. The hearing officer may, when
1406.11 appropriate, reconvene the hearing to obtain a response or permit cross-examination regarding
1406.12 the late filed exhibits.

1406.13 Subd. 17. **Access to data.** The parties to a hearing must be allowed reasonable access
1406.14 to department data necessary to represent themselves in the hearing. Access to data must
1406.15 be consistent with all laws relating to data practices. The data must be provided by the
1406.16 department at no cost and mailed or sent by electronic transmission to the party or the party's
1406.17 authorized representative.

1406.18 Subd. 18. **Subpoenas and discovery.** (a) The hearing officer may issue subpoenas to
1406.19 compel the attendance of witnesses, the production of documents, or other exhibits upon a
1406.20 showing of necessity by the requesting party. Requests for issuance of subpoenas must be
1406.21 made to the department, by electronic transmission or mail, sufficiently in advance of the
1406.22 scheduled hearing to allow for the service of the subpoenas. The requesting party must
1406.23 identify the person or documents to be subpoenaed and the subject matter and necessity of
1406.24 the evidence requested. A request for a subpoena may be denied if the testimony or
1406.25 documents sought would be irrelevant, immaterial, or unduly cumulative or repetitious.

1406.26 (b) If a request for a subpoena has been denied, the hearing officer must reconsider the
1406.27 request during the hearing and determine whether the request was properly denied. If the
1406.28 hearing officer determines that the request for a subpoena was not properly denied, the
1406.29 hearing officer must continue the hearing to allow for service of and compliance with the
1406.30 subpoena. The hearing officer may issue a subpoena even if a party has not requested one.

1406.31 (c) Within five calendar days following request by another party, each party must disclose
1406.32 the name of the party's attorney or other authorized representative and the names of all
1406.33 witnesses the party intends to have testify at the hearing. The request and the response may
1406.34 be made by mail or by electronic transmission. Any witnesses unknown at the time of the

1407.1 request must be disclosed as soon as they become known. If a party fails to comply with
1407.2 the disclosure requirements, the hearing officer may, upon notice to the parties, continue
1407.3 the hearing.

1407.4 Subd. 19. **Disqualification of hearing officer.** (a) A hearing officer must request to be
1407.5 removed from any case by the department where the hearing officer believes that presiding
1407.6 over the case would create the appearance of impropriety. The department must remove a
1407.7 hearing officer from any case if the hearing officer has a financial or personal interest in
1407.8 the outcome.

1407.9 (b) Any party may request the removal of a hearing officer by submitting to the
1407.10 department, by mail or electronic transmission, a written statement of the basis for removal.
1407.11 The department must decide the fitness of the hearing officer to hear the particular case.

1407.12 Subd. 20. **Public access to hearings and recording of hearings.** (a) Hearings are not
1407.13 public. Only parties, the parties' authorized representatives and witnesses, and authorized
1407.14 department personnel are permitted to participate in or listen to hearings. If any other person
1407.15 wishes to listen to or sit in on a hearing, the parties must provide their consent as required
1407.16 by section 13.05, subdivision 4.

1407.17 (b) The hearing officer must make a recording of all testimony that is the official record.
1407.18 No other voice recordings or pictures may be made of any party, representative, or witness
1407.19 during the hearing.

1407.20 Subd. 21. **Administration of oath or affirmation.** A hearing officer has authority to
1407.21 administer oaths and affirmations. Before testifying, every witness is required to declare to
1407.22 testify truthfully, by oath or affirmation under sections 358.07 and 358.08.

1407.23 Subd. 22. **Receipt of evidence.** Only evidence received into the record of any hearing
1407.24 may be considered by the hearing officer. The parties may stipulate to the existence of any
1407.25 fact or the authenticity of any exhibit. All competent, relevant, and material evidence,
1407.26 including records and documents in the possession of the parties that are offered into
1407.27 evidence, are part of the hearing record. A hearing officer may receive any evidence that
1407.28 possesses probative value, including hearsay, if it is the type of evidence on which reasonable,
1407.29 prudent persons are accustomed to rely in the conduct of their serious affairs. A hearing
1407.30 officer may exclude any evidence that is irrelevant, immaterial, unreliable, or unduly
1407.31 repetitious. A hearing officer is not bound by statutory and common law rules of evidence.
1407.32 The rules of evidence may be used as a guide in determining the quality of evidence offered.
1407.33 A hearing officer may draw adverse inferences from the refusal of a party or witness to

1408.1 testify on the basis of any privilege. A hearing officer may only use reliable, probative, and
1408.2 substantial evidence as a basis for decision.

1408.3 Subd. 23. **Official notice.** A hearing officer may take official notice of matters of common
1408.4 knowledge and may take notice of facts within the hearing officer's specialized knowledge
1408.5 in the field of paid leave. The hearing officer must state on the record any fact that is
1408.6 judicially noticed. The hearing officer must give the parties an opportunity to contest the
1408.7 noticed facts.

1408.8 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1408.9 Sec. 24. Minnesota Statutes 2023 Supplement, section 268B.085, subdivision 3, is amended
1408.10 to read:

1408.11 Subd. 3. **Intermittent schedule.** (a) Leave under this chapter, based on a serious health
1408.12 condition, may be taken intermittently if such leave is reasonable and appropriate to the
1408.13 needs of the individual with the serious health condition. For all other leaves under this
1408.14 chapter, leave may be taken intermittently. Intermittent leave is leave taken in separate
1408.15 blocks of time due to a single, seven-day qualifying event.

1408.16 (b) For an applicant who takes leave on an intermittent schedule, the weekly benefit
1408.17 amount shall be prorated.

1408.18 (c) An employee requesting leave taken intermittently shall provide the employer with
1408.19 a schedule of needed workdays off as soon as practicable and must make a reasonable effort
1408.20 to schedule the intermittent leave so as not to disrupt unduly the operations of the employer.
1408.21 If this cannot be done to the satisfaction of both employer and employee, the employer
1408.22 cannot require the employee to change their leave schedule in order to accommodate the
1408.23 employer.

1408.24 (d) Notwithstanding the allowance for intermittent leave under this subdivision, an
1408.25 employer shall not be required under this chapter to provide, but may elect to provide, more
1408.26 than 480 hours of intermittent leave in any 12-month period. If an employer limits hours of
1408.27 intermittent leave pursuant to this paragraph, an employee is entitled to take their remaining
1408.28 leave continuously, subject to the total amount of leave available under section 268B.04,
1408.29 subdivision 5. An employer may run intermittent leave available under the Family and
1408.30 Medical Leave Act, United States Code, title 29, sections 2601 to 2654, as amended,
1408.31 concurrent with an employee's entitlement to intermittent leave under this chapter.

1409.1 Sec. 25. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 1, is amended
1409.2 to read:

1409.3 Subdivision 1. **Retaliation prohibited.** (a) An employer must not discharge, discipline,
1409.4 penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate
1409.5 against an employee for requesting or obtaining benefits or leave, or for exercising any
1409.6 other right under this chapter.

1409.7 (b) For the purposes of this section, the term "leave" includes but is not limited to:

1409.8 (1) leave taken for any day for which the commissioner has determined that the employee
1409.9 ~~has been deemed~~ is eligible for benefits or leave under this chapter; or

1409.10 (2) any day for which the employee meets the eligibility criteria under section 268B.06,
1409.11 subdivision 1, ~~clause paragraph (a), clauses (2) or (3), and~~ or the employee has applied
1409.12 for benefits in good faith under this chapter. For the purposes of this subdivision, "good
1409.13 faith" is defined as anything that is not knowingly false or in reckless disregard of the truth.

1409.14 (c) In addition to the remedies provided in subdivision 8, the commissioner of labor and
1409.15 industry may also issue a penalty to the employer of not less than \$1,000 and not more than
1409.16 \$10,000 per violation, payable to the employee aggrieved. In determining the amount of
1409.17 the penalty under this subdivision, the appropriateness of the penalty to the size of the
1409.18 employer's business and the gravity of the violation shall be considered.

1409.19 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1409.20 Sec. 26. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 6, is amended
1409.21 to read:

1409.22 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
1409.23 an employee is entitled to be returned to the same position the employee held when leave
1409.24 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
1409.25 conditions of employment. Except as provided under subdivision 7, an employee is entitled
1409.26 to reinstatement even if the employee has been replaced or the employee's position has been
1409.27 restructured to accommodate the employee's absence.

1409.28 (b)(1) An equivalent position is one that is virtually identical to the employee's former
1409.29 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,
1409.30 and status. It must involve the same or substantially similar duties and responsibilities,
1409.31 which must entail substantially equivalent skill, effort, responsibility, and authority.

1410.1 (2) If an employee is no longer qualified for the position because of the employee's
1410.2 inability to attend a necessary course, renew a license, fly a minimum number of hours, or
1410.3 similar condition, as a result of the leave, the employee must be given a reasonable
1410.4 opportunity to fulfill those conditions upon return from leave.

1410.5 (c)(1) An employee is entitled to any unconditional pay increases which may have
1410.6 occurred during the leave period, such as cost of living increases. Pay increases conditioned
1410.7 upon seniority, length of service, or work performed must be granted in accordance with
1410.8 the employer's policy or practice, or contract with respect to other employees on an
1410.9 equivalent leave status for a reason that does not qualify for leave under this chapter. An
1410.10 employee is entitled to be restored to a position with the same or equivalent pay premiums,
1410.11 such as a shift differential. If an employee departed from a position ~~averaging ten hours of~~
1410.12 ~~overtime, and corresponding overtime pay, each week an~~ for which they receive overtime
1410.13 pay, the employee is ordinarily entitled to such a position with overtime pay and overtime
1410.14 hours on return from leave under this chapter. If a pay premium, such as a shift differential,
1410.15 or overtime has been decreased or eliminated for other similarly classified employees, an
1410.16 employee is not entitled to restoration of the pay premium or overtime.

1410.17 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
1410.18 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment
1410.19 is based on the achievement of a specified goal such as hours worked, products sold, or
1410.20 perfect attendance, and the employee has not met the goal due to leave under this chapter,
1410.21 the payment may be denied, unless otherwise paid to employees on an equivalent leave
1410.22 status for a reason that does not qualify for leave under this chapter.

1410.23 (d) Benefits under this section include all benefits provided or made available to
1410.24 employees by an employer, including group life insurance, health insurance, disability
1410.25 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
1410.26 benefits are provided by a practice or written policy of an employer through an employee
1410.27 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

1410.28 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
1410.29 the same manner and at the same levels as provided when the leave began, and subject to
1410.30 any changes in benefit levels that may have taken place during the period of leave affecting
1410.31 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
1410.32 under this chapter, an employee must not be required to requalify for any benefits the
1410.33 employee enjoyed before leave began, including family or dependent coverages.

1411.1 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
1411.2 during a leave under this chapter. Benefits accrued at the time leave began must be available
1411.3 to an employee upon return from leave.

1411.4 (3) With respect to pension and other retirement plans, leave under this chapter must
1411.5 not be treated as or counted toward a break in service for purposes of vesting and eligibility
1411.6 to participate. If the plan requires an employee to be employed on a specific date in order
1411.7 to be credited with a year of service for vesting, contributions, or participation purposes,
1411.8 an employee on leave under this chapter must be treated as employed on that date. Periods
1411.9 of leave under this chapter need not be treated as credited service for purposes of benefit
1411.10 accrual, vesting, and eligibility to participate.

1411.11 (4) Employees on leave under this chapter must be treated as if they continued to work
1411.12 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
1411.13 to changes in benefit plans, except those which may be dependent upon seniority or accrual
1411.14 during the leave period, immediately upon return from leave or to the same extent they
1411.15 would have qualified if no leave had been taken.

1411.16 (e) An equivalent position must have substantially similar duties, conditions,
1411.17 responsibilities, privileges, and status as the employee's original position.

1411.18 (1) The employee must be reinstated to the same or a geographically proximate worksite
1411.19 from where the employee had previously been employed. If the employee's original worksite
1411.20 has been closed, the employee is entitled to the same rights as if the employee had not been
1411.21 on leave when the worksite closed.

1411.22 (2) The employee is ordinarily entitled to return to the same shift or the same or an
1411.23 equivalent work schedule.

1411.24 (3) The employee must have the same or an equivalent opportunity for bonuses,
1411.25 profit-sharing, and other similar discretionary and nondiscretionary payments, excluding
1411.26 any bonus paid to another employee or employees for covering the work of the employee
1411.27 while the employee was on leave.

1411.28 (4) This chapter does not prohibit an employer from accommodating an employee's
1411.29 request to be restored to a different shift, schedule, or position which better suits the
1411.30 employee's personal needs on return from leave, or to offer a promotion to a better position.
1411.31 However, an employee must not be induced by the employer to accept a different position
1411.32 against the employee's wishes.

1412.1 (f) The requirement that an employee be restored to the same or equivalent job with the
1412.2 same or equivalent pay, benefits, and terms and conditions of employment does not extend
1412.3 to de minimis, intangible, or unmeasurable aspects of the job.

1412.4 (g) Nothing in this section shall be deemed to affect the Americans with Disabilities
1412.5 Act, United States Code, title 42, chapter 126.

1412.6 (h) Ninety calendar days from the date of hire, an employee has a right and is entitled
1412.7 to reinstatement as provided under this subdivision for any day for which:

1412.8 (1) the employee has been deemed eligible for benefits under this chapter; or

1412.9 (2) the employee meets the eligibility criteria under section 268B.06, subdivision 1,
1412.10 ~~clause paragraph (a), clauses (2) or and (3), and or~~ the employee has applied for benefits in
1412.11 good faith under this chapter. For the purposes of this paragraph, good faith is defined as
1412.12 anything that is not knowingly false or in reckless disregard of the truth.

1412.13 (i) This subdivision and subdivision 7 may be waived for employees who are working
1412.14 in the construction industry under a bona fide collective bargaining agreement with a
1412.15 construction trade union that maintains a referral-to-work procedure for employees to obtain
1412.16 employment with multiple signatory employers, but only if the waiver is set forth in clear
1412.17 and unambiguous terms in the collective bargaining agreement and explicitly cites this
1412.18 subdivision and subdivision 7.

1412.19 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1412.20 Sec. 27. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 7, is amended
1412.21 to read:

1412.22 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
1412.23 greater right to reinstatement or to other benefits and conditions of employment than if the
1412.24 employee had been continuously employed during the period of leave under this chapter.
1412.25 An employer must be able to show that an employee would not otherwise have been
1412.26 employed at the time reinstatement is requested in order to deny restoration to employment.

1412.27 (1) If an employee is laid off during the course of taking a leave under this chapter and
1412.28 employment is terminated, the employer's responsibility to continue the leave, maintain
1412.29 group health plan benefits, and restore the employee cease at the time the employee is laid
1412.30 off, provided the employer has no continuing obligations under a collective bargaining
1412.31 agreement or otherwise. An employer has the burden of proving that an employee would
1412.32 have been laid off during the period of leave under this chapter and, therefore, would not

1413.1 be entitled to restoration to a job slated for layoff when the employee's original position
1413.2 would not meet the requirements of an equivalent position.

1413.3 (2) If a shift has been eliminated or overtime has been decreased, an employee would
1413.4 not be entitled to return to work that shift or the original overtime hours upon restoration.
1413.5 However, if a position on, for example, a night shift has been filled by another employee,
1413.6 the employee is entitled to return to the same shift on which employed before taking leave
1413.7 under this chapter.

1413.8 (3) If an employee was hired for a specific term or only to perform work on a discrete
1413.9 project, the employer has no obligation to maintain group health plan benefits and restore
1413.10 the employee if the employment term or project is over and the employer would not otherwise
1413.11 have continued to employ the employee.

1413.12 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1413.13 Sec. 28. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 1, is amended
1413.14 to read:

1413.15 Subdivision 1. **Application for substitution.** (a) Employers may apply to the
1413.16 commissioner for approval to meet their obligations under this chapter through the
1413.17 substitution of a private plan that provides paid family, paid medical, or paid family and
1413.18 medical benefits. In order to be approved as meeting an employer's obligations under this
1413.19 chapter, a private plan must confer all of the same rights, protections, and benefits provided
1413.20 to employees under this chapter, including but not limited to benefits under section 268B.04
1413.21 and employment protections under section 268B.09. Employers may apply for approval of
1413.22 private plans that exceed the benefits provided to employees under this chapter. An employee
1413.23 covered by a private plan under this section retains all applicable rights and remedies under
1413.24 section 268B.09.

1413.25 (b) An insurer must file every form, application, rider, endorsement, and rate used in
1413.26 connection with an insurance product that provides coverage for paid family and medical
1413.27 leave benefits as described in this section with the commissioner at least 60 days prior to
1413.28 the form or rate's effective date. The commissioner may extend this filing review period for
1413.29 an additional period not to exceed 60 days. If any form, rate, or amendment is not disapproved
1413.30 by the commissioner within the filing review period, the insurer may implement it. If the
1413.31 commissioner notifies an insurer that has filed any form or rate that the form or rate does
1413.32 not comply with this section, section 62A.02, or chapter 72A, it is unlawful for the insurer
1413.33 to issue or use the form or rate. In the notice, the commissioner shall specify the reasons
1413.34 for disapproval.

1414.1 (c) Any insurer authorized to write accident and sickness insurance in Minnesota has
1414.2 the power to issue an insurance product that provides coverage for paid family and medical
1414.3 leave benefits as described in this section.

1414.4 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1414.5 Sec. 29. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 2, is amended
1414.6 to read:

1414.7 Subd. 2. **Private plan requirements; medical benefit program.** The commissioner,
1414.8 in consultation with the commissioner of commerce, must approve an application for private
1414.9 provision of the medical benefit program if the commissioner determines:

1414.10 (1) all of the employees of the employer are to be covered under the provisions of the
1414.11 employer plan;

1414.12 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
1414.13 under this chapter;

1414.14 (3) the weekly benefits payable under the private plan for any week are at least equal to
1414.15 the weekly benefit amount payable under this chapter;

1414.16 (4) the total number of weeks for which benefits are payable under the private plan is
1414.17 at least equal to the total number of weeks for which benefits would have been payable
1414.18 under this chapter;

1414.19 (5) no greater amount is required to be paid by employees toward the cost of benefits
1414.20 under the employer plan than by this chapter;

1414.21 (6) wage replacement benefits are stated in the plan separately and distinctly from other
1414.22 benefits;

1414.23 (7) the private plan will provide benefits and leave for any serious health condition or
1414.24 medical care related to pregnancy for which benefits are payable, and leave provided, under
1414.25 this chapter;

1414.26 (8) the private plan will impose no additional condition or restriction on the use of
1414.27 medical benefits beyond those explicitly authorized by this chapter or regulations
1414.28 promulgated pursuant to this chapter;

1414.29 (9) the private plan will allow any employee covered under the private plan who is
1414.30 eligible to receive medical benefits under this chapter to receive medical benefits under the
1414.31 employer plan; ~~and~~

1415.1 (10) coverage will continue under the private plan while an employee remains employed
1415.2 by the employer. For former employees, coverage for the purposes of benefits applies until
1415.3 the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and

1415.4 (11) if an application for leave is filed by a former employee to a private plan, the plan
1415.5 pays benefits for the totality of the leave. Private plans may not cut off eligibility for a
1415.6 former employee during the course of an approved leave.

1415.7 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1415.8 Sec. 30. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 3, is amended
1415.9 to read:

1415.10 Subd. 3. **Private plan requirements; family benefit program.** The commissioner, in
1415.11 consultation with the commissioner of commerce, must approve an application for private
1415.12 provision of the family benefit program if the commissioner determines:

1415.13 (1) all of the employees of the employer are to be covered under the provisions of the
1415.14 employer plan;

1415.15 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
1415.16 under this chapter;

1415.17 (3) the weekly benefits payable under the private plan for any week are at least equal to
1415.18 the weekly benefit amount payable under this chapter;

1415.19 (4) the total number of weeks for which benefits are payable under the private plan is
1415.20 at least equal to the total number of weeks for which benefits would have been payable
1415.21 under this chapter;

1415.22 (5) no greater amount is required to be paid by employees toward the cost of benefits
1415.23 under the employer plan than by this chapter;

1415.24 (6) wage replacement benefits are stated in the plan separately and distinctly from other
1415.25 benefits;

1415.26 (7) the private plan will provide benefits and leave for any care for a family member
1415.27 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
1415.28 event for which benefits are payable, and leave provided, under this chapter;

1415.29 (8) the private plan will impose no additional condition or restriction on the use of family
1415.30 benefits beyond those explicitly authorized by this chapter or regulations promulgated
1415.31 pursuant to this chapter;

1416.1 (9) the private plan will allow any employee covered under the private plan who is
1416.2 eligible to receive family benefits under this chapter to receive family benefits under the
1416.3 employer plan; ~~and~~

1416.4 (10) coverage will continue under the private plan while an employee remains employed
1416.5 by the employer. For former employees, coverage for the purposes of benefits applies until
1416.6 the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and

1416.7 (11) if an application for leave is filed by a former employee to a private plan, the private
1416.8 plan is required to pay benefits for the totality of the leave. Private plans must not discontinue
1416.9 eligibility for a former employee during the course of an approved leave.

1416.10 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1416.11 Sec. 31. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 6, is amended
1416.12 to read:

1416.13 **Subd. 6. Private plan requirements; weekly benefit determination.** (a) For purposes
1416.14 of determining the family and medical benefit amount and duration under a private plan,
1416.15 the weekly benefit amount and duration shall be based on the employee's typical work week
1416.16 and wages earned with the employer at the time of an application for benefits. If an employer
1416.17 does not have complete base period wage detail information, the employer may accept an
1416.18 employee's certification of wage credits, based on the employee's records.

1416.19 (b) In the event that an employee's request for benefits is denied, in whole or in part, or
1416.20 the amount of the benefits is contested, the employee has the right to request administrative
1416.21 review of a decision by the private plan within 30 calendar days. If the private plan maintains
1416.22 the denial, the employee may appeal to the department as permitted in section 268B.08.

1416.23 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1416.24 Sec. 32. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a
1416.25 subdivision to read:

1416.26 **Subd. 9a. Plan changes during approved leave.** If an employee is using approved leave
1416.27 under this chapter when their employer changes from the state plan to a private plan, from
1416.28 a private plan to the state plan, or from one private plan to another private plan, the plan
1416.29 under which the employee was covered when their benefits were approved is required to
1416.30 continue paying benefits for continuous, intermittent, and reduced schedule leave through
1416.31 the duration previously approved. If the employee requests an extension of their original

1417.1 leave, or recertification is required, the employee may reapply for benefits with their new
1417.2 plan.

1417.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1417.4 Sec. 33. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 12, is amended
1417.5 to read:

1417.6 Subd. 12. **Employees no longer covered.** (a) An employee is no longer covered by an
1417.7 approved private plan ~~if a leave under this chapter occurs after the employment relationship~~
1417.8 ~~with the private plan employer ends, or~~ if the commissioner revokes the approval of the
1417.9 private plan.

1417.10 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
1417.11 immediately entitled to benefits under this chapter to the same extent as though there had
1417.12 been no approval of the private plan.

1417.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1417.14 Sec. 34. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a
1417.15 subdivision to read:

1417.16 Subd. 12a. **Former employees and benefit applications.** Covered individuals that have
1417.17 been separated from an employer with a private plan for less than 26 weeks shall file
1417.18 applications for benefits as follows:

1417.19 (1) if the former employee remains unemployed on the date that an application for
1417.20 benefits is filed, the former employee shall submit an application for benefits with the private
1417.21 plan of their former employer; and

1417.22 (2) if the former employee has become employed by a different employer at the time
1417.23 that an application for benefits is filed, the former employee shall submit an application for
1417.24 benefits based on the new employer's coverage. If the new employer is covered under the
1417.25 state plan, the former employee shall submit the application to the state. If the new employer
1417.26 has an approved private plan, the covered individual shall submit the application for benefits
1417.27 to the private plan in accordance with the requirements established by their employer.

1417.28 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1418.1 Sec. 35. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 16, is amended
1418.2 to read:

1418.3 Subd. 16. **Revocation of approval by commissioner.** (a) The commissioner may
1418.4 terminate any private plan if the commissioner determines the employer or agents of the
1418.5 employer:

1418.6 (1) failed to pay benefits;

1418.7 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
1418.8 chapter;

1418.9 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;
1418.10 or

1418.11 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

1418.12 (b) The commissioner must give notice of the intention to terminate a plan to the employer
1418.13 at least ten days before taking any final action. The notice must state the effective date and
1418.14 the reason for the termination.

1418.15 ~~(e) The employer may, within ten days from mailing or personal service of the notice,~~
1418.16 ~~file an appeal to the commissioner in the time, manner, method, and procedure provided by~~
1418.17 ~~the commissioner under subdivision 11.~~

1418.18 ~~(d)~~ (c) The payment of benefits must not be delayed during an employer's appeal of the
1418.19 revocation of approval of a private plan.

1418.20 ~~(e)~~ (d) If the commissioner revokes approval of an employer's private plan, that employer
1418.21 is ineligible to apply for approval of another private plan for a period of three years, beginning
1418.22 on the date of revocation.

1418.23 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1418.24 Sec. 36. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 17, is amended
1418.25 to read:

1418.26 Subd. 17. **Employer penalties.** (a) The commissioner may assess the following monetary
1418.27 penalties against an employer with an approved private plan found to have violated this
1418.28 chapter:

1418.29 (1) \$1,000 for the first violation; and

1418.30 (2) \$2,000 for the second, and each successive violation.

1419.1 (b) The commissioner must waive collection of any penalty if the employer corrects the
1419.2 violation within 30 days of receiving a notice of the violation and the notice is for a first
1419.3 violation.

1419.4 (c) The commissioner may waive collection of any penalty if the commissioner determines
1419.5 the violation to be an inadvertent error by the employer.

1419.6 (d) Monetary penalties collected under this section shall be deposited in the family and
1419.7 medical benefit insurance account.

1419.8 ~~(e) Assessment of penalties under this subdivision may be appealed as provided by the~~
1419.9 ~~commissioner under subdivision 11.~~

1419.10 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1419.11 Sec. 37. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a
1419.12 subdivision to read:

1419.13 Subd. 21a. **Filing obligation.** Employers covered under a private plan are subject to the
1419.14 quarterly wage reporting requirements under section 268B.12.

1419.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1419.16 Sec. 38. Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 3, is amended
1419.17 to read:

1419.18 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
1419.19 181.06, subdivision 1, and subject to subdivision 6, employers must pay a minimum of 50
1419.20 percent of the annual premiums paid under this section. Employees, through a deduction in
1419.21 their wages to the employer, must pay the remaining portion, if any, of the premium not
1419.22 paid by the employer. Such deductions for any given employee must be in equal proportion
1419.23 to the premiums paid based on the wages of that employee. Deductions under this section
1419.24 must not cause an employee's wage, after the deduction, to fall below the rate required to
1419.25 be paid to the ~~worker~~ employee by law, ~~including~~ any applicable statute, regulation, rule,
1419.26 ordinance, or government resolution or policy, ~~or other legal authority,~~ whichever rate of
1419.27 pay is greater.

1419.28 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1420.1 Sec. 39. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a
1420.2 subdivision to read:

1420.3 Subd. 5a. **Small employer premium rate.** (a) Small employers are eligible for the
1420.4 premium rates provided by this subdivision if the employer:

1420.5 (1) has 30 or fewer employees pursuant to subdivision 5b; and

1420.6 (2) the average wage for that employer as calculated in subdivision 5c is less than or
1420.7 equal to 150 percent of the state's average wage in covered employment for the basis period.

1420.8 (b) The premium rate for small employers eligible under this subdivision is 75 percent
1420.9 of the annual premium rate calculated in subdivisions 6 and 7, as follows:

1420.10 (1) employers must pay a minimum of 25 percent of the rate calculated in subdivisions
1420.11 6 and 7. Employers shall not deduct from any employees' pay to fund the employer portion
1420.12 of the premium; and

1420.13 (2) employees must pay the remaining portion due under this subdivision, if any, of the
1420.14 premium not paid by the employer. The employer must make wage deductions as necessary
1420.15 under this subdivision to fund the employee portion of the premium.

1420.16 Sec. 40. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a
1420.17 subdivision to read:

1420.18 Subd. 5b. **Employee count.** (a) The basis period for determining premiums under:

1420.19 (1) subdivision 5a;

1420.20 (2) average employer wages under subdivision 5c; and

1420.21 (3) eligibility for small employer assistance grants under section 268B.29

1420.22 for any tax year shall be the four-quarter period ending September 30 of the prior year.

1420.23 (b) For each employer that has been covered for the entirety of the basis period, the
1420.24 maximum number of quarterly wage records reported by the employer during the basis
1420.25 period shall be used to determine premiums under subdivision 5a and eligibility for small
1420.26 employer assistance grants under section 268B.29.

1420.27 (c) For any employer not covered for the entirety of the basis period, the number of
1420.28 employees used to determine premiums under subdivision 5a and eligibility for small
1420.29 employer assistance grants under section 268B.29 shall be based on the number of employees
1420.30 working in Minnesota the employer estimates they will employ in the following calendar
1420.31 year.

1421.1 (d) If upon a review of the actual number of wage records reported, it is found that a
1421.2 new employer's estimate at time of registration was ten percent or more less than the actual
1421.3 number of records reported, the employer's premiums under subdivision 5a and eligibility
1421.4 for small employer assistance grants under section 268B.29 shall be recalculated based on
1421.5 the wage records reported.

1421.6 Sec. 41. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a
1421.7 subdivision to read:

1421.8 Subd. 5c. **Average wage for employer.** (a) For each employer that has been covered
1421.9 for the entirety of the basis period, the employer's average wage shall be calculated by
1421.10 dividing the maximum amount of covered wages reported by the employer in a single
1421.11 quarterly wage record during the basis period by the maximum number of quarterly wage
1421.12 records reported by the employer during the basis period.

1421.13 (b) For any employer not covered for the entirety of the basis period, the employer's
1421.14 average wage shall be calculated by dividing the employer's estimated amount of covered
1421.15 wages in the following tax year by the employer's estimated number of employees working
1421.16 in Minnesota the employer will employ in the following calendar year.

1421.17 (c) If upon a review of the actual amount of covered wages reported it is found that a
1421.18 new employer's estimate at time of registration was ten percent or more less than the actual
1421.19 amount of covered wages, the employer's premiums under subdivision 5a and eligibility
1421.20 for small employer assistance grants under section 268B.29 shall be recalculated based on
1421.21 the wage records reported.

1421.22 Sec. 42. Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 7, is amended
1421.23 to read:

1421.24 Subd. 7. **Premium rate adjustments.** ~~(a) Beginning January 1, 2027~~ The commissioner
1421.25 may adjust the annual premium rates pursuant to this section prior to January 1, 2026. By
1421.26 July 31, 2026, and then by July 31 of each year thereafter, the commissioner must adjust
1421.27 the annual premium rates using the formula in paragraph (b) for the following calendar year
1421.28 based on program historical experience and sound actuarial principles and so that the
1421.29 projected fund balance as a percentage of total program expenditure does not fall below 25
1421.30 percent. The commissioner shall contract with a qualified independent actuarial consultant
1421.31 to conduct an actuarial study for this purpose no less than every year. A copy of all actuarial
1421.32 studies, and any revisions or other documents received that relate to an actuarial study, must
1421.33 be provided promptly to the chairs and ranking minority members of the legislative

1422.1 committees with jurisdiction over this chapter. All actuarial studies, and any revisions or
1422.2 other documents received that relate to an actuarial study, must also be filed with the
1422.3 Legislative Reference Library in compliance with section 3.195. A qualified independent
1422.4 actuarial consultant is one who is a Fellow of the Society of Actuaries (FSA) and a Member
1422.5 of the American Academy of Actuaries (MAAA) and who has experience directly relevant
1422.6 to the analysis required. In no year shall the annual premium rate exceed 1.2 percent of
1422.7 taxable wages paid to each employee.

1422.8 ~~(b) To calculate the employer rates for a calendar year, the commissioner must:~~

1422.9 ~~(1) multiply 1.45 times the amount disbursed from the family and medical benefit~~
1422.10 ~~insurance account for the 52-week period ending September 30 of the prior year;~~

1422.11 ~~(2) subtract the amount in the family and medical benefit insurance account on that~~
1422.12 ~~September 30 from the resulting figure;~~

1422.13 ~~(3) divide the resulting figure by the total wages in covered employment of employees~~
1422.14 ~~of employers without approved private plans under section 268B.10 for either the family~~
1422.15 ~~or medical benefit program. For employers with an approved private plan for either the~~
1422.16 ~~medical benefit program or the family benefit program, but not both, count only the~~
1422.17 ~~proportion of wages in covered employment associated with the program for which the~~
1422.18 ~~employer does not have an approved private plan; and~~

1422.19 ~~(4) round the resulting figure down to the nearest one-hundredth of one percent.~~

1422.20 ~~(c) The commissioner must apportion the premium rate between the family and medical~~
1422.21 ~~benefit programs based on the relative proportion of expenditures for each program during~~
1422.22 ~~the preceding year.~~

1422.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1422.24 Sec. 43. Minnesota Statutes 2023 Supplement, section 268B.15, subdivision 7, is amended
1422.25 to read:

1422.26 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a
1422.27 credit adjustment of any amount paid under this chapter within four years of the date that
1422.28 the payment was due, in a manner and format prescribed by the commissioner, and the
1422.29 commissioner determines that the payment or any portion thereof was erroneous, the
1422.30 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
1422.31 be used, the commissioner must refund, without interest, the amount erroneously paid. The
1422.32 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
1422.33 under this subdivision.

1423.1 (b) Any refund returned to the commissioner is considered unclaimed property under
1423.2 chapter 345.

1423.3 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
1423.4 must be sent to the employer by mail or electronic transmission. ~~The determination of denial~~
1423.5 ~~is final unless an employer files an appeal within 20 calendar days after sending. Proceedings~~
1423.6 ~~on the appeal are conducted in accordance with section 268B.08.~~

1423.7 (d) If an employer receives a credit adjustment or refund under this section, the employer
1423.8 must determine the amount of any overpayment attributable to a deduction from employee
1423.9 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted
1423.10 to each affected employee.

1423.11 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1423.12 Sec. 44. Minnesota Statutes 2023 Supplement, section 268B.155, subdivision 2, is amended
1423.13 to read:

1423.14 Subd. 2. **Notice upon application.** In an application for family or medical leave benefits,
1423.15 the applicant must disclose if child support obligations are owed and, if so, in what state
1423.16 and county. If child support obligations are owed, the commissioner must, if the applicant
1423.17 establishes a ~~benefit account~~ leave, notify the child support agency.

1423.18 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1423.19 Sec. 45. Minnesota Statutes 2023 Supplement, section 268B.185, subdivision 2, is amended
1423.20 to read:

1423.21 Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed
1423.22 misrepresentation if the applicant is overpaid benefits by making an intentional false
1423.23 statement or representation in an effort to fraudulently collect benefits. Overpayment because
1423.24 of misrepresentation does not occur where there is an unintentional mistake or a good faith
1423.25 belief as to the eligibility or correctness of the statement or representation.

1423.26 (b) After the discovery of facts indicating misrepresentation, the commissioner must
1423.27 issue a determination of overpayment penalty assessing a penalty equal to 15 percent of the
1423.28 amount overpaid.

1423.29 ~~(e) Unless the applicant files an appeal within 30 calendar days after the sending of a~~
1423.30 ~~determination of overpayment penalty to the applicant by mail or electronic transmission,~~
1423.31 ~~the determination is final. Proceedings on the appeal are conducted in accordance with~~
1423.32 ~~section 268B.08.~~

1424.1 ~~(d)~~(c) A determination of overpayment penalty must state the methods of collection the
1424.2 commissioner may use to recover the overpayment, penalty, and interest assessed. Money
1424.3 received in repayment of overpaid benefits, penalties, and interest is first applied to the
1424.4 benefits overpaid, second to the penalty amount due, and third to any interest due.

1424.5 ~~(e)~~(d) The department is authorized to issue a determination of overpayment penalty
1424.6 under this subdivision within 24 months of the establishment of the ~~benefit account~~ leave
1424.7 upon which the benefits were obtained through misrepresentation.

1424.8 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1424.9 Sec. 46. Minnesota Statutes 2023 Supplement, section 268B.19, is amended to read:

1424.10 **268B.19 EMPLOYER MISCONDUCT; PENALTY.**

1424.11 (a) The commissioner must penalize an employer if that employer or any employee,
1424.12 officer, or agent of that employer is in collusion with any applicant for the purpose of
1424.13 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
1424.14 of benefits determined to be overpaid, whichever is greater.

1424.15 (b) The commissioner must penalize an employer if that employer or any employee,
1424.16 officer, or agent of that employer:

1424.17 (1) made a false statement or representation knowing it to be false;

1424.18 (2) made a false statement or representation without a good-faith belief as to the
1424.19 correctness of the statement or representation; or

1424.20 (3) knowingly failed to disclose a material fact.

1424.21 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
1424.22 employer's action:

1424.23 (1) the amount of any overpaid benefits to an applicant;

1424.24 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;
1424.25 or

1424.26 (3) the amount of any payment required from the employer under this chapter that was
1424.27 not paid.

1424.28 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
1424.29 penalty and credited to the family and medical benefit insurance account.

1425.1 ~~(e) The determination of penalty is final unless the employer files an appeal within 30~~
1425.2 ~~calendar days after the sending of the determination of penalty to the employer by United~~
1425.3 ~~States mail or electronic transmission.~~

1425.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

1425.5 Sec. 47. Minnesota Statutes 2023 Supplement, section 268B.26, is amended to read:

1425.6 **268B.26 NOTICE REQUIREMENTS.**

1425.7 (a) Each employer must post in a conspicuous place on each of its premises a workplace
1425.8 notice prepared by the commissioner providing notice of benefits available under this chapter.
1425.9 The required workplace notice must be in English and each language other than English
1425.10 which is the primary language of five or more employees or independent contractors of that
1425.11 workplace, if such notice is available from the department.

1425.12 (b) Each employer must issue to each employee not more than 30 days from the beginning
1425.13 date of the employee's employment, or 30 days before premium collection begins, whichever
1425.14 is later, the following written information provided by the department in the primary language
1425.15 of the employee:

1425.16 (1) an explanation of the availability of family and medical leave benefits provided under
1425.17 this chapter, including rights to reinstatement and continuation of health insurance;

1425.18 (2) the amount of premium deductions made by the employer under this chapter;

1425.19 (3) the employer's premium amount and obligations under this chapter;

1425.20 (4) the name and mailing address of the employer;

1425.21 (5) the identification number assigned to the employer by the department;

1425.22 (6) instructions on how to file a claim for family and medical leave benefits;

1425.23 (7) the mailing address, email address, and telephone number of the department; and

1425.24 (8) any other information required by the department.

1425.25 Delivery is made when an employee provides written or electronic acknowledgment of
1425.26 receipt of the information, ~~or signs a statement indicating the employee's refusal to sign~~
1425.27 ~~such acknowledgment.~~ In cases where an employee refuses to acknowledge receipt, an
1425.28 employer must be able to demonstrate the way the employee had been notified.

1425.29 (c) An employer that fails to comply with this section may be issued, for a first violation,
1425.30 a civil penalty of \$50 per employee, and for each subsequent violation, a civil penalty of

1426.1 \$300 per employee. The employer shall have the burden of demonstrating compliance with
1426.2 this section.

1426.3 (d) Employer notice to an employee under this section may be provided in paper or
1426.4 electronic format. For notice provided in electronic format only, the employer must provide
1426.5 employee access to an employer-owned computer during an employee's regular working
1426.6 hours to review and print required notices.

1426.7 (e) The department shall prepare a uniform employee notice form for employers to use
1426.8 that provides the notice information required under this section. The commissioner shall
1426.9 prepare the uniform employee notice in the five most common languages spoken in
1426.10 Minnesota.

1426.11 (f) Each employer who employs or intends to employ seasonal employees as defined in
1426.12 section 268B.01, subdivision 35, must issue to each seasonal employee a notice that the
1426.13 employee is not eligible to receive paid family and medical leave benefits while the employee
1426.14 is so employed. The notice must be provided at the time an employment offer is made, or
1426.15 within 30 days of November 1, 2025, for the employer's existing seasonal employees, and
1426.16 be in a form provided by the department. Delivery is made when an employee provides
1426.17 written or electronic acknowledgment of receipt of the information, or signs a statement
1426.18 indicating the employee's refusal to sign such acknowledgment.

1426.19 **EFFECTIVE DATE.** This section is effective November 1, 2025.

1426.20 Sec. 48. Minnesota Statutes 2023 Supplement, section 268B.27, subdivision 2, is amended
1426.21 to read:

1426.22 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

1426.23 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
1426.24 or personal time before or while taking leave under this chapter;

1426.25 (2) prohibit an employer from providing additional benefits, including but not limited
1426.26 to covering the portion of earnings not provided during periods of leave covered under this
1426.27 chapter including through a supplemental benefit payment, as defined under section 268B.01,
1426.28 subdivision 41;

1426.29 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
1426.30 with respect to leave benefits and related ~~procedures~~ policies and employee protections that
1426.31 meet or exceed, and do not otherwise conflict with, the minimum standards and requirements
1426.32 in this chapter; or

1427.1 (4) be applied so as to create any power or duty in conflict with federal law.

1427.2 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1427.3 Sec. 49. Minnesota Statutes 2023 Supplement, section 268B.29, is amended to read:

1427.4 **268B.29 SMALL BUSINESS EMPLOYER ASSISTANCE GRANTS.**

1427.5 (a) Employers with 30 or fewer employees ~~and less than \$3,000,000 in gross annual~~
1427.6 ~~revenues~~ as calculated under section 268B.14, subdivision 5b, and an average wage for that
1427.7 employer under section 268B.14, subdivision 5c, less than or equal to 150 percent of the
1427.8 state's average wage in covered employment for the prior year may apply to the department
1427.9 for grants under this section.

1427.10 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
1427.11 temporary worker, or increases another existing worker's wages, to substitute for an employee
1427.12 on family or medical leave for a period of seven days or more.

1427.13 (c) The maximum total grant per eligible employer in a calendar year is \$6,000.

1427.14 (d) Grants must be used to hire temporary workers or to increase wages for current
1427.15 employees. To be eligible for consideration for a grant under this section, the employer
1427.16 must documentation attest, in a manner and format prescribed by the commissioner, that:

1427.17 (1) the temporary worker hired or wage-related costs incurred are due to an employee's
1427.18 use of leave under this chapter;

1427.19 (2) the amount of the grant requested is less than or equal to the additional costs incurred
1427.20 by the employer; and

1427.21 (3) the employer meets the revenue requirements in paragraph (a).

1427.22 (e) Applications shall be submitted and processed ~~on a first-received, first-processed~~
1427.23 ~~basis~~ in a form and manner determined by the commissioner within each calendar year until
1427.24 funding is exhausted. Applications received after funding has been exhausted in a calendar
1427.25 year are not eligible for reimbursement.

1427.26 ~~(f) For the purposes of this section, the commissioner shall average the number of~~
1427.27 ~~employees reported by an employer over the last four completed calendar quarters as~~
1427.28 ~~submitted in the wage detail records required in section 268B.12 to determine the size of~~
1427.29 ~~the employer.~~

1427.30 ~~(g)~~ (f) An employer who has an approved private plan is not eligible to receive a grant
1427.31 under this section.

1428.1 ~~(h)~~ (g) Unless additional funds are appropriated, the commissioner may award grants
1428.2 under this section up to a maximum of \$5,000,000 per calendar year from the family and
1428.3 medical benefit insurance account.

1428.4 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1428.5 Sec. 50. **[268B.30] DATA PRIVACY.**

1428.6 (a) Except as provided by this section, data collected, created, or maintained under this
1428.7 chapter are private data on individuals or nonpublic data not on individuals as defined in
1428.8 section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district
1428.9 court order or section 13.05. A subpoena is not considered a district court order.

1428.10 (b) Data classified under paragraph (a) may be disseminated to and used by the following
1428.11 without the consent of the subject of the data:

1428.12 (1) state and federal agencies specifically authorized access to the data by state or federal
1428.13 law;

1428.14 (2) the unemployment insurance division, to the extent necessary to administer the
1428.15 programs established under this chapter and chapter 268;

1428.16 (3) employers, to the extent necessary to support adjudication of application requests
1428.17 and to support the employer's administration of a leave of absence;

1428.18 (4) health care providers, to the extent necessary to support verification of health care
1428.19 conditions and qualifying events;

1428.20 (5) the public authority responsible for child support in Minnesota or any other state in
1428.21 accordance with section 256.978;

1428.22 (6) human rights agencies within Minnesota that have enforcement powers;

1428.23 (7) the Department of Revenue, to the extent necessary for its duties under Minnesota
1428.24 laws;

1428.25 (8) public and private agencies responsible for administering publicly financed assistance
1428.26 programs for the purpose of monitoring the eligibility of the program's recipients;

1428.27 (9) the Department of Labor and Industry and the Commerce Fraud Bureau in the
1428.28 Department of Commerce for uses consistent with the administration of their duties under
1428.29 Minnesota law;

1428.30 (10) the Department of Human Services and the Office of Inspector General and its
1428.31 agents within the Department of Human Services, including county fraud investigators, for

1429.1 investigations related to recipient or provider fraud and employees of providers when the
1429.2 provider is suspected of committing public assistance fraud;

1429.3 (11) the Department of Public Safety for support in identify verification;

1429.4 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
1429.5 the last known address and employment location of an individual who is the subject of a
1429.6 criminal investigation;

1429.7 (13) the Department of Health for the purposes of epidemiologic investigations;

1429.8 (14) the Department of Corrections for the purposes of tracking incarceration of
1429.9 applicants; and

1429.10 (15) contracted third parties, to the extent necessary to aid in identity verification,
1429.11 adjudication, administration, and evaluation of the program.

1429.12 (c) Data on individuals and employers that are collected, maintained, or used by the
1429.13 department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are
1429.14 confidential as to data on individuals and protected nonpublic data not on individuals as
1429.15 defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under
1429.16 statute or district court order or to a party named in a criminal proceeding, administrative
1429.17 or judicial, for preparation of a defense.

1429.18 (d) Data gathered by the department in the administration of this chapter must not be
1429.19 made the subject or the basis for any suit in any civil proceedings, administrative or judicial,
1429.20 unless the action is initiated by the department.

1429.21 **Sec. 51. REPEALER.**

1429.22 (a) Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 7, is repealed
1429.23 effective the day following final enactment.

1429.24 (b) Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 11, is repealed
1429.25 effective July 1, 2025.

1429.26 (c) Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 5, is repealed
1429.27 effective January 1, 2026.

1429.28 (d) Minnesota Statutes 2023 Supplement, section 268B.08, is repealed effective November
1429.29 1, 2025.

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.

3.855 EMPLOYEE RELATIONS.

Subd. 5. **Information required.** The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a compensation plan under subdivision 2:

- (1) for each agency and for each proposed plan, a comparison of biennial compensation costs under the current plan to the projected biennial compensation costs under the proposed plan, paid with funds appropriated from the general fund;
- (2) for each agency and for each proposed plan, a comparison of biennial compensation costs under the current plan to the projected biennial compensation costs under the proposed plan, paid with funds appropriated from each fund other than the general fund;
- (3) for each agency and for each proposed plan, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and
- (4) for each agency, for clauses (1) to (3), the impact of the aggregate of all plans being submitted to the commission.

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.

62A.041 MATERNITY BENEFITS.

Subd. 3. **Abortion.** For the purposes of this section, the term "maternity benefits" shall not include elective, induced abortion whether performed in a hospital, other abortion facility, or the office of a physician.

This section applies to policies and contracts issued, delivered, or renewed after August 1, 1985, that cover Minnesota residents.

62J.312 CENTER FOR HEALTH CARE AFFORDABILITY.

Subd. 6. **340B covered entity report.** (a) Beginning April 1, 2024, each 340B covered entity, as defined by section 340B(a)(4) of the Public Health Service Act, must report to the commissioner of health by April 1 of each year the following information related to its participation in the federal 340B program for the previous calendar year:

- (1) the National Provider Identification (NPI) number;
- (2) the name of the 340B covered entity;
- (3) the servicing address of the 340B covered entity;
- (4) the classification of the 340B covered entity;
- (5) the aggregated acquisition cost for prescription drugs obtained under the 340B program;
- (6) the aggregated payment amount received for drugs obtained under the 340B program and dispensed to patients;

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(7) the aggregated payment made to pharmacies under contract to dispense drugs obtained under the 340B program; and

(8) the number of claims for prescription drugs described in clause (6).

(b) The information required under paragraph (a) must be reported by payer type, including commercial insurance, medical assistance and MinnesotaCare, and Medicare, in the form and manner defined by the commissioner. For covered entities that are hospitals, the information required under paragraph (a), clauses (5) to (8), must also be reported at the national drug code level for the 50 most frequently dispensed drugs by the facility under the 340B program.

(c) Data submitted under paragraph (a) must include prescription drugs dispensed by outpatient facilities that are identified as child facilities under the federal 340B program based on their inclusion on the hospital's Medicare cost report.

(d) Data submitted to the commissioner under paragraph (a) must be classified as nonpublic data as defined in section 13.02, subdivision 9.

(e) Beginning November 15, 2024, and by November 15 of each year thereafter, the commissioner shall prepare a report that aggregates the data submitted under paragraph (a). The commissioner shall submit this report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy.

62Q.522 COVERAGE OF CONTRACEPTIVE METHODS AND SERVICES.

Subd. 3. **Exemption.** (a) An exempt organization is not required to cover contraceptives or contraceptive services if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage for some or all contraceptives and contraceptive services must notify employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides coverage for some contraceptive methods or services, the notice required under paragraph (a) must provide a list of the contraceptive methods or services the organization refuses to cover.

Subd. 4. **Accommodation for eligible organizations.** (a) A health plan established or maintained by an eligible organization complies with the requirements of subdivision 2 to provide coverage of contraceptive methods and services, with respect to the contraceptive methods or services identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company the eligible organization contracts with that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of contraceptive methods or services.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of contraceptive methods or services, including a list of the contraceptive methods or services the eligible organization objects to, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

(1) an employee enrolls in the health plan; or

(2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those contraceptive methods or services identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any contraceptive methods or services required to be covered under subdivision 2 for enrollees as long as the enrollee remains enrolled in the health plan.

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(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for contraceptive services or methods on the eligible organization, health plan, or enrollee.

(f) On January 1, 2024, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

135A.16 POLICY FOR STUDENTS WITH DISABILITIES.

Subdivision 1. **Development.** Each public postsecondary governing board shall have a policy to provide for the needs of enrolled or admitted students on its campuses who have disabilities under section 504 of the Rehabilitation Act of 1973, Public Law 93-112. Governing boards of private postsecondary institutions are requested to develop similar policies.

Subd. 2. **Content.** Each policy shall include a list of services each campus must make available to any student who, through a recent assessment, can document a disability. The following three services must be included in the policy:

(1) support, counseling, and information that may include support groups, individual counseling, career counseling and assessment, and referral services;

(2) academic assistance services that may include early registration services, early syllabus availability, course selection and program advising, coursework and testing assistance and modification, and tutoring; and

(3) advocacy services that may include a designated ombudsman serving as the primary contact and coordinator for students needing services, assistance in working individually with faculty and administrators, intervention procedures, and grievance procedures.

Subd. 3. **Availability.** The policy and related information must be readily available to enrolled students and applicants for admission. At a minimum, information on services, including a contact person and location, must be included in the campus catalog and in the schedule of course offerings each term.

135A.162 INCLUSIVE HIGHER EDUCATION GRANTS.

Subd. 7. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under this section. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.

144.218 REPLACEMENT BIRTH RECORDS.

Subd. 3. **Subsequent marriage of birth parents.** If, in cases in which a record of birth has been registered pursuant to section 144.215 and the birth parents of the child marry after the birth of the child, a replacement record of birth shall be registered upon presentation of a certified copy of the marriage certificate of the birth parents, and either a recognition of parentage or court adjudication of paternity. The original record of birth is confidential, pursuant to section 13.02, subdivision 3, and shall not be disclosed except pursuant to court order.

144.497 ST ELEVATION MYOCARDIAL INFARCTION.

The commissioner of health shall assess and report on the quality of care provided in the state for ST elevation myocardial infarction response and treatment. The commissioner shall:

(1) utilize and analyze data provided by ST elevation myocardial infarction receiving centers to the ACTION Registry-Get with the guidelines or an equivalent data platform that does not identify individuals or associate specific ST elevation myocardial infarction heart attack events with an identifiable individual;

(2) annually post a summary report of the data in aggregate form on the Department of Health website; and

(3) coordinate to the extent possible with national voluntary health organizations involved in ST elevation myocardial infarction heart attack quality improvement to encourage ST elevation myocardial infarction receiving centers to report data consistent with nationally recognized guidelines on the treatment of individuals with confirmed ST elevation myocardial infarction heart attacks

within the state and encourage sharing of information among health care providers on ways to improve the quality of care of ST elevation myocardial infarction patients in Minnesota.

144E.001 DEFINITIONS.

Subd. 5. **Board.** "Board" means the Emergency Medical Services Regulatory Board.

144E.01 EMERGENCY MEDICAL SERVICES REGULATORY BOARD.

Subdivision 1. **Membership.** (a) The Emergency Medical Services Regulatory Board consists of the following members, all of whom must work in Minnesota, except for the person listed in clause (14):

- (1) an emergency physician certified by the American Board of Emergency Physicians;
- (2) a representative of Minnesota hospitals;
- (3) a representative of fire chiefs;
- (4) a full-time firefighter who serves as an emergency medical responder on or within a nontransporting or nonregistered agency and who is a member of a professional firefighter's union;
- (5) a volunteer firefighter who serves as an emergency medical responder on or within a nontransporting or nonregistered agency;
- (6) an attendant currently practicing on a licensed ambulance service who is a paramedic or an emergency medical technician;
- (7) an ambulance director for a licensed ambulance service;
- (8) a representative of sheriffs;
- (9) a member of a community health board to represent community health services;
- (10) two representatives of regional emergency medical services programs, one of whom must be from the metropolitan regional emergency medical services program;
- (11) a registered nurse currently practicing in a hospital emergency department;
- (12) a pediatrician, certified by the American Board of Pediatrics, with experience in emergency medical services;
- (13) a family practice physician who is currently involved in emergency medical services;
- (14) a public member who resides in Minnesota; and
- (15) the commissioners of health and public safety or their designees.

(b) The governor shall appoint members under paragraph (a). Appointments under paragraph (a), clauses (1) to (9) and (11) to (13), are subject to the advice and consent of the senate. In making appointments under paragraph (a), clauses (1) to (9) and (11) to (13), the governor shall consider recommendations of the American College of Emergency Physicians, the Minnesota Hospital Association, the Minnesota and State Fire Chief's Association, the Minnesota Ambulance Association, the Minnesota Emergency Medical Services Association, the Minnesota State Sheriff's Association, the Association of Minnesota Counties, the Minnesota Nurses Association, and the Minnesota chapter of the Academy of Pediatrics.

(c) At least seven members appointed under paragraph (a) must reside outside of the seven-county metropolitan area, as defined in section 473.121.

Subd. 2. **Ex officio members.** The speaker of the house and the Committee on Rules and Administration of the senate shall appoint one representative and one senator to serve as ex officio, nonvoting members.

Subd. 3. **Chair.** The governor shall designate one of the members appointed under subdivision 1 as chair of the board.

Subd. 4. **Compensation; terms.** Membership terms, compensation, and removal of members appointed under subdivision 1, are governed by section 15.0575.

Subd. 5. **Staff.** The board shall appoint an executive director who shall serve in the unclassified service and may appoint other staff. The service of the executive director shall be subject to the terms described in section 214.04, subdivision 2a.

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Subd. 6. **Duties of board.** (a) The Emergency Medical Services Regulatory Board shall:

(1) administer and enforce the provisions of this chapter and other duties as assigned to the board;

(2) advise applicants for state or federal emergency medical services funds, review and comment on such applications, and approve the use of such funds unless otherwise required by federal law;

(3) make recommendations to the legislature on improving the access, delivery, and effectiveness of the state's emergency medical services delivery system; and

(4) establish procedures for investigating, hearing, and resolving complaints against emergency medical services providers.

(b) The Emergency Medical Services Board may prepare an initial work plan, which may be updated biennially. The work plan may include provisions to:

(1) prepare an emergency medical services assessment which addresses issues affecting the statewide delivery system;

(2) establish a statewide public information and education system regarding emergency medical services;

(3) create, in conjunction with the Department of Public Safety, a statewide injury and trauma prevention program; and

(4) designate an annual emergency medical services personnel recognition day.

Subd. 7. **Conflict of interest.** No member of the Emergency Medical Services Board may participate or vote in board proceedings in which the member has a direct conflict of interest, financial or otherwise.

144E.123 PREHOSPITAL CARE DATA.

Subd. 5. **Working group.** By October 1, 2011, the board must convene a working group composed of six members, three of which must be appointed by the board and three of which must be appointed by the Minnesota Ambulance Association, to redesign the board's policies related to collection of data from licenses. The issues to be considered include, but are not limited to, the following: user-friendly reporting requirements; data sets; improved accuracy of reported information; appropriate use of information gathered through the reporting system; and methods for minimizing the financial impact of data reporting on licenses, particularly for rural volunteer services. The working group must report its findings and recommendations to the board no later than July 1, 2012.

144E.27 EDUCATION PROGRAMS; BOARD APPROVAL.

Subdivision 1. **Education program instructor.** An education program instructor must be an emergency medical responder, EMT, AEMT, paramedic, physician, physician assistant, or registered nurse.

Subd. 1a. **Approval required.** (a) All education programs for an emergency medical responder must be approved by the board.

(b) To be approved by the board, an education program must:

(1) submit an application prescribed by the board that includes:

(i) type and length of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program education coordinator, and instructors;

(iii) admission criteria for students; and

(iv) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation EMS Education Standards, or its equivalent as determined by the board applicable to Emergency Medical Responder registration education;

(3) have a program medical director and a program coordinator;

(4) have at least one instructor for every ten students at the practical skill stations;

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(5) retain documentation of program approval by the board, course outline, and student information; and

(6) submit the appropriate fee as required under section 144E.29.

(c) The National EMS Education Standards by the NHTSA, United States Department of Transportation contains the minimal entry level of knowledge and skills for emergency medical responders. Medical directors of emergency medical responder groups may expand the knowledge and skill set.

144E.50 EMERGENCY MEDICAL SERVICES FUND.

Subd. 3. **Definition.** For purposes of this section, "board" means the Emergency Medical Services Regulatory Board.

147A.09 SCOPE OF PRACTICE.

Subd. 5. **Scope of practice limitations; psychiatric care for children with emotional disturbance or adults with serious mental illness.** Notwithstanding subdivision 1, a physician assistant may only provide ongoing psychiatric treatment for children with emotional disturbance, as defined in section 245.4871, subdivision 15, or adults with serious mental illness in collaboration with a physician licensed under chapter 147. For purposes of providing ongoing psychiatric treatment for children with emotional disturbance or adults with serious mental illness, the practice agreement between the physician assistant and one or more physicians licensed under chapter 147 must define the collaboration between the physician assistant and the collaborating physician, including appropriate consultation or referral to psychiatry.

148D.061 PROVISIONAL LICENSES.

Subd. 9. **Revocation of provisional license.** The board may immediately revoke the provisional license of a licensee who violates any requirements of this section. The revocation must be made for cause. A licensee whose provisional license is revoked must immediately return the provisional license to the board.

151.74 INSULIN SAFETY NET PROGRAM.

Subd. 16. **Legislative review; sunset.** (a) The legislature shall review the reports from the Board of Pharmacy under subdivision 13, paragraph (b); the program review by the legislative auditor under subdivision 14; and the report from the commissioner of health on the survey results under subdivision 15, paragraph (e); and any other relevant information related to the cost, access, and affordability of insulin, and make a determination on whether there is a need for the continued implementation of the long-term safety net program described in subdivisions 4 to 6 to ensure that Minnesota residents have access to affordable emergency and long-term insulin or whether the market has sufficiently changed to where the continuation of this program is no longer needed past December 31, 2024, or whether there are more appropriate options available to ensure access to affordable insulin for all Minnesota residents.

(b) Subdivisions 4 to 6, 8, and 9 expire December 31, 2024, unless the legislature affirmatively determines the need for the continuation of the long-term safety net program described in subdivisions 4 to 6.

156.12 PRACTICE OF VETERINARY MEDICINE.

Subd. 6. **Faculty licensure.** (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota, who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota, for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association or the European Board of Veterinary Specialization may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota, who has graduated from a board-approved foreign veterinary school may

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be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center while under the direct supervision of a veterinarian currently licensed and actively practicing veterinary medicine in Minnesota, as defined in section 156.04. The direct supervising veterinarian must not have any current or past conditions, restrictions, or probationary status imposed on the veterinarian's license by the board within the past five years. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for up to two additional consecutive two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses.

168.1297 SPECIAL "ROTARY MEMBER" PLATES.

Subdivision 1. **General requirements and procedures.** The commissioner shall issue special "Rotary member" plates to an applicant who:

- (1) is a registered owner of a passenger automobile;
 - (2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5;
 - (3) pays the registration tax required under section 168.013;
 - (4) pays the fees required under this chapter;
 - (5) submits proof to the commissioner that the applicant is a member of Rotary International;
- and
- (6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** A special plate under this section consists of a plate as described in section 168.1291 with a unique emblem that is the recognized emblem of Rotary International.

Subd. 3. **Compliance with other law.** The commissioner shall take no action under this section unless the commissioner determines that Rotary International, or one or more districts of Rotary International, has complied with section 168.1293, subdivision 2, paragraph (a). Issuance and renewal of plates under this section are subject to section 168.1293, subdivisions 3 to 6.

179.81 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179.81 to 179.85, the terms defined in this section have the meanings given them.

Subd. 2. **Area labor-management committee or committee.** "Area labor-management committee" or "committee" means a committee formed by and composed of multiple employers and multiple labor organizations within a geographic area or statewide employment sector, for the purpose of improving labor-management relations and enhancing economic development within a given geographic jurisdiction or sector through labor-management cooperation.

Subd. 3. **Bureau.** "Bureau" means the Bureau of Mediation Services.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Bureau of Mediation Services.

179.82 GRANT PROGRAM CREATED; APPLICATIONS.

Subdivision 1. **Creation.** An area labor-management committee grant program is created within the bureau to be administered by the commissioner.

Subd. 2. **Rules.** Applications for area/statewide industry labor-management committee grants must be submitted to the bureau under rules adopted by the commissioner.

179.83 ACTION ON APPLICATION.

Subdivision 1. **Standard for approval.** Following an established calendar, the commissioner shall review the applications. Grants must be awarded on a competitive basis based on the appropriateness of the proposal, the attainability of the goals, the evidence of interest in the proposal among representatives of labor and management in the area within the committee's jurisdiction, and the thoroughness of the financial plan presented. Successful applicants shall be notified of the award no later than December 1 of each year.

179.84 GENERAL CONDITIONS AND TERMS OF GRANTS.

Subdivision 1. **Requirements.** For each grant awarded the commissioner shall:

(1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures; and

(2) annually review the operating performance of each area labor-management committee receiving state money under this program.

179.85 FUNDING LIMITATIONS.

A new or existing area labor-management committee may apply for a maximum grant of \$75,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in the following ratio of state and nonstate money: in the first year, 90 percent state and ten percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year and beyond, 50 percent state and 50 percent nonstate.

216E.001 CITATION.

This chapter shall be known as the "Minnesota Power Plant Siting Act."

216E.01 DEFINITIONS.

Subdivision 1. **Applicability.** As used in this chapter, the terms defined in this section have the meanings given them, unless otherwise provided or indicated by the context.

Subd. 2. **Commission.** "Commission" means the Public Utilities Commission.

Subd. 3. **Construction.** "Construction" means any clearing of land, excavation, or other action that would adversely affect the natural environment of the site or route but does not include changes needed for temporary use of sites or routes for nonutility purposes, or uses in securing survey or geological data, including necessary borings to ascertain foundation conditions.

Subd. 3a. **Energy storage system.** "Energy storage system" means equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.

Subd. 4. **High-voltage transmission line.** "High-voltage transmission line" means a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 100 kilovolts or more and is greater than 1,500 feet in length.

Subd. 5. **Large electric power generating plant.** "Large electric power generating plant" shall mean electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more.

Subd. 6. **Large electric power facilities.** "Large electric power facilities" means high voltage transmission lines, large electric power generating plants, and energy storage systems.

Subd. 7. **Person.** "Person" shall mean an individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

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Subd. 8. **Route.** "Route" means the location of a high voltage transmission line between two end points. The route may have a variable width of up to 1.25 miles.

Subd. 9. **Site.** "Site" means the location of a large electric power generating plant.

Subd. 9a. **Solar energy generating system.** "Solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar-generated energy, and may include transmission lines designed for and capable of operating at 100 kilovolts or less that interconnect a solar energy generating system with a high-voltage transmission line.

Subd. 10. **Utility.** "Utility" shall mean any entity engaged or intending to engage in this state in the generation, transmission, or distribution of electric energy including, but not limited to, a private investor-owned utility, cooperatively owned utility, and a public or municipally owned utility.

216E.02 SITING AUTHORITY.

Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the commission shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

Subd. 2. **Jurisdiction.** The commission is hereby given the authority to provide for site and route selection for large electric power facilities. The commission shall issue permits for large electric power facilities in a timely fashion and in a manner consistent with the overall determination of need for the project under section 216B.243 or 216B.2425. Questions of need, including size, type, and timing; alternative system configurations; and voltage must not be included in the scope of environmental review conducted under this chapter.

Subd. 3. **Interstate routes.** If a route is proposed in two or more states, the commission shall attempt to reach agreement with affected states on the entry and exit points prior to designating a route. The commission, in discharge of its duties pursuant to this chapter may make joint investigations, hold joint hearings within or without the state, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States. The commission may negotiate and enter into any agreements or compacts with agencies of other states, pursuant to any consent of Congress, for cooperative efforts in certifying the construction, operation, and maintenance of large electric power facilities in accord with the purposes of this chapter and for the enforcement of the respective state laws regarding such facilities.

216E.021 SOLAR ENERGY SYSTEM SIZE DETERMINATION.

(a) This section must be used to determine whether a combination of solar energy generating systems meets the definition of large electric power generating plant and is subject to the commission's siting authority jurisdiction under this chapter. The alternating current nameplate capacity of one solar energy generating system must be combined with the alternating current nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

(b) The commissioner of commerce shall provide forms and assistance for applicants to make a request for a size determination. Upon written request of an applicant, the commissioner shall provide a written size determination within 30 days of receipt of the request and of any information requested by the commissioner. In the case of a dispute, the chair of the Public Utilities Commission shall make the final size determination.

216E.03 DESIGNATING SITES AND ROUTES.

Subdivision 1. **Site permit.** No person may construct a large electric generating plant or an energy storage system without a site permit from the commission. A large electric generating plant or an energy storage system may be constructed only on a site approved by the commission. The commission must incorporate into one proceeding the route selection for a high-voltage transmission

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line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified under section 216B.243.

Subd. 2. **Route permit.** No person may construct a high-voltage transmission line without a route permit from the commission. A high-voltage transmission line may be constructed only along a route approved by the commission.

Subd. 3. **Application.** Any person seeking to construct a large electric power facility must apply to the commission for a site or route permit, as applicable. The application shall contain such information as the commission may require. The applicant shall propose at least two sites for a large electric power facility and two routes for a high-voltage transmission line. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

Subd. 3a. **Project notice.** At least 90 days before filing an application with the commission, the applicant shall provide notice to each local unit of government within which a route may be proposed. The notice must describe the proposed project and the opportunity for a preapplication consultation meeting with local units of government as provided in subdivision 3b.

Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project notice, local units of government may request the applicant to hold a consultation meeting with local units of government. Upon receiving notice from a local unit of government requesting a preapplication consultation meeting, the applicant shall arrange the meeting at a location chosen by the local units of government. A single public meeting for which each local government unit requesting a meeting is given notice satisfies the meeting requirement of this subdivision.

Subd. 4. **Application notice.** Within 15 days after submission of an application to the commission, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and town in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the commission for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric power facility for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes, excluding any alternate site for a solar energy generating system that was not proposed by an applicant.

(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.

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Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application for a site or route permit for a large electric power facility. All hearings held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power facilities and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved;

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities;

(13) evaluation of the benefits of the proposed facility with respect to (i) the protection and enhancement of environmental quality, and (ii) the reliability of state and regional energy supplies;

(14) evaluation of the proposed facility's impact on socioeconomic factors; and

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(15) evaluation of the proposed facility's employment and economic impacts in the vicinity of the facility site and throughout Minnesota, including the quantity and quality of construction and permanent jobs and their compensation levels. The commission must consider a facility's local employment and economic impacts, and may reject or place conditions on a site or route permit based on the local employment and economic impacts.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

Subd. 9. Timing. The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Subd. 10. Final decision. (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

(c) 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 a large electric power generating plant, 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.

Subd. 11. Department of Commerce to provide technical expertise and other assistance. (a) The commissioner of the Department of Commerce shall consult with other state agencies and provide technical expertise and other assistance to the commission or to individual members of the commission for activities and proceedings under this chapter and chapters 216F and 216G. This assistance shall include the sharing of power plant siting and routing staff and other resources as necessary. The commissioner shall periodically report to the commission concerning the Department of Commerce's costs of providing assistance. The report shall conform to the schedule and include the required contents specified by the commission. The commission shall include the costs of the assistance in assessments for activities and proceedings under those sections and reimburse the special revenue fund for those costs. If either the commissioner or the commission deems it necessary, the department and the commission shall enter into an interagency agreement establishing terms and conditions for the provision of assistance and sharing of resources under this subdivision.

(b) Notwithstanding the requirements of section 216B.33, the commissioner may take any action required or requested by the commission related to the environmental review requirements under chapter 216E or 216F immediately following a hearing and vote by the commission, prior to issuing a written order, finding, authorization, or certificate.

216E.04 ALTERNATIVE REVIEW OF APPLICATIONS.

Subdivision 1. Alternative review. An applicant who seeks a site permit or route permit for one of the projects identified in this section shall have the option of following the procedures in this section rather than the procedures in section 216E.03. The applicant shall notify the commission at the time the application is submitted which procedure the applicant chooses to follow.

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Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants that are fueled by natural gas;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in length in Minnesota;
- (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;
- (6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;
- (7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line;
- (8) large electric power generating plants that are powered by solar energy; and
- (9) energy storage systems.

Subd. 3. **Application.** The applicant for a site or route permit for any of the projects listed in subdivision 2 who chooses to follow these procedures shall submit information as the commission may require, but the applicant shall not be required to propose a second site or route for the project. The applicant shall identify in the application any other sites or routes that were rejected by the applicant and the commission may identify additional sites or routes to consider during the processing of the application. The commission shall determine whether an application is complete and advise the applicant of any deficiencies.

Subd. 4. **Notice of application.** Upon submission of an application under this section, the applicant shall provide the same notice as required by section 216E.03, subdivision 4.

Subd. 5. **Environmental review.** For the projects identified in subdivision 2 and following these procedures, the commissioner of the Department of Commerce shall prepare for the commission an environmental assessment. The environmental assessment shall contain information on the human and environmental impacts of the proposed project and other sites or routes identified by the commission and shall address mitigating measures for all of the sites or routes considered. The environmental assessment shall be the only state environmental review document required to be prepared on the project.

Subd. 6. **Public hearing.** The commission shall hold a public hearing in the area where the facility is proposed to be located. The commission shall give notice of the public hearing in the same manner as notice under section 216E.03, subdivision 6. The commission shall conduct the public hearing under procedures established by the commission. The applicant shall be present at the hearing to present evidence and to answer questions. The commission shall provide opportunity at the public hearing for any person to present comments and to ask questions of the applicant and commission staff. The commission shall also afford interested persons an opportunity to submit written comments into the record.

Subd. 7. **Timing.** The commission shall make a final decision on an application within 60 days after completion of the public hearing. A final decision on the request for a site permit or route permit under this section shall be made within six months after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Subd. 8. **Considerations.** The considerations in section 216E.03, subdivision 7, shall apply to any projects subject to this section.

Subd. 9. **Final decision.** (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

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(b) No route designation shall be made in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

216E.05 LOCAL REVIEW OF APPLICATIONS.

Subdivision 1. **Local review.** (a) Notwithstanding the requirements of sections 216E.03 and 216E.04, an applicant who seeks a site or route permit for one of the projects identified in this section shall have the option of applying to those local units of government that have jurisdiction over the site or route for approval to build the project. If local approval is granted, a site or route permit is not required from the commission. If the applicant files an application with the commission, the applicant shall be deemed to have waived its right to seek local approval of the project.

(b) A local unit of government with jurisdiction over a project identified in this section to whom an applicant has applied for approval to build the project may request the commission to assume jurisdiction and make a decision on a site or route permit under the applicable provisions of this chapter. A local unit of government must file the request with the commission within 60 days after an application for the project has been filed with any one local unit of government. If one of the local units of government with jurisdiction over the project requests the commission to assume jurisdiction, jurisdiction over the project transfers to the commission. If the local units of government maintain jurisdiction over the project, the commission shall select the appropriate local unit of government to be the responsible governmental unit to conduct environmental review of the project.

Subd. 2. **Applicable projects.** Applicants may seek approval from local units of government to construct the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;
- (5) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;
- (6) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; and
- (7) energy storage systems.

Subd. 3. **Notice of application.** Within ten days of submission of an application to a local unit of government for approval of an eligible project, the applicant shall notify the commission that the applicant has elected to seek local approval of the proposed project.

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.

216E.18 BIENNIAL REPORT; APPLICATION FEES; APPROPRIATION; FUNDING.

Subdivision 1. **Biennial report.** Before November 15 of each even-numbered year the commission shall prepare and submit to the legislature a report of its operations, activities, findings, and recommendations concerning this chapter. The report shall also contain information on the commission's biennial expenditures, its proposed budget for the following biennium, and the amounts paid in permit application fees and in assessments pursuant to this section. The proposed budget for the following biennium shall be subject to legislative review.

Subd. 2. **Site application fee.** Every applicant for a site permit shall pay to the commissioner of commerce a fee to cover the necessary and reasonable costs incurred by the commission in acting on the permit application and carrying out the requirements of this chapter. The commission may adopt rules providing for the payment of the fee. Section 16A.1283 does not apply to establishment of this fee. All money received pursuant to this subdivision shall be deposited in a special account. Money in the account is appropriated to the commissioner of commerce to pay expenses incurred in processing applications for site permits in accordance with this chapter and in the event the expenses are less than the fee paid, to refund the excess to the applicant.

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.

Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy conversion system" or "LWECS" means any combination of WECS with a combined nameplate capacity of 5,000 kilowatts or more.

Subd. 3. **Small wind energy conversion system or SWECS.** "Small wind energy conversion system" or "SWECS" means any combination of WECS with a combined nameplate capacity of less than 5,000 kilowatts.

Subd. 4. **Wind energy conversion system or WECS.** "Wind energy conversion system" or "WECS" means any device such as a wind charger, windmill, or wind turbine and associated facilities that converts wind energy to electrical energy.

216F.011 SIZE DETERMINATION.

(a) The total size of a combination of wind energy conversion systems for the purpose of determining what jurisdiction has siting authority under this chapter must be determined according to this section. The nameplate capacity of one wind energy conversion system must be combined with the nameplate capacity of any other wind energy conversion system that:

- (1) is located within five miles of the wind energy conversion system;
- (2) is constructed within the same 12-month period as the wind energy conversion system; and
- (3) exhibits characteristics of being a single development, including, but not limited to, ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

(b) The commissioner shall provide forms and assistance for project developers to make a request for a size determination. Upon written request of a project developer, the commissioner of commerce shall provide a written size determination within 30 days of receipt of the request and of any information requested by the commissioner. In the case of a dispute, the chair of the Public Utilities Commission shall make the final size determination.

(c) An application to a county for a permit under this chapter for a wind energy conversion system is not complete without a size determination made under 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.02 EXEMPTIONS.

(a) The requirements of chapter 216E do not apply to the siting of LWECS, except for sections 216E.01; 216E.03, subdivision 7; 216E.08; 216E.11; 216E.12; 216E.14; 216E.15; 216E.17; and 216E.18, subdivision 3, which do apply.

(b) Any person may construct an SWECS without complying with chapter 216E or this chapter.

(c) Nothing in this chapter shall preclude a local governmental unit from establishing requirements for the siting and construction of SWECS.

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.

216F.05 RULES.

The commission shall adopt rules governing the consideration of an application for a site permit for an LWECS that address the following:

(1) criteria that the commission shall use to designate LWECS sites, which must include the impact of LWECS on humans and the environment;

(2) procedures that the commission will follow in acting on an application for an LWECS;

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(3) procedures for notification to the public of the application and for the conduct of a public information meeting and a public hearing on the proposed LWECS;

(4) requirements for environmental review of the LWECS;

(5) conditions in the site permit for turbine type and designs; site layout and construction; and operation and maintenance of the LWECS, including the requirement to restore, to the extent possible, the area affected by construction of the LWECS to the natural conditions that existed immediately before construction of the LWECS;

(6) revocation or suspension of a site permit when violations of the permit or other requirements occur; and

(7) payment of fees for the necessary and reasonable costs of the commission in acting on a permit application and carrying out the requirements of this chapter.

216F.06 MODEL ORDINANCE.

The commission may assist local governmental units in adopting ordinances and other requirements to regulate the siting, construction, and operation of SWECS, including the development of a model ordinance.

216F.07 PREEMPTION.

A permit under this chapter is the only site approval required for the location of an LWECS. The site permit supersedes and preempts all zoning, building, or land use rules, regulations, or ordinances adopted by regional, county, local, and special purpose governments.

216F.08 PERMIT AUTHORITY; ASSUMPTION BY COUNTIES.

(a) A county board may, by resolution and upon written notice to the Public Utilities Commission, assume responsibility for processing applications for permits required under this chapter for LWECS with a combined nameplate capacity of less than 25,000 kilowatts. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to an appropriate county officer or employee. Processing by a county shall be done in accordance with procedures and processes established under chapter 394.

(b) A county board that exercises its option under paragraph (a) may issue, deny, modify, impose conditions upon, or revoke permits pursuant to this section. The action of the county board about a permit application is final, subject to appeal as provided in section 394.27.

(c) The commission shall, by order, establish general permit standards, including appropriate property line set-backs, governing site permits for LWECS under this section. The order must consider existing and historic commission standards for wind permits issued by the commission. The general permit standards shall apply to permits issued by counties and to permits issued by the commission for LWECS with a combined nameplate capacity of less than 25,000 kilowatts. The commission or a county may grant a variance from a general permit standard if the variance is found to be in the public interest.

(d) The commission and the commissioner of commerce shall provide technical assistance to a county with respect to the processing of LWECS site permit applications.

216F.081 APPLICATION OF COUNTY STANDARDS.

A county may adopt by ordinance standards for LWECS that are more stringent than standards in commission rules or in the commission's permit standards. The commission, in considering a permit application for LWECS in a county that has adopted more stringent standards, shall consider and apply those more stringent standards, unless the commission finds good cause not to apply the standards.

245C.08 BACKGROUND STUDY; COMMISSIONER REVIEWS.

Subd. 2. **Background studies conducted by a county agency for family child care.** (a) Before the implementation of NETStudy 2.0, for a background study conducted by a county agency for family child care services, the commissioner shall review:

(1) information from the county agency's record of substantiated maltreatment of adults and the maltreatment of minors;

(2) information from juvenile courts as required in subdivision 4 for:

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(i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages 13 through 23 living in the household where the licensed services will be provided; and

(ii) any other individual listed under section 245C.03, subdivision 1, when there is reasonable cause; and

(3) information from the Bureau of Criminal Apprehension.

(b) If the individual has resided in the county for less than five years, the study shall include the records specified under paragraph (a) for the previous county or counties of residence for the past five years.

(c) Notwithstanding expungement by a court, the county agency may consider information obtained under paragraph (a), clause (3), unless:

(1) the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner; or

(2) the commissioner received notice of the expungement order issued pursuant to section 609A.017, 609A.025, or 609A.035, and the order for expungement is directed specifically to the commissioner.

245C.125 BACKGROUND STUDY; HEAD START PROGRAMS.

(a) Head Start programs that receive funds under section 119A.52 may contract with the commissioner to:

(1) conduct background studies on individuals affiliated with a Head Start program; and

(2) obtain background study data on individuals affiliated with a Head Start program.

(b) The commissioner must include a national criminal history record check in a background study conducted under paragraph (a).

(c) A Head Start program site that does not contract with the commissioner, is not licensed, and is not registered to receive payments under chapter 119B is exempt from the relevant requirements in this chapter. Nothing in this section supersedes requirements for background studies in this chapter or chapter 119B or 245H that relate to licensed child care programs or programs registered to receive payments under chapter 119B. For a background study conducted under this section to be transferable to other child care entities, the study must include all components of studies for a certified license-exempt child care center under this chapter.

246.41 BENEFIT FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.

Subdivision 1. **Acceptance.** The commissioner of human services is authorized to accept, for and in behalf of the state, contributions of money for the use and benefit of persons with developmental disabilities.

Subd. 2. **Special welfare fund.** Any money so received by the commissioner shall be deposited with the commissioner of management and budget in a special welfare fund, which fund is to be used by the commissioner of human services for the benefit of persons with developmental disabilities within the state, including those within state hospitals. And, without excluding other possible uses, research relating to persons with developmental disabilities shall be considered an appropriate use of such funds; but such funds shall not be used for any structures or installations which by their nature would require state expenditures for their operation or maintenance without specific legislative enactment therefor.

Subd. 3. **Appropriation.** There is hereby appropriated from the special welfare fund in the state treasury to such persons as are entitled thereto to carry out the provisions stated in this section.

246C.03 TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.

Subdivision 1. **Authority until board is developed and powers defined.** On July 1, 2023, the commissioner of human services shall continue to exercise all authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of Direct Care and Treatment executive board and defines the responsibilities and powers of the Department of Direct Care and Treatment and its executive board.

Subd. 2. **Development of Department of Direct Care and Treatment Board.** (a) The commissioner of human services shall prepare legislation for introduction during the 2024 legislative

session, with input from stakeholders the commissioner deems necessary, proposing legislation for the creation and implementation of the Direct Care and Treatment executive board and defining the responsibilities, powers, and function of the Department of Direct Care and Treatment executive board.

(b) The Department of Direct Care and Treatment executive board shall consist of no more than five members, all appointed by the governor.

(c) An executive board member's qualifications must be appropriate for overseeing a complex behavioral health system, such as experience serving on a hospital or non-profit board, serving as a public sector labor union representative, experience in delivery of behavioral health services or care coordination, or working as a licensed health care provider, in an allied health profession, or in health care administration.

252.27 CHILDREN'S SERVICES; PARENTAL CONTRIBUTION.

Subd. 1a. **Definitions.** A "related condition" is a condition: (1) that is found to be closely related to a developmental disability, including, but not limited to, cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi syndrome; and (2) that meets all of the following criteria:

(i) is severe and chronic;

(ii) results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with developmental disabilities;

(iii) requires treatment or services similar to those required for persons with developmental disabilities;

(iv) is manifested before the person reaches 22 years of age;

(v) is likely to continue indefinitely;

(vi) results in substantial functional limitations in three or more of the following areas of major life activity: (A) self-care, (B) understanding and use of language, (C) learning, (D) mobility, (E) self-direction, or (F) capacity for independent living; and

(vii) is not attributable to mental illness as defined in section 245.462, subdivision 20, or an emotional disturbance as defined in section 245.4871, subdivision 15.

For purposes of item (vii), notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, "mental illness" does not include autism or other pervasive developmental disorders.

Subd. 2. **Parental responsibility.** Responsibility of the parents for the cost of services shall be based upon ability to pay. The state agency shall adopt rules to determine responsibility of the parents for the cost of services when:

(1) insurance or other health care benefits pay some but not all of the cost of services; and

(2) no insurance or other health care benefits are available.

Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child, not including a child determined eligible for medical assistance without consideration of parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a child accessing home and community-based waiver services, must contribute to the cost of services used by making monthly payments on a sliding scale based on income, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to chapter 259A or through title IV-E of the Social Security Act. The parental contribution is a partial or full payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal care services as defined in United States Code, title 26, section 213, needed by the child with a chronic illness or disability.

(b) For households with adjusted gross income equal to or greater than 275 percent of federal poverty guidelines, the parental contribution shall be computed by applying the following schedule of rates to the adjusted gross income of the natural or adoptive parents:

(1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 1.65 percent of adjusted gross income at 275 percent of federal poverty

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guidelines and increases to 4.5 percent of adjusted gross income for those with adjusted gross income up to 545 percent of federal poverty guidelines;

(2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines and less than 675 percent of federal poverty guidelines, the parental contribution shall be 4.5 percent of adjusted gross income;

(3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty guidelines and less than 975 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty guidelines and increases to 5.99 percent of adjusted gross income for those with adjusted gross income up to 975 percent of federal poverty guidelines; and

(4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty guidelines, the parental contribution shall be 7.49 percent of adjusted gross income.

If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400 prior to calculating the parental contribution. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents, including the child receiving services. Adjustments in the contribution amount due to annual changes in the federal poverty guidelines shall be implemented on the first day of July following publication of the changes.

(d) For purposes of paragraph (b), "income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form, except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds have been used to purchase a home shall not be counted as income.

(e) The contribution shall be explained in writing to the parents at the time eligibility for services is being determined. The contribution shall be made on a monthly basis effective with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted. All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent. The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

(g) Parents of a minor child who do not live with each other shall each pay the contribution required under paragraph (a). An amount equal to the annual court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the adjusted gross income of the parent making the payment prior to calculating the parental contribution under paragraph (b).

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, "insurance" means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child receiving services shall not be required to pay more than the amount for the child with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services

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provided to the child, not counting payments made to school districts for education-related services. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

(i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in the 12 months prior to July 1:

(1) the parent applied for insurance for the child;

(2) the insurer denied insurance;

(3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a complaint or appeal, in writing, to the commissioner of health or the commissioner of commerce, or litigated the complaint or appeal; and

(4) as a result of the dispute, the insurer reversed its decision and granted insurance.

For purposes of this section, "insurance" has the meaning given in paragraph (h).

A parent who has requested a reduction in the contribution amount under this paragraph shall submit proof in the form and manner prescribed by the commissioner or county agency, including but not limited to the insurer's denial of insurance, the written letter or complaint of the parents, court documents, and the written response of the insurer approving insurance. The determinations of the commissioner or county agency under this paragraph are not rules subject to chapter 14.

Subd. 3. Civil actions. If the parent fails to make appropriate reimbursement as required in subdivisions 2a and 2b, the attorney general, at the request of the commissioner, may institute or direct the appropriate county attorney to institute civil action to recover the required reimbursement.

Subd. 4a. Order of payment. If the parental contribution is for reimbursement for the cost of services to both the local agency and the medical assistance program, the local agency shall be reimbursed for its expenses first and the remainder must be deposited in the medical assistance account.

Subd. 5. Determination; redetermination; notice. A determination order and notice of parental fee shall be mailed to the parent at least annually, or more frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination order and notice shall contain the following information:

(1) the amount the parent is required to contribute;

(2) notice of the right to a redetermination and appeal; and

(3) the telephone number of the division at the Department of Human Services that is responsible for redeterminations.

Subd. 6. Appeals. A parent may appeal the determination or redetermination of an obligation to make a contribution under this section, according to section 256.045. The parent must make a request for a hearing in writing within 30 days of the date the determination or redetermination order is mailed, or within 90 days of such written notice if the parent shows good cause why the request was not submitted within the 30-day time limit. The commissioner must provide the parent with a written notice that acknowledges receipt of the request and notifies the parent of the date of the hearing. While the appeal is pending, the parent has the rights regarding making payment that are provided in Minnesota Rules, part 9550.6235. If the commissioner's determination or redetermination is affirmed, the parent shall, within 90 calendar days after the date an order is issued under section 256.045, subdivision 5, pay the total amount due from the effective date of the notice of determination or redetermination that was appealed by the parent. If the commissioner's order under this subdivision results in a decrease in the parental fee amount, any payments made by the parent that result in an overpayment shall be credited to the parent as provided in Minnesota Rules, part 9550.6235, subpart 3.

253C.01 REPORTING BY RESIDENTIAL TREATMENT PROGRAMS REQUIRED.

Subdivision 1. Definition. As used in this section, "residential program" means (1) a hospital-based primary treatment program that provides residential treatment to minors with emotional disturbance as defined by the Comprehensive Children's Mental Health Act in sections 245.487 to 245.4889, or (2) a facility licensed by the state under Minnesota Rules, parts 2960.0580 to 2960.0700, to provide services to minors on a 24-hour basis.

Subd. 2. Information required. Beginning June 1, 1986, each residential program shall collect the information listed in this subdivision. Each residential program shall provide the required

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information annually on a date to be determined by the commissioner of human services. All residential programs shall report to the commissioner of human services. The summary reports on each program are public data and must contain at least the following information for the period covered by the report:

- (1) number of minors admitted to the program;
- (2) number of minors discharged from the program;
- (3) number of minors served during the reporting period;
- (4) number of minors who remained in residence for less than 30 days;
- (5) number of minors who remained in residence for between 30 and 60 days;
- (6) number of minors who remained in residence for more than 60 days;
- (7) average length of stay of minors in the program;
- (8) number of minors who have received psychotropic medications as part of treatment in the program;
- (9) age, race, and sex of each minor admitted to the program;
- (10) number of minors admitted who have previously had residential treatment;
- (11) number of minors discharged who are on private pay or third-party reimbursement payment and number who are receiving government funds for treatment;
- (12) the county of residence of discharged minors;
- (13) number of admitted minors whose admission is court-ordered; and
- (14) number of beds on a locked unit and number of beds on an unlocked unit.

Subd. 3. **Release and summary of data.** The reporting requirement of this section must not release individual names of minors or other identifying information. The commissioner of health and the commissioner of human services shall make the reports available to interested persons upon request.

256.043 OPIATE EPIDEMIC RESPONSE FUND.

Subd. 4. **Settlement; sunset.** (a) If the state receives a total sum of \$250,000,000: (1) as a result of a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or resulting from a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state, or other alleged illegal actions that contributed to the excessive use of opioids; (2) from the fees collected under sections 151.065, subdivisions 1 and 3, and 151.066, that are deposited into the opiate epidemic response fund established in this section; or (3) from a combination of both, the fees specified in section 151.065, subdivisions 1, clause (16), and 3, clause (14), shall be reduced to \$5,260, and the opiate registration fee in section 151.066, subdivision 3, shall be repealed. For purposes of this paragraph, any money received as a result of a settlement agreement specified in this paragraph and directly allocated or distributed and received by either the state or a municipality as defined in section 466.01, subdivision 1, shall be counted toward determining when the \$250,000,000 is reached.

(b) The commissioner of management and budget shall inform the Board of Pharmacy, the governor, and the legislature when the amount specified in paragraph (a) has been reached. The board shall apply the reduced license fee for the next licensure period.

(c) Notwithstanding paragraph (a), the reduction of the license fee in section 151.065, subdivisions 1 and 3, and the repeal of the registration fee in section 151.066 shall not occur before July 1, 2031.

256B.0916 EXPANSION OF HOME AND COMMUNITY-BASED SERVICES.

Subd. 10. **Transitional supports allowance.** A transitional supports allowance shall be available to all persons under a home and community-based waiver who are moving from a licensed setting to a community setting. "Transitional supports allowance" means a onetime payment of up to \$3,000, to cover the costs, not covered by other sources, associated with moving from a licensed setting to a community setting. Covered costs include:

- (1) lease or rent deposits;
- (2) security deposits;
- (3) utilities setup costs, including telephone;
- (4) essential furnishings and supplies; and
- (5) personal supports and transports needed to locate and transition to community settings.

256B.79 INTEGRATED CARE FOR HIGH-RISK PREGNANT WOMEN.

Subd. 6. **Report.** By January 31, 2021, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on the status and outcomes of the grant program. The report must:

- (1) describe the capacity of collaboratives receiving grants under this section;
- (2) contain aggregate information about enrollees served within targeted populations;
- (3) describe the utilization of enhanced prenatal services;
- (4) for enrollees identified with maternal substance use disorders, describe the utilization of substance use treatment and dispositions of any child protection cases;
- (5) contain data on outcomes within targeted populations and compare these outcomes to outcomes statewide, using standard categories of race and ethnicity; and
- (6) include recommendations for continuing the program or sustaining improvements through other means.

256D.19 ABOLITION OF TOWNSHIP SYSTEM OF POOR RELIEF.

Subdivision 1. **Town system abolished.** The town system for caring for the poor in each of the counties in which it is in effect is hereby abolished. The local social services agency of each county shall administer general assistance under the provisions of Laws 1973, chapter 650, article 21.

Subd. 2. **Local social services agencies duty.** All local social services agencies affected by Laws 1973, chapter 650, article 21 are hereby authorized to take over for the county as of January 1, 1974, the ownership of all case records relating to the administration of poor relief.

256D.20 TRANSFER OF TOWN EMPLOYEES.

Subdivision 1. **Rules for merit system.** The term "merit system" as used herein shall mean the rules for a merit system of personnel administration for employees of local social services agencies adopted by the commissioner of human services in accordance with the provisions of section 393.07, including the merit system established for Hennepin County pursuant to Laws 1965, chapter 855, as amended, the federal Social Security article as amended, and merit system standards and regulations issued by the federal Social Security Board and the United States Children's Bureau.

Subd. 2. **Designation of employees.** All employees of any municipality or town who are engaged full time in poor relief work therein on January 1, 1974 shall be retained as employees of the county and placed under the jurisdiction of its local social services agency.

All transferred employees shall be blanketed into the merit system with comparable status, classification, longevity, and seniority, and subject to the administrative requirements of the local social services agency. Employees with permanent status under any civil service provision on January 1, 1974, shall be granted permanent status under the merit system at comparable classifications and in accordance with work assignments made under the authority of the local social services agency as provided by the merit system rules.

The determination of proper job allocation shall be the responsibility of the personnel officer or director as provided under merit system rules applicable to the county involved with the right of appeal of allocation to the Merit System Council or personnel board by any employee affected by this transfer.

All transferred employees shall receive salaries for the classification to which they are allocated in accordance with the schedule in effect for local social services agency employees and at a salary step which they normally would have received had they been employed by the local social services agency for the same period of service they had previously served under the civil service provisions

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of any municipality or town; provided, however, that no salary shall be reduced as a result of the transfer.

All accumulated sick leave of transferred employees in the amount of 60 days or less shall be transferred to the records of the local social services agency and such accumulated sick leave shall be the legal liability of the local social services agency. All accumulated sick leave in excess of 60 days shall be paid in cash to transferred employees by the municipality or town by which they were employed prior to their transfer, at the time of transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to transfer, for all or part of the accumulated sick leave.

Subd. 3. Merit system transfer. Employees of municipalities and towns engaged in the work of administering poor relief who are not covered by civil service provisions shall be blanketed into the merit system subject to a qualifying examination. Employees with one year or more service shall be subject to a qualifying examination and those with less than one year's service shall be subject to an open competitive examination.

Subd. 4. Disbursement of vacation time. All vacation leave of employees referred to in subdivision 2, accumulated prior to their transfer to county employment shall be paid in cash to them by the municipality or town by which they were employed prior to their transfer, and at the time of their transfer. In lieu of the cash payment, the municipality or town shall, at the option of the employee concerned, allow a leave of absence with pay, prior to such transfer, for all or part of the accumulated vacation time.

256D.23 TEMPORARY COUNTY ASSISTANCE PROGRAM.

Subdivision 1. Program established. Minnesota residents who meet the income and resource standards of section 256D.01, subdivision 1a, but do not qualify for cash benefits under sections 256D.01 to 256D.21, may qualify for a county payment under this section.

Subd. 2. Payment amount, duration, and method. (a) A county may make a payment of up to \$203 for a single individual and up to \$260 for a married couple under the terms of this subdivision.

(b) Payments to an individual or married couple may only be made once in a calendar year. If the applicant qualifies for a payment as a result of an emergency, as defined by the county, the payment shall be made within ten working days of the date of application. If the applicant does not qualify under the county definition of emergency, the payment shall be made at the beginning of the second month following the month of application, and the applicant must receive the payment in person at the local agency office.

(c) Payments may be made in the form of cash or as vendor payments for rent and utilities. If vendor payments are made, they shall be equal to \$203 for a single individual or \$260 for a married couple, or the actual amount of rent and utilities, whichever is less.

(d) Each county must develop policies and procedures as necessary to implement this section.

(e) Payments under this section are not an entitlement. No county is required to make a payment in excess of the amount available to the county under subdivision 3.

Subd. 3. State allocation to counties. The commissioner shall allocate to each county on an annual basis the amount specifically appropriated for payments under this section. The allocation shall be based on each county's proportionate share of state fiscal year 1994 work readiness expenditures.

256R.02 DEFINITIONS.

Subd. 46. Resource utilization group. "Resource utilization groups" or "RUG" has the meaning given in section 144.0724, subdivision 2, paragraph (f).

268B.06 ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.

Subd. 7. Separation, severance, or bonus payments. (a) An applicant is not eligible to receive benefits for any week the applicant is receiving, has received, or will receive separation pay, severance pay, bonus pay, or any other payments paid by an employer because of, upon, or after separation from employment. This subdivision applies if the payment is:

(1) considered wages under section 268B.01, subdivision 47; or

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(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social Security and Medicare.

(b) Payments under this subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this paragraph.

(c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or supplemental benefit payment under subdivision 4.

(d) This subdivision applies to all the weeks of payment.

(e) Under this subdivision, if the payment with respect to a week is equal to or more than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that week. If the payment with respect to a week is less than the applicant's weekly benefit amount, benefits are reduced by the amount of the payment.

268B.08 APPEAL PROCESS.

Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief hearing officer.

(b) Upon a timely appeal to a determination having been filed or upon a referral for direct hearing, the chief hearing officer must set a time and date for a de novo due-process hearing and send notice to an applicant and an employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.

(c) The commissioner may adopt rules on procedures for hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure.

(d) The chief hearing officer has discretion regarding the method by which the hearing is conducted.

(e) The chief hearing officer must assign a hearing officer to conduct a hearing and may transfer to another hearing officer any proceedings pending before another hearing officer.

Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained, the hearing officer must serve by mail or electronic transmission to all parties the decision, reasons for the decision, and written findings of fact.

(b) Decisions of a hearing officer are not precedential.

Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within 30 calendar days after service of the hearing officer's decision, file a request for reconsideration asking the hearing officer to reconsider that decision.

Subd. 4. **Appeal to court of appeals.** Any final determination on a request for reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

268B.10 SUBSTITUTION OF A PRIVATE PLAN.

Subd. 11. **Appeals.** (a) An employer may appeal any adverse action regarding that employer's application for private provision of the medical benefit or family benefit program, in a manner specified by the commissioner.

(b) An employee covered under a private plan has the same right to appeal to the state under section 268B.04, subdivision 7, as any other employee. An employee covered under a private plan has the right to request reconsideration of a decision under a private plan made by an insurer, private plan administrator, or employer prior to exercising appeal rights under section 268B.04.

268B.14 PREMIUMS.

Subd. 5. **Small business wage exclusion.** (a) For employers with fewer than 30 employees, the amount of wages upon which quarterly employer premium is required is reduced by the premium rate to be paid by the employer multiplied by the lesser of:

(1) \$12,500 multiplied by the number of employees; or

(2) \$120,000.

(b) For each employee over 20 employees, the exclusion is reduced by \$12,000.

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(c) The premium paid by the employer as a result of the reduction allowed under this subdivision must not be less than zero.

(d) The reduction in premiums paid by the employer is for the sole benefit of the employer and does not relieve the employer from deducting the employee portion of the premium.

462A.209 HOMEOWNERSHIP EDUCATION, COUNSELING, AND TRAINING PROGRAM.

Subd. 8. **Report.** (a) By January 10 of every year, each nonprofit organization or political subdivision that delivers services under this section and capacity building under section 462A.21, subdivision 3b, if the grant recipient has subgrantees, must submit a report to the agency. The report must include, at a minimum, the following information:

- (1) details of program costs;
- (2) the number of staff, both within the organization and any outside organization;
- (3) the number of program participants;
- (4) the demographic information including, but not limited to, race, age, gender, and income of program participants, if available;
- (5) a list of any and all subgrantees receiving funds from the program, as well as the amount of funding received;
- (6) information about other sources of program funding including other public or private funding or in-kind donations;
- (7) evidence that the organization administering a program or a subgrantee of a program is in good standing with the Minnesota Secretary of State and has provided an affidavit stating the organization and subgrantee, if any, has met all applicable requirements under chapter 289A;
- (8) a short description of what each program does; and
- (9) to the extent practicable, quantifiable measures of program success.

(b) The agency shall annually submit a report containing the information received from nonprofit organizations and political subdivisions under paragraph (a) to the members of the legislative housing policy and finance committees and divisions by February 15.

477A.35 LOCAL AFFORDABLE HOUSING AID.

Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

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.

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money

to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.).

	Percent Nonstate Revenues	Percent State Revenues
Year 1	10	90
Year 2	20	80
Year 3 & Beyond	50	50

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

- A. consistency of the proposal's purpose with the public policy objectives of the grant program;
- B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

- A. result in changes in the scope or objectives of the program in the approved application;
- B. result in more grant money available than is necessary to meet the needs of the program;
- C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or
- D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

- A. Period covered: January 1 to March 31, date due: April 20;
- B. Period covered: April 1 to June 30, date due: July 20;
- C. Period covered: July 1 to September 30, date due: October 20; and
- D. Period covered: October 1 to December 31, date due: January 20.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

- A. the financial operations have been conducted properly;
- B. financial and other reports submitted as a part of the program have been presented fairly and accurately;
- C. the grantee has complied with applicable laws, regulations, and policies;
- D. resources are used and managed in an economic and efficient manner; and
- E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic

performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

- A. a statement of the standards used in the performance of the audit;
- B. financial statements and audit comments on the statements for the period;
- C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants shall be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants shall also be suspended, terminated, or withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

7850.1000 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 7850.1000 to 7850.5600, the following terms have the meanings given them.

Subp. 2. **Act.** "Act" means the Power Plant Siting Act of 1973, as amended, Minnesota Statutes, chapter 216E.

Subp. 3. **Associated facilities.** "Associated facilities" means buildings, equipment, and other physical structures that are necessary to the operation of a large electric power generating plant or a high voltage transmission line.

Subp. 4. **Commission.** "Commission" means the Public Utilities Commission.

Subp. 5. **Certified HVTL list.** "Certified HVTL list" means the transmission projects certified by the Public Utilities Commission as priority projects under Minnesota Statutes, section 216B.2425.

Subp. 6. **Developed portion of the plant site.** "Developed portion of the plant site" means the portion of the LEPGP site that is required for the physical plant and associated facilities.

Subp. 7. **Environmental assessment.** "Environmental assessment" means a written document that describes the human and environmental impacts of a proposed large electric power generating plant or high voltage transmission line and alternative routes or sites and methods to mitigate such impacts.

Subp. 8. **Environmental impact statement or EIS.** "Environmental impact statement" or "EIS" means a detailed written statement that describes proposed high voltage transmission lines and large electric power generating plants and satisfies the requirements of Minnesota Statutes, section 116D.04.

Subp. 9. **High voltage transmission line or HVTL.** "High voltage transmission line" or "HVTL" means a conductor of electric energy and associated facilities designed for and capable of operating at a nominal voltage of 100 kilovolts or more either immediately or without significant modification. Associated facilities shall include, but not be limited to, insulators, towers, substations, and terminals.

Subp. 10. **Large electric power facilities.** "Large electric power facilities" means high voltage transmission lines and large electric power generating plants.

Subp. 11. **Large electric power generating plant or LEPGP.** "Large electric power generating plant" or "LEPGP" means electric power generating equipment and associated facilities designed for or capable of operation at a capacity of 50,000 kilowatts or more. Associated facilities include, but are not limited to, coal piles, cooling towers, ash containment, fuel tanks, water and wastewater treatment systems, and roads.

Subp. 12. **Mail.** "Mail" means either the United States mail or electronic mail by email, unless another law requires a specific form of mailing.

Subp. 13. **Person.** "Person" means any individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

Subp. 14. **PUC.** "PUC" means the entire Public Utilities Commission, including the commission and staff.

Subp. 15. **Right-of-way.** "Right-of-way" means the land interest required within a route for the construction, maintenance, and operation of a high voltage transmission line.

Subp. 16. **Route.** "Route" means the location of a high voltage transmission line between two end points. A route may have a variable width of up to 1.25 miles within which a right-of-way for a high voltage transmission line can be located.

Subp. 17. **Route segment.** "Route segment" means a portion of a route.

Subp. 18. **Site.** "Site" means an area of land required for the construction, maintenance, and operation of a large electric power generating plant.

Subp. 19. **Utility.** "Utility" means any entity engaged or intending to engage in this state in the generation, transmission, or distribution of electric energy including, but not limited to, a private investor owned utility, a cooperatively owned utility, a public or municipally owned utility, a limited liability company, or a private corporation.

7850.1100 PURPOSE AND AUTHORITY.

Parts 7850.1000 to 7850.5600 are prescribed by the Minnesota Public Utilities Commission pursuant to the authority granted to the commission in the Power Plant Siting Act, as amended, Minnesota Statutes, chapter 216E, to give effect to the purposes of the act.

It is the purpose of the act and the policy of the state to locate large electric power generating plants and high voltage transmission lines in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy, the commission shall choose locations that minimize adverse human and environmental impact while ensuring continuing electric power system reliability and integrity and ensuring that electric energy needs are met and fulfilled in an orderly and timely fashion. The commission shall provide for broad spectrum citizen participation as a principle of operation. To ensure effective citizen participation, the commission shall maintain a public education program on, but not limited to, the considerations identified in Minnesota Statutes, section 216E.03, subdivision 7.

7850.1200 APPLICABILITY.

Parts 7850.1000 to 7850.5600 establish the requirements for the processing of permit applications by the Public Utilities Commission for large electric power generating plants and high voltage transmission lines. Requirements for environmental review of such projects before the commission are established in the applicable requirements of chapter 4410 and parts 7849.1000 to 7849.2100.

7850.1300 PERMIT REQUIREMENT.

Subpart 1. **Site permit.** No person may construct a large electric power generating plant without a site permit from the commission. A large electric power generating plant may be constructed only on a site approved by the commission.

Subp. 2. **Route permit.** No person may construct a high voltage transmission line without a route permit from the commission. A high voltage transmission line may be constructed only within a route approved by the commission.

Subp. 3. Expansion of existing facility.

A. No person shall increase the voltage of a high voltage transmission line without a route permit or other approval from the PUC.

B. No person shall increase the voltage of a transmission line under 100 kilovolts to over 100 kilovolts without a route permit from the PUC.

C. Except as provided in part 7850.1500 or 7850.4800, no person shall increase the generating capacity or output of an existing large electric power generating plant without a permit from the commission.

D. No person shall increase the generating capacity or output of an electric power plant from under 50 megawatts to more than 50 megawatts without a site permit from the PUC.

Subp. 4. **Local authority.** A site permit from the commission is not required for a large electric power generating plant that is permitted by local units of government under Minnesota Statutes, section 216E.05. A route permit from the commission is not required for a high voltage transmission line that is permitted by local governmental authorities under Minnesota Statutes, section 216E.05.

Subp. 5. **Commence construction.** No person may commence construction of a large electric power generating plant or a high voltage transmission line until a permit has been issued by the commission or by the appropriate local units of government if local review is sought. "Commence construction" means to begin or cause to begin as part of a continuous program the placement, assembly, or installation of facilities or equipment, or to conduct

significant physical site preparation or right-of-way preparation work for installation of facilities or equipment. Conducting survey work or collecting geological data or contacting landowners to discuss possible construction of a power plant or transmission line is not commencement of construction.

7850.1400 SMALL PROJECTS.

Subpart 1. **No PUC permit required.** A permit from the PUC is not required to construct a power plant of less than 50 megawatts or a transmission line of less than 100 kilovolts. Proposers of such projects must obtain whatever approvals may be required by local, state, or federal units of government with jurisdiction over the project.

Subp. 2. **Environmental review.** Proposers of power plants of less than 50 megawatts or transmission lines of less than 100 kilovolts must comply with the environmental review requirements of chapter 4410, parts 7849.1000 to 7849.2100, and Minnesota Statutes, chapter 116D.

7850.1500 EXCEPTIONS TO PERMITTING REQUIREMENT FOR CERTAIN EXISTING FACILITIES.

Subpart 1. **No permit required.** The following projects are not considered construction of a large electric power generating plant or high voltage transmission line and may be constructed without a permit from the commission:

A. equipment additions at an existing substation that do not require expansion of the land needed for the substation and do not involve an increase in the voltage or changes in the location of existing transmission lines, except that up to the first five transmission line structures outside the substation may be moved to accommodate the equipment additions provided the structures are not moved more than 500 feet from the existing right-of-way;

B. high voltage transmission lines:

(1) maintenance or repair of a high voltage transmission line within an existing right-of-way;

(2) reconductoring or reconstruction of a high voltage transmission line with no change in voltage and no change in right-of-way, provided that any new structures that are installed are not designed for and capable of operation at higher voltage; or

(3) relocation of a high voltage transmission line that is required by a local or state agency as part of road, street, or highway construction; or

C. large electric power generating plants:

(1) maintenance or repair of a large electric power generating plant;

(2) modification of a large electric power generating plant to increase efficiency as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater, and the modification does not require expansion of the plant beyond the developed portion of the plant site. If a subsequent modification results in a total of more than 100 megawatts of additional capacity, this provision does not apply. An increase in efficiency is a reduction in the amount of Btu's (British Thermal Units) required to produce a kilowatt hour of electricity at the facility;

(3) refurbishment of a large electric power generating plant that does not expand the capacity of the plant or expand the plant beyond the developed portion of the plant site and the refurbishment does not require a certificate of need from the public utilities commission;

(4) conversion of the fuel source of a large electric power generating plant to natural gas, as long as the plant is not expanded beyond the developed portion of the plant site; or

(5) start-up of an existing large electric power generating plant that has been closed for any period of time at no more than its previous capacity rating and in a manner that does not involve a change in the fuel or an expansion of the developed portion of the plant site.

Subp. 2. **Minor alteration.** In the event a modification or other change in an existing substation, high voltage transmission line, or large electric power generating plant does not qualify for an exception under this part, the modification or change may qualify for a minor alteration under part 7850.4800.

Subp. 3. **Notice.** Any person proposing to move transmission line structures under subpart 1, item A, or to reconductor or reconstruct a high voltage transmission line under subpart 1, item B, subitem (2), or to implement changes to a large electric power generating plant under subpart 1, item C, subitem (2), (3), (4), or (5), must notify the commission in writing at least 30 days before commencing construction on the modification or change.

7850.1600 JOINT PROCEEDING.

The proposer of a large electric power generating plant that will also require a high voltage transmission line may elect to apply for both a site permit for the large electric power generating plant and a route permit for the high voltage transmission line in one application and in one process. The PUC on its own volition may elect to combine two pending applications if it is appropriate to consider both projects as part of one proceeding. An applicant may also combine an application for a pipeline routing permit if a natural gas or petroleum pipeline to a new large electric power generating facility will be required.

7850.1700 PERMIT APPLICATION UNDER FULL PERMITTING PROCESS.

Subpart 1. **Filing of application for permit.** A person seeking a site permit or route permit for a large electric power generating facility must file three copies of the application for the permit with the PUC. Upon acceptance of the application, the commission will advise the applicant of how many copies of the application must be submitted to the PUC.

Subp. 2. **Electronic copy.** A person filing an application for a site permit or route permit shall provide the PUC with an electronic version of the application suitable for posting on the PUC's web page.

7850.1800 PERMIT FEES.

Subpart 1. **Requirement.** An applicant for a site permit or route permit shall pay a fee in accordance with Minnesota Statutes, section 216E.18. The estimated fee for processing the permit application must be determined in accordance with Minnesota Statutes, section 216E.18.

Subp. 2. **Initial payment.** The applicant shall submit with the application 25 percent of the total estimated fee, or up to 50 percent of the total estimated fee if the commission determines that the additional percentage is reasonably necessary to complete the site evaluation and design process. The commission shall not process a permit application until the first portion of the fee is submitted. The PUC shall deposit all money received from the applicant for permit fees in a special account.

Subp. 3. **Additional payments.** The applicant shall pay an additional 25 percent of the fee within 90 days after the application has been accepted by the commission. Additional payments must be made within 30 days of notification by the commission that additional fees are necessary for completion of the permitting process. The commission shall not make a final decision on a permit application if any assessed fees have not been paid.

Subp. 4. **Final accounting.** At the end of the permitting process, including any judicial review of the commission's final decision, the PUC shall provide a final accounting to the applicant of the total cost of processing the permit application. The applicant may review all actual costs associated with processing an application and present objections to the

commission. The application fees paid by the applicant shall include the necessary and reasonable expenses incurred in processing the application, including, but not limited to, staff time, expenses for public notice and meetings and hearings, environmental review, administrative overhead, and legal expenses. The applicant shall make the final payment within 30 days of notification or the PUC shall refund any excess payments with 30 days of the final accounting.

7850.1900 APPLICATION CONTENTS.

Subpart 1. **Site permit for LEPGP.** An application for a site permit for a large electric power generating plant must contain the following information:

- A. a statement of proposed ownership of the facility as of the day of filing and after commercial operation;
- B. the precise name of any person or organization to be initially named as permittee or permittees and the name of any other person to whom the permit may be transferred if transfer of the permit is contemplated;
- C. at least two proposed sites for the proposed large electric power generating plant and identification of the applicant's preferred site and the reasons for preferring the site;
- D. a description of the proposed large electric power generating plant and all associated facilities, including the size and type of the facility;
- E. the environmental information required under subpart 3;
- F. the names of the owners of the property for each proposed site;
- G. the engineering and operational design for the large electric power generating plant at each of the proposed sites;
- H. a cost analysis of the large electric power generating plant at each proposed site, including the costs of constructing and operating the facility that are dependent on design and site;
- I. an engineering analysis of each of the proposed sites, including how each site could accommodate expansion of generating capacity in the future;
- J. identification of transportation, pipeline, and electrical transmission systems that will be required to construct, maintain, and operate the facility;
- K. a listing and brief description of federal, state, and local permits that may be required for the project at each proposed site; and
- L. a copy of the Certificate of Need for the project from the Public Utilities Commission or documentation that an application for a Certificate of Need has been submitted or is not required.

Subp. 2. **Route permit for HVTL.** An application for a route permit for a high voltage transmission line shall contain the following information:

- A. a statement of proposed ownership of the facility at the time of filing the application and after commercial operation;
- B. the precise name of any person or organization to be initially named as permittee or permittees and the name of any other person to whom the permit may be transferred if transfer of the permit is contemplated;
- C. at least two proposed routes for the proposed high voltage transmission line and identification of the applicant's preferred route and the reasons for the preference;
- D. a description of the proposed high voltage transmission line and all associated facilities including the size and type of the high voltage transmission line;

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- E. the environmental information required under subpart 3;
- F. identification of land uses and environmental conditions along the proposed routes;
- G. the names of each owner whose property is within any of the proposed routes for the high voltage transmission line;
- H. United States Geological Survey topographical maps or other maps acceptable to the commission showing the entire length of the high voltage transmission line on all proposed routes;
- I. identification of existing utility and public rights-of-way along or parallel to the proposed routes that have the potential to share the right-of-way with the proposed line;
- J. the engineering and operational design concepts for the proposed high voltage transmission line, including information on the electric and magnetic fields of the transmission line;
- K. cost analysis of each route, including the costs of constructing, operating, and maintaining the high voltage transmission line that are dependent on design and route;
- L. a description of possible design options to accommodate expansion of the high voltage transmission line in the future;
- M. the procedures and practices proposed for the acquisition and restoration of the right-of-way, construction, and maintenance of the high voltage transmission line;
- N. a listing and brief description of federal, state, and local permits that may be required for the proposed high voltage transmission line; and
- O. a copy of the Certificate of Need or the certified HVTL list containing the proposed high voltage transmission line or documentation that an application for a Certificate of Need has been submitted or is not required.

Subp. 3. **Environmental information.** An applicant for a site permit or a route permit shall include in the application the following environmental information for each proposed site or route to aid in the preparation of an environmental impact statement:

- A. a description of the environmental setting for each site or route;
- B. a description of the effects of construction and operation of the facility on human settlement, including, but not limited to, public health and safety, displacement, noise, aesthetics, socioeconomic impacts, cultural values, recreation, and public services;
- C. a description of the effects of the facility on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining;
- D. a description of the effects of the facility on archaeological and historic resources;
- E. a description of the effects of the facility on the natural environment, including effects on air and water quality resources and flora and fauna;
- F. a description of the effects of the facility on rare and unique natural resources;
- G. identification of human and natural environmental effects that cannot be avoided if the facility is approved at a specific site or route; and
- H. a description of measures that might be implemented to mitigate the potential human and environmental impacts identified in items A to G and the estimated costs of such mitigative measures.

7850.2000 APPLICATION REVIEW.

Subpart 1. **Review by commission.** Within ten working days of receipt of an application for a site permit or a route permit, the commission shall determine whether the application is complete and notify the applicant in writing of the acceptance or rejection of the application. If the commission rejects an application, the commission shall advise the applicant of the deficiencies in the application.

Subp. 2. **Resubmission of rejected application.** If the commission should reject an application, an applicant may decide to address the deficiencies identified by the commission and resubmit the application with additional information. In this event, the commission shall again review the application within ten days and determine whether the application is complete and advise the applicant of the commission's determination.

Subp. 3. **Reasons for rejection.** The commission shall not reject an application if the information that is missing can be obtained from the applicant within 60 days from the date of the application and the lack of the information will not interfere with the public's ability to review the proposed project.

Subp. 4. **Schedule.** The date of the commission's determination that an application is complete marks the start of the schedule for the commission to make a final decision on a permit application.

7850.2100 PROJECT NOTICE.

Subpart 1. **Notification lists.** The PUC shall maintain the notification lists described in items A and B.

A. The PUC shall maintain a list of persons who want to be notified of the acceptance of applications for site permits or route permits. Any person may request to have that person's name or an organization's name included on the list. The PUC may from time to time request that persons whose names are on the list advise the PUC whether they want to remain on the list, and the PUC may delete any names for which an affirmative response is not received within a reasonable time. A person whose name has been removed may request to have the name added back on the list. The PUC shall provide an applicant with the general list upon acceptance of an application.

B. The PUC shall maintain a project contact list for each project for which an application for a permit has been accepted. The project contact list must contain the names of persons who want to receive notices regarding the project. Any person may request to have that person's name or an organization's name included on a project contact list. The PUC may add a person's name to the list if the PUC believes the person would like to receive notices about the particular project. The PUC shall provide an applicant with the project contact list upon request.

Subp. 2. **Notification to persons on general list, to local officials, and to property owners.** Within 15 days after submission of an application, the applicant shall mail written notice of the submission to the following people:

A. those persons whose names are on the general list maintained by the PUC for this purpose;

B. each regional development commission, county, incorporated municipality, and township in which any part of the site or route or any alternative is proposed to be located; and

C. each owner whose property is adjacent to any of the proposed sites for a large electric power generating plant or within any of the proposed routes for a high voltage transmission line. For purposes of giving notice under this item, owners are those persons shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer, or any other list of owners approved by the commission.

Subp. 3. **Content of notice.** The notice mailed under subpart 2 shall contain the following information:

A. a description of the proposed project, including a map showing the general area of the proposed site or proposed route and each alternative;

B. a statement that a permit application has been submitted to the PUC, the name of the permit applicant, and information regarding how a copy of the application may be obtained;

C. a statement that the permit application will be considered by the PUC under the provisions of parts 7850.1000 to 7850.5600 and the Power Plant Siting Act and describing the time periods for the PUC to act;

D. a statement that the PUC will hold a public meeting within 60 days and the date of the meeting if it is known at the time of the mailing;

E. the manner in which the PUC will conduct environmental review of the proposed project, including the holding of a scoping meeting at which additional alternatives to the project may be proposed;

F. the name of the PUC staff member who has been appointed by the commission to serve as the public advisor, if known, or otherwise, a general contact at the PUC;

G. the manner in which persons may register their names with the PUC on the project contact list;

H. a statement that a public hearing will be conducted after the EIS is prepared;

I. a statement indicating whether a certificate of need or other authorization from the Public Utilities Commission is required for the project and the status of the matter if such authorization is required;

J. a statement indicating whether the applicant may exercise the power of eminent domain to acquire the land necessary for the project and the basis for such authority; and

K. any other information requested by the commission to be included in the notice.

Subp. 4. **Publication of notice.** Within 15 days after submission of an application, the applicant shall publish notice in a legal newspaper of general circulation in each county in which a site, route, or any alternative is proposed to be located that an application has been submitted and a description of the proposed project. The notice must also state where a copy of the application may be reviewed.

Subp. 5. **Confirmation of notice.** Within 30 days after providing the requisite notice, the applicant shall submit to the PUC documentation that all notices required under this part have been given. The applicant shall document the giving of the notice by providing the PUC with affidavits of publication or mailing and copies of the notice provided.

Subp. 6. **Failure to give notice.** The failure of the applicant to give the requisite notice does not invalidate any ongoing permit proceedings provided the applicant has made a bona fide attempt to comply, although the commission may extend the time for the public to participate if the failure has interfered with the public's right to be informed about the project.

7850.2200 PUBLIC ADVISOR.

Upon acceptance of an application for a site or route permit, the commission shall designate a staff person to act as the public advisor on the project. The public advisor must be available to answer questions from the public about the permitting process. The public advisor shall not give legal advice or other advice that may affect the legal rights of the person being advised, and the public advisor shall not act as an advocate on behalf of any person.

7850.2300 PUBLIC MEETING.

Subpart 1. **Scheduling public meeting.** Upon acceptance of an application for a site or route permit, the commission shall schedule a public meeting to provide information to the public about the proposed project and to answer questions and to scope the environmental impact statement. The public meeting must be held no later than 60 days after acceptance of the application. The public meeting must be held in a location that is convenient for persons who live near the proposed project.

Subp. 2. **Notice of public meeting.** The PUC shall give at least ten days' notice of the public meeting by mailing notice to persons whose names are on the project contact list maintained pursuant to part 7850.2100, subpart 1. The PUC shall also publish notice of the public meeting in a legal newspaper of general circulation in the area where the project is proposed to be located. If appropriate, the PUC may request the applicant to include notice of the public meeting in the notice to be provided by the applicant pursuant to part 7850.2100.

Subp. 3. **Conduct of public meeting.** The commission shall appoint a person, who may be a PUC staff person, to conduct the public meeting. The public meeting must be conducted in an informal manner designed to encourage public participation. The public must be afforded an opportunity to present comments and ask questions. The PUC shall make available at the public meeting a copy of the application and other pertinent documents in the PUC files regarding the application. The staff shall explain the permitting process to the persons in attendance. A transcript of the meeting need not be maintained, although the PUC may elect to keep an audio recording of the meeting.

Subp. 4. **Applicant role.** The applicant shall provide representatives at the public meeting who are capable of answering general questions about the proposed project.

Subp. 5. **EIS scoping.** At the public meeting, the public must be provided an opportunity to comment on the scope of the environmental impact statement in accordance with part 7850.2500.

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.

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.

7850.2500 EIS PREPARATION.

Subpart 1. **EIS required.** The commissioner of the Department of Commerce shall prepare an environmental impact statement on each proposed large electric power generating plant and high voltage transmission line for which a permit application has been accepted by the commissioner.

Subp. 2. **Scoping process.** The commissioner of the Department of Commerce shall provide the public with an opportunity to participate in the development of the scope of the environmental impact statement by holding a public meeting and by soliciting public comments. The public meeting required under part 7850.2300 satisfies the requirement to hold a scoping meeting. The commissioner shall provide a period of at least seven days from the day of the public meeting for the public to submit comments on the scope of the EIS. The commissioner shall determine the scope of the environmental impact statement as soon after holding the public meeting as possible. Within five days after the decision, the commissioner shall mail notice of the scoping decision to those persons whose names are on either the general list or the project contact list. Once the commissioner has determined the scope of the environmental impact statement, the scope must not be changed except upon decision by the commissioner that substantial changes have been made in the project or substantial new information has arisen significantly affecting the potential environmental effects of the project or the availability of reasonable alternatives.

Subp. 3. **Alternative sites or routes.** During the scoping process, a person may suggest alternative sites or routes to evaluate in the environmental impact statement. A person desiring that a particular site or route be evaluated shall submit to the commissioner of the Department of Commerce, during the scoping process, an explanation of why the site or route should be included in the environmental impact statement and any other supporting information the person wants the commissioner to consider. The commissioner shall provide the applicant with an opportunity to respond to each request that an alternative be included in the environmental impact statement. The commissioner shall include the suggested site or route in the scope of the environmental impact statement only if the commissioner determines that evaluation of the proposed site or route will assist in the commissioner's decision on the permit application.

Subp. 4. **Scope of EIS.** The scoping process must be used to reduce the scope and bulk of an environmental impact statement by identifying the potentially significant issues and alternatives requiring analysis and establishing the detail into which the issues will be analyzed. The scoping decision by the commissioner of the Department of Commerce shall at least address the following:

- A. the issues to be addressed in the environmental impact statement;
- B. the alternative sites and routes to be addressed in the environmental impact statement; and
- C. the schedule for completion of the environmental impact statement.

Subp. 5. **Matters excluded.** When the Public Utilities Commission has issued a Certificate of Need for a large electric power generating plant or high voltage transmission line or placed a high voltage transmission line on the certified HVTL list maintained by the commission, the environmental impact statement shall not address questions of need, including size, type, and timing; questions of alternative system configurations; or questions of voltage.

Subp. 6. **Draft EIS.** The draft environmental impact statement must be written in plain and objective language. The draft environmental impact statement shall follow the standard format for an environmental impact statement prescribed in part 4410.2300 to the extent the requirements of that rule are appropriate.

Subp. 7. **Public review.** Upon completion of the draft environmental impact statement, the commissioner of the Department of Commerce shall make the document available for

public review by placing a copy of the document in a public library or other governmental office in each county where the proposed project may be located. The commissioner shall send notice of the availability of the draft environmental impact statement to each person on the project contact list maintained under part 7850.2100, subpart 1. The commissioner shall also place a notice in the EQB Monitor of the availability of the draft environmental impact statement. The commissioner shall post the environmental impact statement on the agency's web page if possible.

Subp. 8. **Informational meeting.** The commissioner of the Department of Commerce shall schedule an informational meeting to provide an opportunity for the public to comment on the draft environmental impact statement. The meeting must not be held sooner than 20 days after the draft environmental impact statement becomes available. The meeting must be held in a location convenient to persons who live near the proposed project. The commissioner shall send notice of the informational meeting to each person on the project contact list maintained under part 7850.2100, subpart 1. The commissioner shall also place notice in the EQB Monitor. The informational meeting may be held just prior to the holding of a contested case hearing on the permit application. The commissioner shall hold the record on the environmental impact statement open for receipt of written comments for not less than ten days after the close of the informational meeting.

Subp. 9. **Final EIS.** The commissioner of the Department of Commerce shall respond to the timely substantive comments received on the draft environmental impact statement consistent with the scoping decision and prepare the final environmental impact statement. The commissioner may attach to the draft environmental impact statement the comments received and its response to comments without preparing a separate document. The commissioner shall publish notice of the availability of the final environmental impact statement in the EQB Monitor and shall supply a press release to at least one newspaper of general circulation in the areas where the proposed sites or routes are located.

Subp. 10. **Adequacy determination.** The Public Utilities Commission shall determine the adequacy of the final environmental impact statement. The commission shall not decide the adequacy for at least ten days after the availability of the final environmental impact statement is announced in the EQB Monitor. The final environmental impact statement is adequate if it:

A. addresses the issues and alternatives raised in scoping to a reasonable extent considering the availability of information and the time limitations for considering the permit application;

B. provides responses to the timely substantive comments received during the draft environmental impact statement review process; and

C. was prepared in compliance with the procedures in parts 7850.1000 to 7850.5600.

If the commission finds that the environmental impact statement is not adequate, the commission shall direct the staff to respond to the deficiencies and resubmit the revised environmental impact statement to the commission as soon as possible.

Subp. 11. **Cost.** The applicant for a site permit or route permit shall pay the reasonable costs of preparing and distributing an environmental impact statement. The costs must not be assessed separately from the assessment under part 7850.1800 unless that assessment is inadequate to cover the commissioner's reasonable costs of considering the permit application.

Subp. 12. **Environmental review requirements.** The requirements of chapter 4410 and parts 7849.1000 to 7849.2100 do not apply to the preparation or consideration of an environmental impact statement for a large electric power generating plant or high voltage transmission line except as provided in parts 7850.1000 to 7850.5600.

7850.2600 CONTESTED CASE HEARING.

Subpart 1. **Hearing.** The PUC shall hold a contested case hearing after the draft environmental impact statement is prepared on all applications for a site permit or a route permit. The hearing must be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of Minnesota Statutes, chapter 14. Notice of the hearing must be given in accordance with Minnesota Statutes, section 216E.03, subdivision 6. At least a portion of the hearing must be held in a county where the proposed large electric power generating plant or high voltage transmission line would be located.

Subp. 2. **Issues.** Once the commission has determined questions of need, including size, type, and timing; questions of system configuration; and questions of voltage, those issues must not be addressed in the contested case hearing.

Subp. 3. **Hearing.** If the commission determines that a hearing to consider both permitting and need issues is feasible, more efficient, and may further the public interest, the commission may decide to hold a hearing. The commission may also elect to hold a joint hearing with other states pursuant to Minnesota Statutes, section 216E.02, subdivision 3.

7850.2700 FINAL DECISION.

Subpart 1. **Timing.** The commission shall make a final decision on a site permit or a route permit application within 60 days after receipt of the report of the administrative law judge. A final decision must be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Subp. 2. **EIS adequacy.** The commission shall not make a final decision on a permit until the commission has found the environmental impact statement to be adequate.

Subp. 3. **Certificate of need decision.** The PUC shall not make a final decision on a permit for a project that requires a Certificate of Need from the Public Utilities Commission until the applicant has obtained the necessary approval.

Subp. 4. **Notice.** The PUC shall publish notice of its final permit decision in the State Register within 30 days of the date the commission makes the decision. The PUC shall also publish notice in the EQB Monitor. The PUC shall mail notice of its final permit decision to those persons whose names are on the project contact list. The PUC shall post notice of the final decision on the agency's web page, if possible.

7850.2800 ELIGIBLE PROJECTS.

Subpart 1. **Eligible projects.** An applicant for a site permit or a route permit for one of the following projects may elect to follow the procedures of parts 7850.2800 to 7850.3900 instead of the full permitting procedures in parts 7850.1700 to 7850.2700:

- A. large electric power generating plants with a capacity of less than 80 megawatts;
- B. large electric power generating plants that are fueled by natural gas;
- C. high voltage transmission lines of between 100 and 200 kilovolts;
- D. high voltage transmission lines in excess of 200 kilovolts and less than five miles in length in Minnesota;
- E. high voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high voltage transmission line rights-of-way;
- F. a high voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; and

G. a high voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line.

Subp. 2. **Notice to PUC.** An applicant for a permit for one of the qualifying projects in subpart 1, who intends to follow the procedures of parts 7850.2800 to 7850.3700, shall notify the PUC of such intent, in writing, at least ten days before submitting an application for the project.

7850.2900 PERMIT APPLICATION UNDER ALTERNATIVE PROCESS.

Part 7850.1700, regarding submission of a permit application, applies to projects being considered under the alternative permitting process.

7850.3000 PERMIT FEES.

Part 7850.1800, regarding permit fees, applies to projects being considered under the alternative permitting process.

7850.3100 CONTENTS OF APPLICATION.

The applicant shall include in the application the same information required in part 7850.1900, except the applicant need not propose any alternative sites or routes to the preferred site or route. If the applicant has rejected alternative sites or routes, the applicant shall include in the application the identity of the rejected sites or routes and an explanation of the reasons for rejecting them.

7850.3200 APPLICATION REVIEW.

Part 7850.2000 regarding the commission's review of the application, applies to projects being considered under the alternative permitting process.

7850.3300 PROJECT NOTICE.

Part 7850.2100, regarding obligations to give notice of the project, applies to projects being considered under the alternative permitting process.

7850.3400 PUBLIC ADVISOR.

Part 7850.2200, regarding appointment of a public advisor, applies to projects being considered under the alternative permitting process.

7850.3500 PUBLIC MEETING.

Subpart 1. **Public meeting.** Part 7850.2300, subparts 1 to 4, apply to projects being considered under the alternative permitting process.

Subp. 2. **Environmental assessment.** At the public meeting, the public shall be provided an opportunity to comment on the scope of the environmental assessment in accordance with part 7850.3700.

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.

7850.3700 ENVIRONMENTAL ASSESSMENT PREPARATION.

Subpart 1. **Environmental assessment required.** The commissioner of the Department of Commerce shall prepare an environmental assessment on each proposed large electric power generating plant and each proposed high voltage transmission line being reviewed under the alternative permitting process in parts 7850.2800 to 7850.3900. The environmental assessment must contain information on the human and environmental impacts of the

proposed project and of alternative sites or routes identified by the commissioner and shall address mitigating measures for all sites or routes considered.

Subp. 2. Scoping process.

A. The commissioner of the Department of Commerce shall provide the public with an opportunity to participate in the development of the scope of the environmental assessment by holding a public meeting and by soliciting public comments. The public meeting required under part 7850.3500 satisfies the requirement to hold a scoping meeting. The commissioner shall mail notice of the meeting to those persons on either the general list or the project contact list at least ten days before the meeting. The commissioner shall provide at least seven days from the day of the public meeting for the public to submit comments regarding the scope of the environmental assessment.

B. The commissioner shall include in the scope of the environmental assessment any alternative sites or routes proposed by the citizen advisory task force or by any member agency of the Environmental Quality Board prior to the close of the scoping period. During the scoping process, any person may suggest an alternative site or route to evaluate in the environmental assessment. A person desiring that a particular site or route be evaluated shall submit to the commissioner, during the scoping process, an explanation of why the site or route should be included in the environmental assessment and all supporting information the person wants the commissioner to consider. The commissioner shall provide the applicant with an opportunity to respond to each request that an alternative be included in the environmental assessment. The commissioner shall include the suggested site or route in the scope of the environmental assessment only if the commissioner determines that evaluation of the proposed site or route will assist in the commissioner's ultimate decision on the permit application. Any person may also suggest specific human or environmental impacts that should be included in the environmental assessment.

Subp. 3. Scoping decision. The commissioner of the Department of Commerce shall determine the scope of the environmental assessment within ten days after close of the public comment period and shall mail notice of the scoping decision to those persons on the project contact list within five days after the decision. Once the commissioner has determined the scope of the environmental assessment, the scope shall not be changed except upon a decision by the commissioner that substantial changes have been made in the project or substantial new information has arisen significantly affecting the potential environmental effects of the project or the availability of reasonable alternatives. The commissioner shall also determine as part of the scoping process a reasonable schedule for completion of the environmental assessment. The scoping decision by the commissioner must identify:

- A. the alternative sites or routes, if any, to be addressed in the environmental assessment;
- B. any specific potential impacts to be addressed;
- C. the schedule for completion of the environmental assessment; and
- D. other matters to be included in the environmental assessment.

Subp. 4. Content of environmental assessment. The environmental assessment must include:

- A. a general description of the proposed facility;
- B. a list of any alternative sites or routes that are addressed;
- C. a discussion of the potential impacts of the proposed project and each alternative site or route on the human and natural environment;
- D. a discussion of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative site or route analyzed;

- E. an analysis of the feasibility of each alternative site or route considered;
- F. a list of permits required for the project; and
- G. a discussion of other matters identified in the scoping process.

Subp. 5. **Time frame for completion of environmental assessment.** The commissioner of the Department of Commerce shall complete the environmental assessment in accordance with the schedule established during the scoping process. In establishing the schedule for completion of the environmental assessment, the commissioner shall take into account any applicable statutory deadlines, the number and complexity of the alternatives and impacts to be addressed, the status of other proceedings affecting the project, and the interests of the public, the applicant, and the commissioner.

Subp. 6. **Notification of availability of environmental assessment.** Upon completion of the environmental assessment, the commissioner shall publish notice in the EQB Monitor of the availability of the environmental assessment and mail notice of the availability of the document to those persons on the project contact list. The commissioner shall provide a copy of the environmental assessment to any public agency with authority to permit or approve the proposed project. The commissioner shall post the environmental assessment on the agency's web page, if possible.

Subp. 7. **Matters excluded.** When the Public Utilities Commission has issued a Certificate of Need for a large electric power generating plant or high voltage transmission line or placed a high voltage transmission line on the certified HVTL list maintained by the commission, the environmental assessment shall not address questions of need, including size, type, and timing; questions of alternative system configurations; or questions of voltage.

Subp. 8. **No additional environmental review.** An environmental assessment must be the only state environmental review document required to be prepared by the commissioner of the Department of Commerce on a project qualifying for review under the alternative review process. No environmental assessment worksheet or environmental impact statement shall be required. Environmental review at the certificate of need stage before the Public Utilities Commission must be performed in accordance with parts 7849.1000 to 7849.2100.

Subp. 9. **Cost.** The cost of the preparation of an environmental assessment must be assessed to the applicant as part of the application fee pursuant to part 7850.1800.

7850.3800 PUBLIC HEARING.

Subpart 1. **Public hearing.** The PUC shall hold a public hearing once the environmental assessment has been completed. Notice of the hearing shall be given in accordance with Minnesota Statutes, section 216E.03, subdivision 6. At least a portion of the hearing shall be held in a county where the proposed large electric power generating plant or high voltage transmission line would be located.

Subp. 2. **Hearing examiner.** The commission shall appoint a person to act as the hearing examiner at the public hearing. The hearing examiner may be an employee of the PUC. The hearing examiner shall set the date and place for the hearing and provide notice to the public. The hearing examiner may make such rulings as are required to conduct the hearing in a fair, impartial, and expeditious manner, including the authority to maintain decorum at the hearing, to exclude repetitious or irrelevant testimony, to limit the amount of time for oral testimony, and to continue the hearing from time to time as needed. Persons may testify at the hearing without being first sworn under oath. The hearing examiner shall ensure that the record created at the hearing is preserved and transmitted to the commission. An audio recording of the hearing must be made, unless the commission determines that a court reporter is appropriate. The hearing examiner shall not prepare a report or make any recommendation to the commission unless the commission requests the hearing examiner to do so.

Subp. 3. **Hearing procedure.** The hearing must be conducted in the following manner, although the hearing examiner may vary the order in which the hearing proceeds:

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A. the staff shall make a brief presentation to describe the project, explain the process to be followed, and introduce documents to be included in the record, including the application, the environmental assessment, and various procedural documents;

B. the applicant shall introduce its evidence by way of testimony and exhibits;

C. the public must be afforded an opportunity to make an oral presentation, present documentary evidence, and ask questions of the applicant and staff;

D. the hearing examiner shall provide a period of not less than ten days for the submission of written comments into the record after the close of the hearing; and

E. the hearing examiner shall transmit the complete record created at the hearing, including all written comments, to the commission within five days of the close of the record, unless the hearing examiner has been requested by the commission to prepare a report.

Subp. 4. **Issues.** Once the Public Utilities Commission has determined questions of need, including size, type, and timing; questions of system configurations; and questions of voltage, those issues must not be addressed in the public hearing.

Subp. 5. **Environmental assessment.** Interested persons may comment upon the environmental assessment at the public hearing. Comments on the environmental assessment shall become part of the record in the proceeding but the commission shall not be required to revise or supplement the environmental assessment document.

7850.3900 FINAL DECISION.

Subpart 1. **Timing.** The commission shall make a final decision on a site permit or a route permit application within 60 days after receipt of the record from the hearing examiner. A final decision must be made within six months after the commission's determination that an application is complete. The commission may extend this time limit for up to three months for just cause or upon agreement of the applicant.

Subp. 2. **Completeness of environmental assessment.** At the time the commission makes a final decision on the permit application, the commission shall determine whether the environmental assessment and the record created at the public hearing address the issues identified in the scoping decision.

Subp. 3. **Certificate of need decision.** The PUC shall not make a final decision on a permit for a project that requires a certificate of need from the Public Utilities Commission until the applicant has obtained the necessary approval from the Public Utilities Commission.

Subp. 4. **Notice.** The PUC shall publish notice of its final permit decision in the State Register within 30 days of the day the commission makes the decision. The PUC shall also publish notice in the EQB Monitor. The PUC shall mail notice of its final permit decision to those persons whose names are on the project contact list. The PUC shall post notice of the final decision on the agency's web page, if possible.

7850.4100 FACTORS CONSIDERED.

In determining whether to issue a permit for a large electric power generating plant or a high voltage transmission line, the commission shall consider the following:

A. effects on human settlement, including, but not limited to, displacement, noise, aesthetics, cultural values, recreation, and public services;

B. effects on public health and safety;

C. effects on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining;

D. effects on archaeological and historic resources;

- E. effects on the natural environment, including effects on air and water quality resources and flora and fauna;
- F. effects on rare and unique natural resources;
- G. application of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity;
- H. use or paralleling of existing rights-of-way, survey lines, natural division lines, and agricultural field boundaries;
- I. use of existing large electric power generating plant sites;
- J. use of existing transportation, pipeline, and electrical transmission systems or rights-of-way;
- K. electrical system reliability;
- L. costs of constructing, operating, and maintaining the facility which are dependent on design and route;
- M. adverse human and natural environmental effects which cannot be avoided; and
- N. irreversible and irretrievable commitments of resources.

7850.4200 FACTORS EXCLUDED.

When the Public Utilities Commission has issued a Certificate of Need for a large electric power generating plant or a high voltage transmission line or placed a high voltage transmission line on the certified HVTL list maintained by the commission, questions of need, including size, type, and timing, questions of alternative system configurations, and questions of voltage shall not be factors considered by the commission in deciding whether to issue a permit for a proposed facility.

7850.4500 PERMIT APPLICATION REJECTION.

The commission shall reject a permit application at the time it is submitted if the application is for a facility to be located on a prohibited site or within a prohibited route or if the applicant fails to address in the application why no feasible and prudent alternative exists for sites or routes that may be authorized in such a situation.

7850.4600 PERMIT CONDITIONS.

Subpart 1. **Generally.** The commission shall impose in any site permit for a large electric power generating plant or route permit for a high voltage transmission line such conditions as the commission deems appropriate and are supported by the record.

Subp. 2. **HVTL permits.** When the commission issues a permit for a route for a high voltage transmission line, the commission shall specify the design, route, right-of-way preparation, and facility construction and operation it deems necessary. The commission may impose a condition in the permit requiring the permittee to construct a high voltage transmission line that is capable of expansion in transmission capacity through multiple circuiting or design modifications.

7850.4700 DELAY IN ROUTE OR SITE CONSTRUCTION.

If construction and improvement of a route or site have not commenced four years after the permit has been issued by the commission, the commission shall suspend the permit. If at that time, or at a time subsequent, the permittee decides to construct the proposed large electric power generating facility or high voltage transmission line, the permittee shall certify to the commission that there have been no significant changes in any material aspects of the conditions or circumstances existing when the permit was issued. The commission shall

mail notice of receipt of the certification request to those persons on the general list at least seven days before the commission's consideration of the matter, and the same notice to those persons on the project contact list if such a list exists. If the commission determines that there are no significant changes, it shall reinstate the permit. If the commission determines that there is a significant change, it may order a new hearing and consider the matter further, or it may require the permittee to file a new application.

7850.4800 MINOR ALTERATION IN GENERATING PLANT OR TRANSMISSION LINE.

Subpart 1. **Applicability.** No person may make a minor alteration in a large electric power generating plant or high voltage transmission line without approval from the commission, unless the action is exempt from review under part 7850.1500. A minor alteration is a change in a large electric power generating plant or high voltage transmission line that does not result in significant changes in the human or environmental impact of the facility. The requirements of this part apply to those facilities that have been permitted by the PUC and to those facilities that were not permitted by the PUC but meet the definition of a large electric power generating plant or high voltage transmission line under applicable law. For those large electric power generating plants or high voltage transmission lines for which no permit has been issued by the PUC, this part applies to minor alterations in the facility as it exists on February 18, 2003.

Subp. 2. **Application.** A person seeking authorization to make a minor alteration in a large electric power generating plant or high voltage transmission line shall apply to the commission. The application shall be in writing and shall describe the alteration in the large electric power generating plant or high voltage transmission line to be made and the explanation why the alteration is minor. The commission shall mail notice of receipt of the application to those persons on the general list and to those persons on the project contact list if such a list exists. The commission shall provide at least a ten-day period for interested persons to submit comments on the application or to request that the matter be brought to the commission for consideration.

Subp. 3. **Commission decision.** The commission shall decide within ten days after close of the public comment period whether to authorize the minor alteration, bring the matter to the commission for consideration, or determine that the alteration is not minor and requires a full permitting decision. The commission may authorize the minor alteration but impose reasonable conditions on the approval. The commission shall notify the applicant in writing of the commission's decision and send a copy of the decision to any person who requested notification or filed comments on the application.

Subp. 4. **Local review.** For those large electric power generating plants or high voltage transmission lines for which no permit has been issued by the PUC, the owner or operator of such unpermitted facilities may elect to seek approval of a minor alteration from the local unit of government if the facility qualifies for local review under Minnesota Statutes, section 216E.05.

7850.4900 AMENDMENT OF PERMIT CONDITIONS.

Subpart 1. **Authority.** The commission may amend any of the conditions in a site permit for a large electric power generating plant or in a route permit for a high voltage transmission line issued by the PUC upon request of any person.

Subp. 2. **Process.** The person requesting an amendment of a condition in a site permit or a route permit shall submit an application to the commission in writing describing the amendment sought and the reasons for the amendment. The commission shall mail notice of receipt of the application to those persons on the general list and to those persons on the project list if such a list exists. The commission shall provide at least a ten-day period for interested persons to submit comments on the application or to request that the matter be brought to the commission for consideration.

Subp. 3. **Decision.** The commission shall decide within ten days after close of the public comment period whether to approve the amendment request or to bring the matter to the commission for consideration. The commission shall notify the applicant in writing of the commission's decision and send a copy of the decision to any person who requested notification or filed comments on the application.

7850.5000 PERMIT TRANSFER.

Subpart 1. **Application.** A permittee holding a large electric power generating plant site permit or a high voltage transmission line route permit may request the PUC to transfer its permit. The permittee shall provide the name of the existing permittee, the name and description of the entity to which the permit is to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the PUC with such information as the PUC shall require to determine whether the new permittee can comply with the conditions of the permit. The commission shall mail notice of receipt of the application to those persons on the general list at least seven days in advance of the commission's consideration of the matter. The commission shall provide the same notice to persons on the project contact list if such a list exists.

Subp. 2. **Approval of transfer.** The commission shall approve the transfer if the commission determines that the new permittee will comply with the conditions of the permit. The commission, in approving the transfer of a permit, may impose reasonable additional conditions in the permit as part of the approval. The commission may decide to hold a public meeting to provide the public with an opportunity to comment on the request for the transfer prior to making a decision.

7850.5100 PERMIT REVOCATION OR SUSPENSION.

Subpart 1. **Initiation of action to revoke or suspend.** The commission may initiate action to consider revocation or suspension of a permit on its own motion or upon the request of any person who has made a prima facie showing by affidavit and documentation that a violation of the act, parts 7850.1000 to 7850.5600, or the permit has occurred.

Subp. 2. **Hearing.** If the commission initiates action to consider revocation or suspension of a permit, the commission shall provide the permittee with an opportunity for a contested case hearing conducted by an administrative law judge from the Office of Administrative Hearings.

Subp. 3. **Finding of violation.** If the commission finds that a violation of the act, parts 7850.1000 to 7850.5600, or the permit has occurred, it may revoke or suspend the permit, require the utility to undertake corrective or ameliorative measures as a condition to avoid revocation or suspension, or require corrective measures and suspend the permit. In determining the appropriate sanction, the commission shall consider the following:

A. whether the violation will result in any significant additional adverse environmental effects;

B. whether the results of the violation can be corrected or ameliorated; and

C. whether a suspension or revocation of a permit or certificate will impair the utility's electrical power system reliability.

7850.5200 EMERGENCY PERMIT.

Subpart 1. **Application for emergency permit.** Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line due to a major unforeseen event may apply to the commission for an emergency permit. The application must contain the following information:

A. a description of the proposed large electric power generating plant or high voltage transmission line;

- B. an explanation of the major unforeseen event causing the emergency situation;
- C. a discussion of the anticipated impacts on the electric system if the proposed facility is not approved within 195 days;
- D. a copy of the written notification to the Public Utilities Commission of the major unforeseen event and the need for immediate construction; and
- E. as much of the information required under part 7850.1900 as the utility has available.

Subp. 2. **Public hearing.** The PUC shall hold a public hearing on the application for an emergency permit. The hearing must be held within 90 days after the application is submitted. The hearing must be held in accordance with part 7850.3800.

Subp. 3. **Final decision.** The commission shall make a final decision on an emergency permit within 195 days after the commission's acceptance of the application. The board shall grant the emergency permit if it finds the following:

- A. a demonstrable emergency exists;
- B. the emergency requires immediate construction;
- C. adherence to the procedures and time schedules specified in Minnesota Statutes, section 216E.03, would jeopardize the utility's electric power system or the utility's ability to meet the electric needs of its customers in an orderly and timely manner;
- D. the utility will implement mitigating measures to minimize the human and environmental impacts of the facility; and
- E. the utility will carry out the project in an expeditious manner consistent with the emergency.

Subp. 4. **Permit conditions.** The commission may impose reasonable conditions in an emergency permit.

Subp. 5. **Permit fee.** The applicant for an emergency permit shall pay the same fee as would be required for a regular permit for the same project.

7850.5300 LOCAL REVIEW OF PROPOSED FACILITIES.

Subpart 1. **Local review.** An applicant who seeks a site or route permit for one of the projects identified in subpart 2 has the option of applying to those local units of government that have jurisdiction over the site or route for approval to build the project. If local approval is granted, a site or route permit is not required from the commission. If the applicant files an application with the PUC, the applicant shall be deemed to have waived its right to seek local approval of the project.

Subp. 2. **Eligible projects.** An applicant may seek approval from a local unit of government to construct the following projects:

- A. a large electric power generating plant with a capacity of less than 80 megawatts;
- B. a large electric power generating plant of any size that burns natural gas and is intended to be a peaking plant;
- C. a high voltage transmission line of between 100 and 200 kilovolts;
- D. a substation with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;
- E. a high voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; and

F. a high voltage transmission line rerouting to serve the demand of a single customer when at least 80 percent of the rerouted line will be located on property owned or controlled by the customer or the owner of the transmission line.

Subp. 3. **Notice to PUC.** Within ten days of submission of an application to a local unit of government for approval of an eligible project, the applicant shall notify the commission in writing that the applicant has elected to seek local approval of the proposed project. Within the same ten-day period, the applicant shall mail notice to those persons on the general notification list that a permit has been applied for from the local unit of government for the project and shall provide a description of the project and the name of a person with the local unit of government to contact for more information.

Subp. 4. **Referral to PUC.** A local unit of government with jurisdiction over a project identified in this section to whom an applicant has applied for approval to build the project may request the PUC to assume jurisdiction and make a decision on a site or route permit. A local unit of government shall file the request with the commission within 60 days after an application for the project has been filed with any one local unit of government. If one of the local units of government with jurisdiction over the project requests the commission to assume jurisdiction, jurisdiction over the project transfers to the commission and the applicant shall file under the applicable provisions of parts 7850.1000 to 7850.5600 for a permit from the commission.

Subp. 5. **Environmental review.** A local unit of government that maintains jurisdiction over a qualifying project shall prepare an environmental assessment on the project. The local unit of government shall afford the public an opportunity to participate in the development of the scope of the environmental assessment before it is prepared. Upon completion of the environmental assessment, the local unit of government shall publish notice in the EQB Monitor that the environmental assessment is available for review, how a copy of the document may be reviewed, that the public may comment on the document, and the procedure for submitting comments to the local unit of government. The local unit of government shall provide a copy of the environmental assessment to the PUC upon completion of the document. The local unit of government shall not make a final decision on the permit until at least ten days after the notice appears in the EQB Monitor. If more than one local unit of government has jurisdiction over a project, and the local units of government cannot agree on which unit will prepare the environmental assessment, any local unit of government or the applicant may request the commission to select the appropriate local unit of government to be the responsible governmental unit to conduct an environmental review of the project.

Subp. 6. **No local authority.** In the event a local unit of government that might otherwise have jurisdiction over a proposed large electric power generating plant or high voltage transmission line determines that it has no ordinances or other provisions for reviewing and authorizing the construction of such project or has no capability of preparing an environmental assessment on the project, the local unit of government shall refer the matter to the PUC for review.

Subp. 7. **Matters excluded.** When the Public Utilities Commission has issued a Certificate of Need for a large electric power generating plant or high voltage transmission line or placed a high voltage transmission line on the certified HVTL list maintained by the commission, the local unit of government shall not address questions of need, including size, type, and timing; questions of alternative system configurations; or questions of voltage.

7850.5400 ANNUAL PUBLIC HEARING.

Subpart 1. **Annual public hearing.** The commission shall hold an annual public hearing in November or December in St. Paul in order to advise the public of matters relating to the siting of large electric power generating plants and routing of high voltage transmission lines. The meeting must be conducted by the PUC staff. At the meeting, the PUC shall advise the public of the permits issued by the PUC in the past year. The PUC shall invite

representatives of other state agencies to attend the meeting and be available to answer questions by the public. An audio recording of the hearing must be maintained.

Subp. 2. **Notice.** The PUC shall provide at least ten days but no more than 45 days notice of the annual hearing by mailing notice to those persons who have requested notice and by publication in the EQB Monitor. The notice must be accompanied by a tentative agenda for the hearing.

Subp. 3. **Report.** The staff shall prepare a report of the annual hearing within 60 days after the hearing and submit it to the commission. No action on the report is required.

7850.5500 ANNUAL ASSESSMENT ON UTILITIES.

For purposes of determining the annual assessment on a utility pursuant to the act, each utility shall, on or before July 1 of each year, submit to the commission a report of its retail kilowatt-hour sales in the state and its gross revenue from kilowatt-hour sales in the state for the preceding calendar or utility reporting year. Upon receipt of these reports, the commission shall bill each utility as specified in the act.

7850.5600 PROGRAM ADVISORY TASK FORCE.

The commission may appoint a program advisory task force to provide advice and recommendations concerning development, revision, and enforcement of any rule or program initiated under the act or parts 7850.1000 to 7850.5600. The commission shall provide guidance to the program advisory task force in the form of a charge and through specific requests. The program advisory task force must be composed of as many members as may be designated by the commission and its membership must be solicited on a statewide basis. The program advisory task force and its chair must be appointed for a one-year term.

7854.0100 DEFINITIONS.

Subpart 1. **Scope.** As used in this chapter, the following terms have the meanings given them.

Subp. 2. **Associated facilities.** "Associated facilities" means facilities, equipment, machinery, and other devices necessary to the operation and maintenance of a large wind energy conversion system, including access roads, collector and feeder lines, and substations.

Subp. 3. **Commission.** "Commission" means the Minnesota Public Utilities Commission.

Subp. 4. **Construction.** "Construction" means to begin or cause to begin as part of a continuous program the placement, assembly, or installation of facilities or equipment or to conduct significant site preparation work for installation of facilities or equipment. Entering into binding power purchase contracts or obtaining wind easements from property owners or gathering wind data is not construction.

Subp. 5. **Draft site permit.** "Draft site permit" means a document prepared by the chair that indicates a preliminary decision to issue a site permit with particular terms and conditions.

Subp. 6. **EQB Monitor.** "EQB Monitor" means the biweekly bulletin published by the Environmental Quality Board.

Subp. 7. **Large wind energy conversion system or LWECS.** "Large wind energy conversion system" or "LWECS" means a combination of wind energy conversion systems with a combined nameplate capacity of 5,000 kilowatts or more.

Subp. 8. **Person.** "Person" means an individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

Subp. 9. **Power purchase agreement.** "Power purchase agreement" means a legally enforceable agreement between two or more persons where one or more of the signatories agrees to provide electrical power and one or more of the signatories agrees to purchase the power.

Subp. 10. **PUC.** "PUC" means the commission and the commission's staff.

Subp. 11. **Site permit.** "Site permit" means a document issued by the commission authorizing a person or persons to construct a large wind energy conversion system under the terms and conditions specified in the document.

Subp. 12. **Small wind energy conversion system or SWECS.** "Small wind energy conversion system" or "SWECS" means a combination of wind energy conversion systems with a combined nameplate capacity of less than 5,000 kilowatts.

Subp. 13. **Wind energy conversion system or WECS.** "Wind energy conversion system" or "WECS" means a device such as a wind charger, windmill, or wind turbine and associated facilities that converts wind energy to electric energy.

7854.0200 PURPOSE.

This chapter provides for the consideration of applications for site permits for large wind energy conversion systems by the Minnesota Public Utilities Commission. This chapter is intended to provide for the siting of large wind energy conversion systems in an orderly manner compatible with environmental preservation, sustainable development, and the efficient use of resources.

7854.0300 PERMIT REQUIREMENT.

Subpart 1. **LWECS.** No person may construct an LWECS without a site permit from the commission. No person may commence construction of an LWECS until the commission has issued a site permit for the LWECS.

Subp. 2. **SWECS.** A site permit from the commission is not required to construct an SWECS. Nothing in this chapter precludes a local governmental unit from establishing requirements for the siting and construction of an SWECS.

Subp. 3. **Expansion of existing system.** No person may expand an existing LWECS by any amount or expand an SWECS to exceed 5,000 kilowatts without a site permit from the commission. A new project is considered an expansion of an existing WECS if the new WECS is within five miles of any turbine in the existing WECS, both projects are under common ownership, and a permit application for the new WECS is submitted to the PUC less than three years after the existing WECS commenced operation. Two WECS are under common ownership if the proposer of the new project, or a principal of the proposer, has an ownership or other financial interest in the existing WECS, although two projects are not under common ownership solely because the same person provided equity financing for both projects. The requirements of this subpart do not apply to any proposed SWECS for which the necessary local approvals were obtained prior to October 1, 2002, and for which construction started prior to December 31, 2002.

7854.0400 FILING APPLICATION FOR SITE PERMIT; PROTECTING DATA.

Subpart 1. **Number of copies.** A person seeking a site permit for an LWECS shall file three copies of the application for the site permit with the PUC for review prior to acceptance of the application.

Subp. 2. **Electronic copy.** A person filing an application for a site permit for an LWECS shall provide the PUC with an electronic version of the application suitable for posting on the PUC web page. An applicant may request that the commission waive this requirement, completely or in part, if an electronic version of the application is difficult or expensive for the applicant to obtain.

Subp. 3. **Not public data.** An applicant for a site permit for an LWECS may certify, according to the Minnesota Government Data Practices Act or other applicable law, that certain information in the application is trade secret information or other protected data or information that is not available to the public. The commission shall determine if the certified data or information satisfies the requirements for the protected classification and shall advise the applicant of the commission's determination before releasing any certified data or information. An applicant may withdraw its application if the commission determines that the data or information is not entitled to the protected classification. Any person aggrieved by the decision of the commission regarding the status of certain data may request the commission to reconsider its decision. The PUC shall ensure that data or information that is entitled to a protected classification is used and disclosed only according to applicable law.

7854.0500 SITE PERMIT APPLICATION CONTENTS.

Subpart 1. **Applicant.** An applicant for a site permit must provide the following background information regarding the applicant:

- A. a letter of transmittal signed by an authorized representative or agent of the applicant;
- B. the complete name, address, and telephone number of the applicant and any authorized representative;
- C. the signature of the preparer of the application if prepared by an agent or consultant of the applicant;
- D. the role of the permit applicant in the construction and operation of the LWECS;
- E. the identity of any other LWECS located in Minnesota in which the applicant, or a principal of the applicant, has an ownership or other financial interest;
- F. the operator of the LWECS if different from the applicant; and
- G. the name of the person or persons to be the permittees if a site permit is issued.

Subp. 2. **Certificate of need or other commitment.**

A. The applicant shall state in the application whether a certificate of need for the system is required from the commission and, if so, the anticipated schedule for obtaining the certificate of need. The commission shall not issue a site permit for an LWECS for which a certificate of need is required until the applicant obtains the certificate, although the commission may process the application while the certificate of need request is pending before the commission.

B. The commission may determine if a certificate of need is required for a particular LWECS for which the commission has received a site permit application.

C. If a certificate of need is not required from the commission, the applicant shall include with the application a discussion of what the applicant intends to do with the power that is generated. If the applicant has a power purchase agreement or some other enforceable mechanism for sale of the power to be generated by the LWECS, the applicant shall, upon the request of the commission, provide the commission with a copy of the document.

Subp. 3. **State policy.** The applicant shall describe in the application how the proposed LWECS project furthers state policy to site such projects in an orderly manner compatible with environmental preservation, sustainable development, and the efficient use of resources.

Subp. 4. **Proposed site.** The applicant shall include the following information about the site proposed for the LWECS and any associated facilities:

- A. the boundaries of the site proposed for the LWECS, which must be delineated on a United States Geological Survey Map or other map as appropriate;

B. the following characteristics of the wind at the proposed site:

- (1) interannual variation;
- (2) seasonal variation;
- (3) diurnal conditions;
- (4) atmospheric stability, to the extent available;
- (5) turbulence, to the extent available;
- (6) extreme conditions;
- (7) speed frequency distribution;
- (8) variation with height;
- (9) spatial variations; and
- (10) wind rose, in eight or more directions;

C. other meteorological conditions at the proposed site, including the temperature, rainfall, snowfall, and extreme weather conditions; and

D. the location of other wind turbines in the general area of the proposed LWECS.

Subp. 5. **Wind rights.** The applicant shall include in the application information describing the applicant's wind rights within the boundaries of the proposed site.

Subp. 6. **Design of project.** The applicant shall provide the following information regarding the design of the proposed project:

A. a project layout, including a map showing a proposed array spacing of the turbines;

B. a description of the turbines and towers and other equipment to be used in the project, including the name of the manufacturers of the equipment;

C. a description of the LWECS electrical system, including transformers at both low voltage and medium voltage; and

D. a description and location of associated facilities.

Subp. 7. **Environmental impacts.** An applicant for a site permit shall include with the application an analysis of the potential impacts of the project, proposed mitigative measures, and any adverse environmental effects that cannot be avoided, in the following areas:

A. demographics, including people, homes, and businesses;

B. noise;

C. visual impacts;

D. public services and infrastructure;

E. cultural and archaeological impacts;

F. recreational resources;

G. public health and safety, including air traffic, electromagnetic fields, and security and traffic;

H. hazardous materials;

I. land-based economics, including agriculture, forestry, and mining;

J. tourism and community benefits;

K. topography;

- L. soils;
- M. geologic and groundwater resources;
- N. surface water and floodplain resources;
- O. wetlands;
- P. vegetation;
- Q. wildlife; and
- R. rare and unique natural resources.

The analysis of the environmental impacts required by this subpart satisfies the environmental review requirements of chapter 4410, parts 7849.1000 to 7849.2100, and Minnesota Statutes, chapter 116D. No environmental assessment worksheet or environmental impact statement shall be required on a proposed LWECS project.

Subp. 8. **Construction of project.** The applicant shall describe the manner in which the project, including associated facilities, will be constructed.

Subp. 9. **Operation of project.** The applicant shall describe how the project will be operated and maintained after construction, including a maintenance schedule.

Subp. 10. **Costs.** The applicant shall describe the estimated costs of design and construction of the project and the expected operating costs.

Subp. 11. **Schedule.** The applicant shall include an anticipated schedule for completion of the project, including the time periods for land acquisition, obtaining a site permit, obtaining financing, procuring equipment, and completing construction. The applicant shall identify the expected date of commercial operation.

Subp. 12. **Energy projections.** The applicant shall identify the energy expected to be generated by the project.

Subp. 13. **Decommissioning and restoration.** The applicant shall include the following information regarding decommissioning of the project and restoring the site:

- A. the anticipated life of the project;
- B. the estimated decommissioning costs in current dollars;
- C. the method and schedule for updating the costs of decommissioning and restoration;
- D. the method of ensuring that funds will be available for decommissioning and restoration; and
- E. the anticipated manner in which the project will be decommissioned and the site restored.

Subp. 14. **Identification of other permits.** The applicant shall include in the application a list of all known federal, state, and local agencies or authorities, and titles of the permits they issue that are required for the proposed LWECS.

7854.0600 APPLICATION ACCEPTANCE.

Subpart 1. **Action by commission.** Within 30 days after receipt of an application for a site permit, the commission shall accept, conditionally accept, or reject the application. If the commission conditionally accepts or rejects an application, the commission shall advise the applicant in writing of the deficiencies in the application and the manner in which the deficiencies can be addressed. Upon refile of a revised application, the commission shall again act on the application within 30 days after receipt.

Subp. 2. **Notice of application acceptance.** Within 15 days after commission acceptance of an application, the applicant shall provide notice of the application to the

county board, each city council, and each township board in each county where the LWECS is proposed to be located and shall publish notice of the application in a newspaper of general circulation in each county. Failure to give this notice or a delay in providing this notice constitutes cause to reject an application or delay a decision by the commission. The commission may elect to give this notice in lieu of requiring the applicant to provide the notice.

Subp. 3. **Additional copies.** Upon acceptance of the application by the commission, the commission shall advise the applicant of how many additional copies of the application to submit to the PUC. The applicant shall also provide a copy of the accepted application to the Minnesota Historical Society and to each landowner within the boundaries of the proposed LWECS site. The applicant shall also provide a copy to the office of each regional development commission of a development region, the auditor of each county, and the clerk of each city and township in which the LWECS is to be located. Each county auditor, city clerk, and township clerk shall retain the application and make it available for public inspection upon request. The applicant shall maintain a list of all persons to whom copies of the application are provided.

7854.0700 PUBLIC ADVISOR.

Upon acceptance of an application for a site permit, the commission shall designate a staff person to act as the public advisor on the project. The public advisor shall be available to answer questions from the public about the permitting process. The public advisor shall not give legal advice or other advice that may affect the legal rights of the person being advised, and the public advisor shall not act as an advocate on behalf of any person.

7854.0800 PRELIMINARY DETERMINATION AND DRAFT SITE PERMIT.

Subpart 1. **Preliminary determination.** Within 45 days after acceptance of the application by the commission, the commission shall make a preliminary determination whether a permit may be issued or should be denied. If the preliminary determination is to issue a permit, the commission shall prepare a draft site permit for the project. The draft site permit must identify the person or persons who will be the permittee, describe the proposed LWECS, and include proposed permit conditions.

Subp. 2. **Effect of draft site permit.** A draft site permit does not authorize a person to construct an LWECS. The commission may change the draft site permit in any respect before final issuance or may deny the site permit.

7854.0900 PUBLIC PARTICIPATION.

Subpart 1. **Public notice.** Upon preparation of a draft site permit, the PUC shall provide public notice of the draft site permit. The public notice must include the following:

- A. the name and address of the applicant for the site permit;
- B. a concise description of the proposed LWECS project;
- C. the location where a copy of the site permit application may be reviewed and how a copy of the application may be obtained;
- D. a statement of the availability of the draft site permit;
- E. the name of the public advisor and how the public advisor may be contacted to obtain more information;
- F. the time and place of a public information meeting;
- G. a statement that during the comment period any person may submit comments to the commission on the draft site permit, a statement of the dates on which the comment period commences and terminates, and a statement that any person may request a contested case hearing on the matter; and

H. a brief description of the anticipated procedures for reaching a final decision on the permit application.

Subp. 2. **Distribution of public notice.** The PUC shall publish the notice in a newspaper in each county in which the proposed LWECS is to be located. The PUC shall also mail the public notice to those persons known to the PUC to be interested in the proposed LWECS project, including governmental officials in each county in which the LWECS is proposed to be located. The PUC shall also publish notice in the EQB Monitor.

Subp. 3. **Public comments on draft site permit.** The PUC shall afford the public a minimum of 30 days after publication of the draft site permit notice in the EQB Monitor to submit written comments to the PUC. The commission may extend the public comment period if necessary to afford the public adequate time to review the application and other pertinent information in order to formulate complete comments on the draft site permit and the project.

Subp. 4. **Public information meeting.** The PUC shall hold at least one public information meeting in a convenient location in the vicinity of the proposed LWECS project. The PUC shall give the public at least ten days' notice of the public information meeting. The public information meeting must be held more than ten days prior to the end of the public comment period on the draft site permit. The commission shall extend the comment period if necessary to meet this requirement.

Subp. 5. **Contested case hearing.**

A. Any person may request in writing that a contested case hearing be held on an application for a site permit for a proposed LWECS project. The contested case hearing request must be filed within the time period established for submitting comments on the draft site permit. The person requesting the public hearing shall include, as part of the request, the issues to be addressed in the hearing and the reasons a hearing is required to resolve those issues.

B. The commission shall order a contested case hearing if the commission finds that the person requesting the contested case hearing has raised a material issue of fact and that holding a hearing would aid the PUC in making a final determination on the permit application.

C. The hearing must be conducted according to the rules of the Office of Administrative Hearings.

D. For a contested case hearing, the commission shall identify the issues to be resolved and limit the scope and conduct of the hearing according to applicable law, due process, and fundamental fairness. Alternatively, the commission may request the administrative law judge to identify the issues and determine the appropriate scope and conduct of the hearing according to applicable law, due process, and fundamental fairness.

7854.1000 FINAL SITE PERMIT DECISION.

Subpart 1. **Commission action.** Upon completion of the procedures and requirements of this chapter, the matter must be brought to the commission for a final decision. If a contested case hearing has been held, the commission shall act according to applicable requirements for action in a contested case proceeding. If no contested case hearing has been held, the commission shall compile the record that has been created and make a decision on the basis of that record.

Subp. 2. **Time limit for decision.** The commission shall take final action on the application for a site permit for an LWECS within 180 days after acceptance of an application by the commission, unless the applicant agrees to an extension or the commission extends this deadline for cause.

Subp. 3. **Determination by commission.** The commission shall not issue a site permit for an LWECS unless the commission determines that the project is compatible with

environmental preservation, sustainable development, and the efficient use of resources, and the applicant has complied with this chapter.

Subp. 4. **Conditions.** The commission may include in a site permit conditions for turbine type and designs, site layout and construction, and operation and maintenance of the LWECS, including the requirement to restore, to the extent possible, the area affected by construction of the LWECS to the natural conditions that existed immediately before construction of the LWECS and other conditions that the commission determines are reasonable to protect the environment, enhance sustainable development, and promote the efficient use of resources.

Subp. 5. **Term.** The term of a site permit for an LWECS is 30 years. The commission may renew the permit for an appropriate period of time upon request of the permit holder.

7854.1100 PERMIT AUTHORITY LIMITED.

Subpart 1. **Wind rights.** Nothing in a site permit for an LWECS shall be construed to convey the right to install a wind turbine in an area within the boundaries of the project for which the permittee does not hold the wind rights.

Subp. 2. **Other LWECS construction.** Nothing in a site permit for an LWECS shall be construed to preclude another person from seeking a site permit to construct an LWECS in an area within the boundaries of the project covered by the permit if the permittee does not hold exclusive wind rights for the areas.

Subp. 3. **Power purchase agreement.** A site permit does not authorize construction of the project until the permittee has obtained a power purchase agreement or some other enforceable mechanism for sale of the power to be generated by the project. If the permittee does not have a power purchase agreement or other enforceable mechanism at the time the permit is issued, the commission shall provide in the permit that the permittee shall advise the commission when it obtains a commitment for purchase of the power. The commission may establish as a condition in the permit a date by which the permittee must obtain a power purchase agreement or other enforceable mechanism or the site permit is null and void.

7854.1200 DELAY IN CONSTRUCTION.

If the permittee has not commenced construction of the project within two years after issuance of the site permit, the permittee must advise the commission of the reasons construction has not commenced. In such event, the commission may determine whether the permit should be revoked. No revocation of a permit for failure to commence construction may be undertaken except in accordance with part 7854.1300, subpart 4.

7854.1300 SITE PERMIT AMENDMENT OR REVOCATION.

Subpart 1. **New boundary.** Once construction of an LWECS is completed, the permittee shall advise the commission of the completion of the project and the commission shall amend the site permit to specifically define the area authorized for the LWECS. The boundary must be no larger than necessary to allow for efficient operation of the LWECS. If any person objects to the amendment of the permit to reflect the actual boundaries of the project, the commission shall bring the matter for decision in accordance with applicable procedural requirements.

Subp. 2. **Permit amendment.** The commission may amend a site permit for an LWECS at any time if the commission has good cause to do so.

Subp. 3. **Permit revocation.** The commission may revoke a site permit for an LWECS at any time if the commission determines that any of the following has occurred:

A. the applicant knowingly made a false statement in the application or in accompanying statements or studies required of the applicant, if a true statement would have warranted a change in the commission's findings;

B. the applicant has failed to comply with a material condition or term of the permit;

C. the permitted LWECS endangers human health or the environment and the danger cannot be resolved by modification of the permit or LWECS; or

D. the permittee has violated other laws that reflect an inability of the permittee to comply with the permit.

Subp. 4. **Procedure.** The commission may initiate action to consider amendment or revocation of a site permit for an LWECS on its own initiative or upon the request of any person. No site permit may be amended or revoked without first providing notice and affording due process to the permit holder.

7854.1400 PERMIT TRANSFER.

Subpart 1. **Request for transfer.** A permittee of a site permit for an LWECS may apply to the PUC for the transfer of its permit. The permittee must provide the name of the existing permittee, the name and description of the person to whom the permit is to be transferred, the reasons for the transfer, a description of the facilities affected, and the requested date of the transfer. The person to whom the permit is to be transferred shall provide the PUC with information required by the PUC to determine whether the new permittee can comply with the conditions of the permit. The permittee shall provide notice of the request to those persons identified by the PUC as persons interested in the matter.

Subp. 2. **Approval of transfer.** The commission shall approve the transfer if the commission determines that the new permittee will comply with the conditions of the permit. The commission, in approving the transfer of a permit, may impose reasonable additional conditions in the permit as part of the approval. The commission may hold a public meeting to provide the public with an opportunity to comment on the request for the transfer prior to making a decision.

7854.1500 FEES.

Subpart 1. **Fee requirement.** An applicant for a site permit under Minnesota Statutes, section 216F.04, shall pay an application fee to the PUC. The purpose of the application fee is to cover actual costs necessarily and reasonably incurred in processing an application for a site permit, including, but not limited to, staff time, expenses for public notice and meetings, environmental review, administrative overhead, and legal expenses.

Subp. 2. **Determination of PUC budget.** Upon receipt of an application for a site permit, the commission shall estimate the costs the PUC expects to incur in processing the application and establish an estimated budget. If the applicant disagrees with the amount of the estimated budget, the applicant may request that the Public Utilities Commission determine the appropriate estimated budget.

Subp. 3. **Initial payment.** Upon determination of the estimated budget, the applicant shall pay at least 50 percent of the estimated budget to the PUC. The commission shall not process a permit application until the first portion of the fee is submitted. The PUC shall deposit all money received from an applicant for permit fees in a special account.

Subp. 4. **Periodic payments.** The remaining costs incurred by the PUC must be paid in periodic payments upon receipt of an invoice from the PUC. The PUC shall not make a final decision on a site permit application if any assessed fees are unpaid.

Subp. 5. **Final accounting.** At the end of the permitting process, including any judicial review of the commission's final decision, the PUC shall provide a final accounting to the applicant of the total cost of processing the permit application. The applicant may review all actual costs associated with processing an application and present objections to the commission. The applicant shall make the final payment within 30 days of notification, or the PUC shall refund any excess payments within 30 days of the final accounting.