

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-THIRD SESSION**

**S.F. No. 4942**

(SENATE AUTHORS: FRENTZ, Putnam and Klein)

DATE	D-PG	OFFICIAL STATUS
03/13/2024	12195	Introduction and first reading Referred to State and Local Government and Veterans
04/11/2024	13655	Withdrawn and re-referred to Energy, Utilities, Environment, and Climate
04/18/2024	14300a	Comm report: To pass as amended and re-refer to Finance
04/24/2024	14747a	Comm report: To pass as amended
	14822	Second reading
05/06/2024	16325a	Special Order: Amended
	16348	Third reading Passed
05/07/2024	16460	Author added Putnam
05/13/2024	16652	Returned from House with amendment
	16653	Senate not concur, conference committee of 5 requested
	16947	Senate conferees Frentz; Klein; Putnam; Xiong; Dahms
05/15/2024	16950	House conferees Acomb; Stephenson; Vang; Pursell; Kraft
	16998	Author added Klein
05/19/2024		Conference committee report, delete everything Motion to reject CC report, did not prevail Senate adopted CC report and repassed bill Third reading

1.1 A bill for an act

1.2 relating to state government; authorizing supplemental agriculture appropriations;

1.3 providing broadband appropriation transfer authority; making policy and technical

1.4 changes to agriculture provisions; establishing and modifying agriculture programs;

1.5 requiring an application for federal broadband aid; modifying appropriations to

1.6 the Office of Cannabis Management and the Department of Health; modifying

1.7 fees assessed by the Department of Commerce; adding the Minnesota Consumer

1.8 Data Privacy Act; adding and modifying consumer protection provisions;

1.9 appropriating money for energy, utilities, environment, and climate; requiring

1.10 utilities to accept an individual taxpayer identification number when new customers

1.11 apply for utility service; allowing public utilities providing electric service to

1.12 propose goals for fuel-switching improvement achievements to the commissioner

1.13 of commerce; modifying the commercial property assessed clean energy program;

1.14 making technical changes to various provisions governing or administered by the

1.15 Department of Commerce; requiring reports; appropriating money; amending

1.16 Minnesota Statutes 2022, sections 17.116, subdivision 2; 17.133, subdivision 1;

1.17 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10;

1.18 31.94; 32D.30; 41B.047, subdivision 1; 45.0135, subdivision 7; 62Q.73, subdivision

1.19 3; 116J.396, by adding a subdivision; 216B.098, by adding a subdivision; 216B.16,

1.20 subdivisions 6c, 8; 216B.2402, subdivision 10, by adding a subdivision; 216B.2403,

1.21 subdivisions 2, 3, 5, 8; 216B.241, subdivisions 2, 11, 12; 216B.243, subdivision

1.22 3b; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions;

1.23 216C.436, subdivisions 1, 4, 7, 8, 10; 325E.21, by adding a subdivision; Minnesota

1.24 Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3;

1.25 18C.425, subdivision 6; 35.155, subdivision 12; 41B.0391, subdivisions 1, 2, 4,

1.26 6; 116C.779, subdivision 1; 144.197; 216B.1691, subdivision 1; 216C.08; 216C.09;

1.27 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; 325E.21, subdivision 1b;

1.28 342.72; Laws 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; Laws

1.29 2023, chapter 63, article 9, sections 5; 10; 15, subdivision 4; 20; proposing coding

1.30 for new law in Minnesota Statutes, chapters 13; 58B; 62J; 216B; 216C; proposing

1.31 coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota

1.32 Statutes 2022, section 34.07.

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

2.2 **ARTICLE 1**

2.3 **AGRICULTURE APPROPRIATIONS**

2.4 Section 1. **APPROPRIATIONS.**

2.5 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 2.6 parenthesis, subtracted from the appropriation in Laws 2023, chapter 43, or appropriated  
 2.7 to the agencies and for the purposes specified in this article. The appropriations are from  
 2.8 the general fund or another named fund and are available for the fiscal years indicated for  
 2.9 each purpose. The figures "2024" and "2025" used in this article mean that the appropriations  
 2.10 listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025,  
 2.11 respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The  
 2.12 biennium" is fiscal years 2024 and 2025.

2.13		<b><u>APPROPRIATIONS</u></b>	
2.14		<b><u>Available for the Year</u></b>	
2.15		<b><u>Ending June 30</u></b>	
2.16		<b><u>2024</u></b>	<b><u>2025</u></b>
2.17	Sec. 2. <b><u>DEPARTMENT OF AGRICULTURE</u></b>	<b><u>\$ 475,000</u></b>	<b><u>\$ 1,650,000</u></b>

2.18 (a) \$750,000 the second year is for home water  
 2.19 treatment such as reverse osmosis treatment  
 2.20 for private wells that are tested at or above the  
 2.21 maximum contaminant level of 10 mg/L and  
 2.22 located in Dodge, Fillmore, Goodhue,  
 2.23 Houston, Mower, Olmsted, Wabasha, or  
 2.24 Winona County. Priority must be given to  
 2.25 households at or below 300 percent of the  
 2.26 federal poverty guidelines and households  
 2.27 with infants and pregnant individuals. This  
 2.28 appropriation may also be used for education,  
 2.29 outreach, and technical assistance to  
 2.30 homeowners. Notwithstanding Minnesota  
 2.31 Statutes, section 16B.98, subdivision 14, the  
 2.32 commissioner may use up to 6.5 percent of  
 2.33 this appropriation for administrative costs.  
 2.34 This appropriation is available until June 30,  
 2.35 2027. This is a onetime appropriation.

3.1 By December 15 each year through 2027, the  
3.2 commissioner must report to the chairs and  
3.3 ranking minority members of the legislative  
3.4 committees with jurisdiction over agriculture  
3.5 and health detailing the use of this  
3.6 appropriation and the number of households  
3.7 served in each county.

3.8 (b) \$500,000 the second year is for the soil  
3.9 health financial assistance program under  
3.10 Minnesota Statutes, section 17.134, for  
3.11 projects located in Dodge, Fillmore, Goodhue,  
3.12 Houston, Mower, Olmsted, Wabasha, or  
3.13 Winona County. The commissioner may  
3.14 award no more than \$50,000 of the  
3.15 appropriation each year to a single recipient.  
3.16 Notwithstanding Minnesota Statutes, section  
3.17 16B.98, subdivision 14, the commissioner may  
3.18 use up to 6.5 percent of this appropriation for  
3.19 costs incurred to administer the program.  
3.20 Appropriations encumbered under contract on  
3.21 or before June 30, 2025, for soil health  
3.22 financial assistance grants are available until  
3.23 June 30, 2027. This appropriation is in  
3.24 addition to the appropriation in Laws 2023,  
3.25 chapter 43, article 1, section 2, subdivision 2,  
3.26 paragraph (b). This is a onetime appropriation.

3.27 (c) \$50,000 the first year is to convene a  
3.28 working group of interested parties, including  
3.29 representatives from the Department of  
3.30 Natural Resources, to investigate and  
3.31 recommend options for addressing crop and  
3.32 fence destruction due to Cervidae. By  
3.33 February 1, 2025, the commissioner must  
3.34 submit a report on the findings and  
3.35 recommendations of the working group to the

4.1 chairs and ranking minority members of the  
4.2 legislative committees with jurisdiction over  
4.3 agriculture policy and finance.  
4.4 Notwithstanding Minnesota Statutes, section  
4.5 16A.28, any unencumbered balance does not  
4.6 cancel at the end of the first year and is  
4.7 available in the second year. This is a onetime  
4.8 appropriation.

4.9 (d) \$100,000 the second year is to develop and  
4.10 enhance farm-to-school markets by providing  
4.11 more fruits, vegetables, meat, poultry, grain,  
4.12 and dairy for children in schools and early  
4.13 childhood education centers, child care  
4.14 centers, and family child care programs,  
4.15 including, at the commissioner's discretion,  
4.16 providing grants to reimburse schools, early  
4.17 childhood education centers, child care  
4.18 centers, and family child care programs for  
4.19 purchasing equipment and agricultural  
4.20 products. This appropriation is for the  
4.21 agricultural growth, research, and innovation  
4.22 program under Minnesota Statutes, section  
4.23 41A.12. Any unencumbered balance at the  
4.24 end of the second year may be used for other  
4.25 purposes under the agricultural growth,  
4.26 research, and innovation program and is  
4.27 available until June 30, 2027. Notwithstanding  
4.28 Minnesota Statutes, section 16B.98,  
4.29 subdivision 14, the commissioner may use up  
4.30 to 6.5 percent of this appropriation for  
4.31 administrative costs. This appropriation is in  
4.32 addition to the appropriation in Laws 2023,  
4.33 chapter 43, article 1, section 2, subdivision 4,  
4.34 paragraph (c). This is a onetime appropriation.

5.1 (e) \$300,000 the second year is for the  
5.2 protecting livestock grant program for  
5.3 producers to support the installation of  
5.4 measures to prevent the transmission of avian  
5.5 influenza. For the appropriation in this  
5.6 paragraph, a grant applicant must document  
5.7 a cost-share of 20 percent. An applicant's  
5.8 cost-share amount may be reduced up to  
5.9 \$2,000 to cover time and labor costs. This  
5.10 appropriation is for the agricultural growth,  
5.11 research, and innovation program under  
5.12 Minnesota Statutes, section 41A.12.  
5.13 Notwithstanding Minnesota Statutes, section  
5.14 16B.98, subdivision 14, the commissioner may  
5.15 use up to 6.5 percent of this appropriation for  
5.16 administrative costs. This appropriation is  
5.17 available until June 30, 2027. This is a onetime  
5.18 appropriation.

5.19 (f) \$375,000 the first year is to provide grants  
5.20 to secondary career and technical education  
5.21 programs for the purpose of offering  
5.22 instruction in meat cutting and butchery. This  
5.23 appropriation is for the agricultural growth,  
5.24 research, and innovation program under  
5.25 Minnesota Statutes, section 41A.12.  
5.26 Notwithstanding Minnesota Statutes, section  
5.27 16B.98, subdivision 14, the commissioner may  
5.28 use up to 6.5 percent of this appropriation for  
5.29 administrative costs. This is a onetime  
5.30 appropriation. Notwithstanding Minnesota  
5.31 Statutes, section 16A.28, any unencumbered  
5.32 balance does not cancel at the end of the first  
5.33 year and is available in the second year. Grants  
5.34 may be used for costs, including but not  
5.35 limited to:

6.1 (1) equipment required for a meat cutting  
6.2 program;

6.3 (2) facility renovation to accommodate meat  
6.4 cutting; and

6.5 (3) training faculty to teach the fundamentals  
6.6 of meat processing.

6.7 A grant recipient may be awarded a grant of  
6.8 up to \$75,000 and may use up to ten percent  
6.9 of the grant for faculty training. Priority may  
6.10 be given to applicants who are coordinating  
6.11 with meat cutting and butchery programs at  
6.12 Minnesota State Colleges and Universities  
6.13 institutions or with local industry partners.

6.14 By January 15, 2025, the commissioner must  
6.15 report to the chairs and ranking minority  
6.16 members of the legislative committees with  
6.17 jurisdiction over agriculture finance and  
6.18 education finance by listing the grants made  
6.19 under this paragraph by county and noting the  
6.20 number and amount of grant requests not  
6.21 fulfilled. The report may include additional  
6.22 information as determined by the  
6.23 commissioner, including but not limited to  
6.24 information regarding the outcomes produced  
6.25 by these grants. If additional grants are  
6.26 awarded under this paragraph that were not  
6.27 covered in the report due by January 15, 2025,  
6.28 the commissioner must submit an additional  
6.29 report to the chairs and ranking minority  
6.30 members of the legislative committees with  
6.31 jurisdiction over agriculture finance and  
6.32 education finance regarding all grants issued  
6.33 under this paragraph by November 1, 2025.

7.1 (g) \$50,000 the first year is to prepare a report  
 7.2 on agricultural land trends. For the purposes  
 7.3 of this section, "agricultural land" means  
 7.4 property classified as class 2a agricultural land  
 7.5 or class 2b rural vacant land under Minnesota  
 7.6 Statutes, section 273.13, subdivision 23. The  
 7.7 report must include the following:

7.8 (1) information about agricultural land sales,  
 7.9 including the price, number of acres, type of  
 7.10 buyer, and type of financing used;

7.11 (2) information about agricultural land use,  
 7.12 including differences among regions; and

7.13 (3) legislative recommendations for ensuring  
 7.14 that agricultural land is available to farmers.

7.15 No data included in this report shall reveal  
 7.16 personally identifiable information. The  
 7.17 commissioner may contract with external  
 7.18 experts to develop this report and may  
 7.19 coordinate with the Department of Revenue,  
 7.20 University of Minnesota Extension, and  
 7.21 Minnesota State Colleges and Universities.

7.22 No later than January 3, 2025, the  
 7.23 commissioner must submit the report to the  
 7.24 chairs and ranking minority members of the  
 7.25 legislative committees and divisions with  
 7.26 jurisdiction over agriculture. Notwithstanding  
 7.27 Minnesota Statutes, section 16A.28, any  
 7.28 unencumbered balance does not cancel at the  
 7.29 end of the first year and is available in the  
 7.30 second year. This is a onetime appropriation.

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

7.32 Sec. 3. Laws 2023, chapter 43, article 1, section 2, subdivision 1, is amended to read:

7.33		<b><u>92,025,000</u></b>	<b><u>72,223,000</u></b>
7.34	<b>Subdivision 1. Total Appropriation</b>	<b>\$ <u>88,025,000</u></b>	<b>\$ <u>76,643,000</u></b>

8.1	Appropriations by Fund		
8.2		2024	2025
8.3		91,626,000	71,824,000
8.4	General	<u>87,626,000</u>	<u>76,244,000</u>
8.5	Remediation	399,000	399,000

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

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

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

8.11 Subd. 2. **Protection Services**

8.12	Appropriations by Fund		
8.13		2024	2025
8.14			<del>18,743,000</del>
8.15	General	32,034,000	<u>18,818,000</u>
8.16	Remediation	399,000	399,000

8.17 (a) \$399,000 the first year and \$399,000 the  
8.18 second year are from the remediation fund for  
8.19 administrative funding for the voluntary  
8.20 cleanup program.

8.21 (b) \$625,000 the first year and \$625,000 the  
8.22 second year are for the soil health financial  
8.23 assistance program under Minnesota Statutes,  
8.24 section 17.134. The commissioner may award  
8.25 no more than \$50,000 of the appropriation  
8.26 each year to a single recipient. The  
8.27 commissioner may use up to 6.5 percent of  
8.28 this appropriation for costs incurred to  
8.29 administer the program. Any unencumbered  
8.30 balance does not cancel at the end of the first  
8.31 year and is available in the second year.

8.32 Appropriations encumbered under contract on  
8.33 or before June 30, 2025, for soil health  
8.34 financial assistance grants are available until



9.1 June 30, 2027. The base for this appropriation  
9.2 is \$639,000 in fiscal year 2026 and each year  
9.3 thereafter.

9.4 (c) \$800,000 the first year is for transfer to the  
9.5 pollinator research account established under  
9.6 Minnesota Statutes, section 18B.051. The base  
9.7 for this transfer is \$100,000 in fiscal year 2026  
9.8 and each year thereafter.

9.9 (d) \$150,000 the first year and \$150,000 the  
9.10 second year are for transfer to the noxious  
9.11 weed and invasive plant species assistance  
9.12 account established under Minnesota Statutes,  
9.13 section 18.89, to award grants under  
9.14 Minnesota Statutes, section 18.90, to counties,  
9.15 municipalities, and other weed management  
9.16 entities, including Minnesota Tribal  
9.17 governments as defined in Minnesota Statutes,  
9.18 section 10.65. This is a onetime appropriation.

9.19 (e) \$175,000 the first year and \$175,000 the  
9.20 second year are for compensation for  
9.21 destroyed or crippled livestock under  
9.22 Minnesota Statutes, section 3.737. The first  
9.23 year appropriation may be spent to compensate  
9.24 for livestock that were destroyed or crippled  
9.25 during fiscal year 2023. If the amount in the  
9.26 first year is insufficient, the amount in the  
9.27 second year is available in the first year. The  
9.28 commissioner may use up to \$5,000 each year  
9.29 to reimburse expenses incurred by university  
9.30 extension educators to provide fair market  
9.31 values of destroyed or crippled livestock. If  
9.32 the commissioner receives federal dollars to  
9.33 pay claims for destroyed or crippled livestock,  
9.34 an equivalent amount of this appropriation  
9.35 may be used to reimburse nonlethal prevention

10.1 methods performed by federal wildlife services  
10.2 staff.

10.3 (f) \$155,000 the first year and ~~\$155,000~~  
10.4 \$230,000 the second year are for compensation  
10.5 for crop damage under Minnesota Statutes,  
10.6 section 3.7371. If the amount in the first year  
10.7 is insufficient, the amount in the second year  
10.8 is available in the first year. The commissioner  
10.9 may use up to \$10,000 of the appropriation  
10.10 each year to reimburse expenses incurred by  
10.11 the commissioner or the commissioner's  
10.12 approved agent to investigate and resolve  
10.13 claims, as well as for costs associated with  
10.14 training for approved agents. The  
10.15 commissioner may use up to \$40,000 of the  
10.16 appropriation each year to make grants to  
10.17 producers for measures to protect stored crops  
10.18 from elk damage. If the commissioner  
10.19 determines that claims made under Minnesota  
10.20 Statutes, section 3.737 or 3.7371, are  
10.21 unusually high, amounts appropriated for  
10.22 either program may be transferred to the  
10.23 appropriation for the other program. The base  
10.24 for this appropriation is \$155,000 in fiscal year  
10.25 2026 and each year thereafter.

10.26 (g) \$825,000 the first year and \$825,000 the  
10.27 second year are to replace capital equipment  
10.28 in the Department of Agriculture's analytical  
10.29 laboratory.

10.30 (h) \$75,000 the first year and \$75,000 the  
10.31 second year are to support a meat processing  
10.32 liaison position to assist new or existing meat  
10.33 and poultry processing operations in getting  
10.34 started, expanding, growing, or transitioning  
10.35 into new business models.

11.1 (i) \$2,200,000 the first year and \$1,650,000  
11.2 the second year are additional funding to  
11.3 maintain the current level of service delivery  
11.4 for programs under this subdivision. The base  
11.5 for this appropriation is \$1,925,000 for fiscal  
11.6 year 2026 and each year thereafter.

11.7 (j) \$250,000 the first year and \$250,000 the  
11.8 second year are for grants to organizations in  
11.9 Minnesota to develop enterprises, supply  
11.10 chains, and markets for continuous-living  
11.11 cover crops and cropping systems in the early  
11.12 stages of commercial development. For the  
11.13 purposes of this paragraph, "continuous-living  
11.14 cover crops and cropping systems" refers to  
11.15 agroforestry, perennial biomass, perennial  
11.16 forage, perennial grains, and winter-annual  
11.17 cereal grains and oilseeds that have market  
11.18 value as harvested or grazed commodities. By  
11.19 February 1 each year, the commissioner must  
11.20 submit a report to the chairs and ranking  
11.21 minority members of the legislative  
11.22 committees with jurisdiction over agriculture  
11.23 finance and policy detailing uses of the funds  
11.24 in this paragraph, including administrative  
11.25 costs, and the achievements these funds  
11.26 contributed to. The commissioner may use up  
11.27 to 6.5 percent of this appropriation for  
11.28 administrative costs. This is a onetime  
11.29 appropriation.

11.30 (k) \$45,000 the first year and \$45,000 the  
11.31 second year are appropriated for  
11.32 wolf-livestock conflict-prevention grants. The  
11.33 commissioner may use some of this  
11.34 appropriation to support nonlethal prevention

12.1 work performed by federal wildlife services.

12.2 This is a onetime appropriation.

12.3 (l) \$10,000,000 the first year is for transfer to  
12.4 the grain indemnity account established in  
12.5 Minnesota Statutes, section 223.24. This is a  
12.6 onetime transfer.

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

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

12.13 Sec. 5. Laws 2023, chapter 43, article 1, section 2, subdivision 3, is amended to read:

12.14 **Subd. 3. Agricultural Marketing and**  
12.15 **Development**

5,165,000

4,985,000

12.16 (a) \$150,000 the first year and \$150,000 the  
12.17 second year are to expand international trade  
12.18 opportunities and markets for Minnesota  
12.19 agricultural products.

12.20 (b) \$186,000 the first year and \$186,000 the  
12.21 second year are for transfer to the Minnesota  
12.22 grown account and may be used as grants for  
12.23 Minnesota grown promotion under Minnesota  
12.24 Statutes, section 17.102. Notwithstanding  
12.25 Minnesota Statutes, section 16A.28, the  
12.26 appropriations encumbered under contract on  
12.27 or before June 30, 2025, for Minnesota grown  
12.28 grants in this paragraph are available until June  
12.29 30, 2027.

12.30 (c) \$634,000 the first year and \$634,000 the  
12.31 second year are for the continuation of the  
12.32 dairy development and profitability  
12.33 enhancement programs, including dairy

- 13.1 profitability teams and dairy business planning
- 13.2 grants under Minnesota Statutes, section
- 13.3 32D.30.
- 13.4 (d) The commissioner may use funds
- 13.5 appropriated in this subdivision for annual
- 13.6 cost-share payments to resident farmers or
- 13.7 entities that sell, process, or package
- 13.8 agricultural products in this state for the costs
- 13.9 of organic certification. The commissioner
- 13.10 may allocate these funds for assistance to
- 13.11 persons transitioning from conventional to
- 13.12 organic agriculture.
- 13.13 (e) \$600,000 the first year and \$420,000 the
- 13.14 second year are to maintain the current level
- 13.15 of service delivery. The base for this
- 13.16 appropriation is ~~\$490,000~~ \$510,000 for fiscal
- 13.17 year 2026 and each year thereafter.
- 13.18 (f) \$100,000 the first year and \$100,000 the
- 13.19 second year are for mental health outreach and
- 13.20 support to farmers, ranchers, and others in the
- 13.21 agricultural community and for farm safety
- 13.22 grant and outreach programs under Minnesota
- 13.23 Statutes, section 17.1195. Mental health
- 13.24 outreach and support may include a 24-hour
- 13.25 hotline, stigma reduction, and education.
- 13.26 Notwithstanding Minnesota Statutes, section
- 13.27 16A.28, any unencumbered balance does not
- 13.28 cancel at the end of the first year and is
- 13.29 available in the second year. This is a onetime
- 13.30 appropriation.
- 13.31 (g) \$100,000 the first year and \$100,000 the
- 13.32 second year are to award and administer grants
- 13.33 for infrastructure and other forms of financial
- 13.34 assistance to support EBT, SNAP, SFMNP,
- 13.35 and related programs at farmers markets.

14.1 Grants may be used for staff costs associated  
 14.2 with program administration, compliance, and  
 14.3 reporting. The commissioner may use up to  
 14.4 6.5 percent of the appropriation each year to  
 14.5 administer the grant program. Notwithstanding  
 14.6 Minnesota Statutes, section 16A.28, any  
 14.7 unencumbered balance does not cancel at the  
 14.8 end of the first year and is available in the  
 14.9 second year. This is a onetime appropriation.

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

14.13 The commissioner may use up to 6.5 percent  
 14.14 of the appropriation each year to administer  
 14.15 the grant program. Notwithstanding Minnesota  
 14.16 Statutes, section 16A.28, any unencumbered  
 14.17 balance does not cancel at the end of the first  
 14.18 year and is available in the second year. This  
 14.19 is a onetime appropriation.

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

14.21 Sec. 6. Laws 2023, chapter 43, article 1, section 2, subdivision 4, is amended to read:

14.22	<b>Subd. 4. Agriculture, Bioenergy, and Bioproduct</b>	<del>37,809,000</del>	<del>33,809,000</del>
14.23	<b>Advancement</b>	<u>33,809,000</u>	<u>38,154,000</u>

14.24 (a) \$10,702,000 the first year and \$10,702,000  
 14.25 the second year are for the agriculture  
 14.26 research, education, extension, and technology  
 14.27 transfer program under Minnesota Statutes,  
 14.28 section 41A.14. Except as provided below,  
 14.29 the appropriation each year is for transfer to  
 14.30 the agriculture research, education, extension,  
 14.31 and technology transfer account under  
 14.32 Minnesota Statutes, section 41A.14,  
 14.33 subdivision 3, and the commissioner shall  
 14.34 transfer funds each year to the Board of

15.1 Regents of the University of Minnesota for  
15.2 purposes of Minnesota Statutes, section  
15.3 41A.14. To the extent practicable, money  
15.4 expended under Minnesota Statutes, section  
15.5 41A.14, subdivision 1, clauses (1) and (2),  
15.6 must supplement and not supplant existing  
15.7 sources and levels of funding. The  
15.8 commissioner may use up to one percent of  
15.9 this appropriation for costs incurred to  
15.10 administer the program.

15.11 Of the amount appropriated for the agriculture  
15.12 research, education, extension, and technology  
15.13 transfer grant program under Minnesota  
15.14 Statutes, section 41A.14:

15.15 (1) \$600,000 the first year and \$600,000 the  
15.16 second year are for the Minnesota Agricultural  
15.17 Experiment Station's agriculture rapid  
15.18 response fund under Minnesota Statutes,  
15.19 section 41A.14, subdivision 1, clause (2);

15.20 (2) up to \$1,000,000 the first year and up to  
15.21 \$1,000,000 the second year are for research  
15.22 on avian influenza, salmonella, and other  
15.23 turkey-related diseases and disease prevention  
15.24 measures;

15.25 (3) \$2,250,000 the first year and \$2,250,000  
15.26 the second year are for grants to the Minnesota  
15.27 Agricultural Education Leadership Council to  
15.28 enhance agricultural education with priority  
15.29 given to Farm Business Management  
15.30 challenge grants;

15.31 (4) \$450,000 the first year is for the cultivated  
15.32 wild rice breeding project at the North Central  
15.33 Research and Outreach Center to include a  
15.34 tenure track/research associate plant breeder;

16.1 (5) \$350,000 the first year and \$350,000 the  
16.2 second year are for potato breeding;

16.3 (6) \$802,000 the first year and \$802,000 the  
16.4 second year are to fund the Forever Green  
16.5 Initiative and protect the state's natural  
16.6 resources while increasing the efficiency,  
16.7 profitability, and productivity of Minnesota  
16.8 farmers by incorporating perennial and  
16.9 winter-annual crops into existing agricultural  
16.10 practices. The base for the allocation under  
16.11 this clause is \$802,000 in fiscal year 2026 and  
16.12 each year thereafter. By February 1 each year,  
16.13 the dean of the College of Food, Agricultural  
16.14 and Natural Resource Sciences must submit  
16.15 a report to the chairs and ranking minority  
16.16 members of the legislative committees with  
16.17 jurisdiction over agriculture finance and policy  
16.18 and higher education detailing uses of the  
16.19 funds in this paragraph, including  
16.20 administrative costs, and the achievements  
16.21 these funds contributed to; ~~and~~

16.22 (7) \$350,000 each year is for farm-scale winter  
16.23 greenhouse research and development  
16.24 coordinated by University of Minnesota  
16.25 Extension Regional Sustainable Development  
16.26 Partnerships. The allocation in this clause is  
16.27 onetime;

16.28 (8) \$200,000 the second year is for research  
16.29 on natural stands of wild rice; and

16.30 (9) \$250,000 the second year is for the  
16.31 cultivated wild rice forward selection project  
16.32 at the North Central Research and Outreach  
16.33 Center, including a tenure track or research  
16.34 associate plant scientist.



17.1 (b) The base for the agriculture research,  
17.2 education, extension, and technology transfer  
17.3 program is \$10,352,000 in fiscal year 2026  
17.4 and \$10,352,000 in fiscal year 2027.

17.5 (c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and~~  
17.6 ~~\$23,107,000 the second year are~~ is for the  
17.7 agricultural growth, research, and innovation  
17.8 program under Minnesota Statutes, section  
17.9 41A.12. Except as provided below, the  
17.10 commissioner may allocate this appropriation  
17.11 ~~each year~~ among the following areas:  
17.12 facilitating the start-up, modernization,  
17.13 improvement, or expansion of livestock  
17.14 operations, including beginning and  
17.15 transitioning livestock operations with  
17.16 preference given to robotic dairy-milking  
17.17 equipment; assisting value-added agricultural  
17.18 businesses to begin or expand, to access new  
17.19 markets, or to diversify, including aquaponics  
17.20 systems, with preference given to hemp fiber  
17.21 processing equipment; facilitating the start-up,  
17.22 modernization, or expansion of other  
17.23 beginning and transitioning farms, including  
17.24 by providing loans under Minnesota Statutes,  
17.25 section 41B.056; sustainable agriculture  
17.26 on-farm research and demonstration; the  
17.27 development or expansion of food hubs and  
17.28 other alternative community-based food  
17.29 distribution systems; enhancing renewable  
17.30 energy infrastructure and use; crop research,  
17.31 including basic and applied turf seed research;  
17.32 Farm Business Management tuition assistance;  
17.33 and good agricultural practices and good  
17.34 handling practices certification assistance. The  
17.35 commissioner may use up to 6.5 percent of

18.1 this appropriation for costs incurred to  
18.2 administer the program.

18.3 Of the amount appropriated for the agricultural  
18.4 growth, research, and innovation program  
18.5 under Minnesota Statutes, section 41A.12:

18.6 (1) \$1,000,000 the first year ~~and \$1,000,000~~  
18.7 ~~the second year are~~ is for distribution in equal  
18.8 amounts to each of the state's county fairs to  
18.9 preserve and promote Minnesota agriculture;

18.10 (2) \$5,750,000 the first year ~~and \$5,750,000~~  
18.11 ~~the second year are~~ is for incentive payments  
18.12 under Minnesota Statutes, sections 41A.16,  
18.13 41A.17, 41A.18, and 41A.20. Notwithstanding  
18.14 Minnesota Statutes, section 16A.28, the first  
18.15 year appropriation is available until June 30,  
18.16 2025, ~~and the second year appropriation is~~  
18.17 ~~available until June 30, 2026.~~ If this  
18.18 appropriation exceeds the total amount for  
18.19 which all producers are eligible in a fiscal  
18.20 year, the balance of the appropriation is  
18.21 available for other purposes under this  
18.22 paragraph. ~~The base under this clause is~~  
18.23 ~~\$3,000,000 in fiscal year 2026 and each year~~  
18.24 ~~thereafter;~~

18.25 (3) \$3,375,000 the first year ~~and \$3,375,000~~  
18.26 ~~the second year are~~ is for grants that enable  
18.27 retail petroleum dispensers, fuel storage tanks,  
18.28 and other equipment to dispense biofuels to  
18.29 the public in accordance with the biofuel  
18.30 replacement goals established under  
18.31 Minnesota Statutes, section 239.7911. A retail  
18.32 petroleum dispenser selling petroleum for use  
18.33 in spark ignition engines for vehicle model  
18.34 years after 2000 is eligible for grant money  
18.35 under this clause if the retail petroleum

19.1 dispenser has no more than ~~10~~ 20 retail  
19.2 petroleum dispensing sites and each site is  
19.3 located in Minnesota. The grant money must  
19.4 be used to replace or upgrade equipment that  
19.5 does not have the ability to be certified for  
19.6 E25. A grant award must not exceed 65  
19.7 percent of the cost of the appropriate  
19.8 technology. A grant award must not exceed  
19.9 \$200,000 per station. The commissioner must  
19.10 cooperate with biofuel stakeholders in the  
19.11 implementation of the grant program. The  
19.12 commissioner, in cooperation with any  
19.13 economic or community development  
19.14 financial institution and any other entity with  
19.15 which the commissioner contracts, must  
19.16 submit a report on the biofuels infrastructure  
19.17 financial assistance program by January 15 of  
19.18 each year to the chairs and ranking minority  
19.19 members of the legislative committees and  
19.20 divisions with jurisdiction over agriculture  
19.21 policy and finance. The annual report must  
19.22 include but not be limited to a summary of the  
19.23 following metrics: (i) the number and types  
19.24 of projects financed; (ii) the amount of dollars  
19.25 leveraged or matched per project; (iii) the  
19.26 geographic distribution of financed projects;  
19.27 (iv) any market expansion associated with  
19.28 upgraded infrastructure; (v) the demographics  
19.29 of the areas served; (vi) the costs of the  
19.30 program; and (vii) the number of grants to  
19.31 minority-owned or female-owned businesses:  
19.32 ~~The base under this clause is \$3,000,000 for~~  
19.33 ~~fiscal year 2026 and each year thereafter;~~  
19.34 (4) \$1,250,000 the first year ~~and \$1,250,000~~  
19.35 ~~the second year are~~ is for grants to facilitate  
19.36 the start-up, modernization, or expansion of

20.1 meat, poultry, egg, and milk processing  
 20.2 facilities. A grant award under this clause must  
 20.3 not exceed \$200,000. Any unencumbered  
 20.4 balance at the end of the second year does not  
 20.5 cancel until June 30, 2026, and may be used  
 20.6 for other purposes under this paragraph. ~~The~~  
 20.7 ~~base under this clause is \$250,000 in fiscal~~  
 20.8 ~~year 2026 and each year thereafter;~~

20.9 (5) \$1,150,000 the first year ~~and \$1,150,000~~  
 20.10 ~~the second year are for~~ is to develop and  
 20.11 enhance farm-to-school markets for Minnesota  
 20.12 farmers by providing more fruits, vegetables,  
 20.13 meat, poultry, grain, and dairy for children in  
 20.14 school and schools, early childhood education  
 20.15 centers, child care centers, and family child  
 20.16 care programs, including, at the  
 20.17 commissioner's discretion, providing grants  
 20.18 to reimburse schools and, early childhood  
 20.19 education centers, child care centers, and  
 20.20 family child care programs, for purchasing  
 20.21 equipment and agricultural products. Of the  
 20.22 amount appropriated, \$150,000 each year is  
 20.23 for a statewide coordinator of  
 20.24 farm-to-institution strategy and programming.  
 20.25 The coordinator must consult with relevant  
 20.26 stakeholders and provide technical assistance  
 20.27 and training for participating farmers and  
 20.28 eligible grant recipients. ~~The base under this~~  
 20.29 ~~clause is \$1,294,000 in fiscal year 2026 and~~  
 20.30 ~~each year thereafter;~~

20.31 ~~(6) \$4,000,000 the first year is for Dairy~~  
 20.32 ~~Assistance, Investment, Relief Initiative~~  
 20.33 ~~(DAIRI) grants and other forms of financial~~  
 20.34 ~~assistance to Minnesota dairy farms that enroll~~  
 20.35 ~~in coverage under a federal dairy risk~~

21.1 ~~protection program and produced no more~~  
 21.2 ~~than 16,000,000 pounds of milk in 2022. The~~  
 21.3 ~~commissioner must make DAIRI payments~~  
 21.4 ~~based on the amount of milk produced in~~  
 21.5 ~~2022, up to 5,000,000 pounds per participating~~  
 21.6 ~~farm, at a rate determined by the commissioner~~  
 21.7 ~~within the limits of available funding. Any~~  
 21.8 ~~unencumbered balance does not cancel at the~~  
 21.9 ~~end of the first year and is available in the~~  
 21.10 ~~second year. Any unencumbered balance at~~  
 21.11 ~~the end of the second year does not cancel~~  
 21.12 ~~until June 30, 2026, and may be used for other~~  
 21.13 ~~purposes under this paragraph. The allocation~~  
 21.14 ~~in this clause is onetime;~~  
 21.15 ~~(7) (6) \$2,000,000 the first year and~~  
 21.16 ~~\$2,000,000 the second year are is for urban~~  
 21.17 ~~youth agricultural education or urban~~  
 21.18 ~~agriculture community development; and~~  
 21.19 ~~(8) (7) \$1,000,000 the first year and~~  
 21.20 ~~\$1,000,000 the second year are is for the good~~  
 21.21 ~~food access program under Minnesota~~  
 21.22 ~~Statutes, section 17.1017.~~  
 21.23 Notwithstanding Minnesota Statutes, section  
 21.24 16A.28, any unencumbered balance does not  
 21.25 cancel at the end of the first year and is  
 21.26 available for the second year, and  
 21.27 appropriations encumbered under contract on  
 21.28 or before June 30, 2025, for agricultural  
 21.29 growth, research, and innovation grants are  
 21.30 available until June 30, 2028.  
 21.31 (d) \$27,452,000 the second year is for the  
 21.32 agricultural growth, research, and innovation  
 21.33 program under Minnesota Statutes, section  
 21.34 41A.12. Except as provided below, the  
 21.35 commissioner may allocate this appropriation

22.1 among the following areas: facilitating the  
22.2 start-up, modernization, improvement, or  
22.3 expansion of livestock operations, including  
22.4 beginning and transitioning livestock  
22.5 operations with preference given to robotic  
22.6 dairy-milking equipment; assisting  
22.7 value-added agricultural businesses to begin  
22.8 or expand, to access new markets, or to  
22.9 diversify, including aquaponics systems, with  
22.10 preference given to hemp fiber processing  
22.11 equipment; facilitating the start-up,  
22.12 modernization, or expansion of other  
22.13 beginning and transitioning farms, including  
22.14 by providing loans under Minnesota Statutes,  
22.15 section 41B.056; sustainable agriculture  
22.16 on-farm research and demonstration; the  
22.17 development or expansion of food hubs and  
22.18 other alternative community-based food  
22.19 distribution systems; enhancing renewable  
22.20 energy infrastructure and use; crop research,  
22.21 including basic and applied turf seed research;  
22.22 Farm Business Management tuition assistance;  
22.23 and good agricultural practices and good  
22.24 handling practices certification assistance. The  
22.25 commissioner may use up to 6.5 percent of  
22.26 this appropriation for costs incurred to  
22.27 administer the program.

22.28 Of the amount appropriated for the agricultural  
22.29 growth, research, and innovation program  
22.30 under Minnesota Statutes, section 41A.12:

22.31 (1) \$1,000,000 the second year is for  
22.32 distribution in equal amounts to each of the  
22.33 state's county fairs to preserve and promote  
22.34 Minnesota agriculture;

23.1 (2) \$5,750,000 the second year is for incentive  
23.2 payments under Minnesota Statutes, sections  
23.3 41A.16, 41A.17, 41A.18, and 41A.20.  
23.4 Notwithstanding Minnesota Statutes, section  
23.5 16A.28, this appropriation is available until  
23.6 June 30, 2027. If this appropriation exceeds  
23.7 the total amount for which all producers are  
23.8 eligible in a fiscal year, the balance of the  
23.9 appropriation is available for other purposes  
23.10 under this paragraph. The base under this  
23.11 clause is \$3,000,000 in fiscal year 2026 and  
23.12 each year thereafter;

23.13 (3) \$3,375,000 the second year is for grants  
23.14 that enable retail petroleum dispensers, fuel  
23.15 storage tanks, and other equipment to dispense  
23.16 biofuels to the public in accordance with the  
23.17 biofuel replacement goals established under  
23.18 Minnesota Statutes, section 239.7911. A retail  
23.19 petroleum dispenser selling petroleum for use  
23.20 in spark ignition engines for vehicle model  
23.21 years after 2000 is eligible for grant money  
23.22 under this clause if the retail petroleum  
23.23 dispenser has no more than 20 retail petroleum  
23.24 dispensing sites and each site is located in  
23.25 Minnesota. The grant money must be used to  
23.26 replace or upgrade equipment that does not  
23.27 have the ability to be certified for E25. A grant  
23.28 award must not exceed 65 percent of the cost  
23.29 of the appropriate technology. A grant award  
23.30 must not exceed \$200,000 per station. The  
23.31 commissioner must cooperate with biofuel  
23.32 stakeholders in the implementation of the grant  
23.33 program. The commissioner, in cooperation  
23.34 with any economic or community development  
23.35 financial institution and any other entity with  
23.36 which the commissioner contracts, must

24.1 submit a report on the biofuels infrastructure  
24.2 financial assistance program by January 15 of  
24.3 each year to the chairs and ranking minority  
24.4 members of the legislative committees and  
24.5 divisions with jurisdiction over agriculture  
24.6 policy and finance. The annual report must  
24.7 include but not be limited to a summary of the  
24.8 following metrics: (i) the number and types  
24.9 of projects financed; (ii) the amount of dollars  
24.10 leveraged or matched per project; (iii) the  
24.11 geographic distribution of financed projects;  
24.12 (iv) any market expansion associated with  
24.13 upgraded infrastructure; (v) the demographics  
24.14 of the areas served; (vi) the costs of the  
24.15 program; and (vii) the number of grants to  
24.16 minority-owned or female-owned businesses.  
24.17 The base under this clause is \$3,000,000 for  
24.18 fiscal year 2026 and each year thereafter;  
24.19 (4) \$1,250,000 the second year is for grants  
24.20 to facilitate the start-up, modernization, or  
24.21 expansion of meat, poultry, egg, and milk  
24.22 processing facilities. A grant award under this  
24.23 clause must not exceed \$200,000. Any  
24.24 unencumbered balance at the end of the second  
24.25 year does not cancel until June 30, 2027, and  
24.26 may be used for other purposes under this  
24.27 paragraph. The base under this clause is  
24.28 \$250,000 in fiscal year 2026 and each year  
24.29 thereafter;  
24.30 (5) \$1,150,000 the first year is to develop and  
24.31 enhance farm-to-school markets for Minnesota  
24.32 farmers by providing more fruits, vegetables,  
24.33 meat, poultry, grain, and dairy for children in  
24.34 schools, early childhood education centers,  
24.35 child care centers, and family child care



25.1 programs, including, at the commissioner's  
25.2 discretion, providing grants to reimburse  
25.3 schools, early childhood education centers,  
25.4 child care centers, and family child care  
25.5 programs for purchasing equipment and  
25.6 agricultural products. Of the amount  
25.7 appropriated, \$150,000 each year is for a  
25.8 statewide coordinator of farm-to-institution  
25.9 strategy and programming. The coordinator  
25.10 must consult with relevant stakeholders and  
25.11 provide technical assistance and training for  
25.12 participating farmers and eligible grant  
25.13 recipients. The base under this clause is  
25.14 \$1,294,000 in fiscal year 2026 and each year  
25.15 thereafter;

25.16 (6) \$4,000,000 the second year is for Dairy  
25.17 Assistance, Investment, Relief Initiative  
25.18 (DAIRI) grants and other forms of financial  
25.19 assistance to Minnesota dairy farms that enroll  
25.20 in coverage under a federal dairy risk  
25.21 protection program and produced no more  
25.22 than 16,000,000 pounds of milk in 2022. The  
25.23 commissioner must make DAIRI payments  
25.24 based on the amount of milk produced in  
25.25 2022, up to 5,000,000 pounds per participating  
25.26 farm, at a rate determined by the commissioner  
25.27 within the limits of available funding. Any  
25.28 unencumbered balance on June 30, 2026, may  
25.29 be used for other purposes under this  
25.30 paragraph. The allocation in this clause is  
25.31 onetime;

25.32 (7) \$2,000,000 the second year is for urban  
25.33 youth agricultural education or urban  
25.34 agriculture community development; and

26.1 (8) \$1,000,000 the second year is for the good  
 26.2 food access program under Minnesota  
 26.3 Statutes, section 17.1017.

26.4 Notwithstanding Minnesota Statutes, section  
 26.5 16A.28, this appropriation does not cancel at  
 26.6 the end of the second year and is available  
 26.7 until June 30, 2027. Appropriations  
 26.8 encumbered under contract on or before June  
 26.9 30, 2027, for agricultural growth, research,  
 26.10 and innovation grants are available until June  
 26.11 30, 2030.

26.12 ~~(d)~~ (e) The base for the agricultural growth,  
 26.13 research, and innovation program is  
 26.14 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026  
 26.15 and each year thereafter and includes \$200,000  
 26.16 each year for cooperative development grants.

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

26.18 Sec. 7. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:

26.19 **Subd. 5. Administration and Financial**  
 26.20 **Assistance**

16,618,000

14,287,000

26.21 (a) \$474,000 the first year and \$474,000 the  
 26.22 second year are for payments to county and  
 26.23 district agricultural societies and associations  
 26.24 under Minnesota Statutes, section 38.02,  
 26.25 subdivision 1. Aid payments to county and  
 26.26 district agricultural societies and associations  
 26.27 must be disbursed no later than July 15 of each  
 26.28 year. These payments are the amount of aid  
 26.29 from the state for an annual fair held in the  
 26.30 previous calendar year.

26.31 (b) \$350,000 the first year and \$350,000 the  
 26.32 second year are for grants to the Minnesota  
 26.33 Agricultural Education and Leadership  
 26.34 Council for programs of the council under

27.1 Minnesota Statutes, chapter 41D. The base for  
27.2 this appropriation is \$250,000 in fiscal year  
27.3 2026 and each year thereafter.

27.4 (c) \$2,000 the first year is for a grant to the  
27.5 Minnesota State Poultry Association. This is  
27.6 a onetime appropriation. Notwithstanding  
27.7 Minnesota Statutes, section 16A.28, any  
27.8 unencumbered balance does not cancel at the  
27.9 end of the first year and is available for the  
27.10 second year.

27.11 (d) \$18,000 the first year and \$18,000 the  
27.12 second year are for grants to the Minnesota  
27.13 Livestock Breeders Association. This is a  
27.14 onetime appropriation.

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

27.19 (f) \$34,000 the first year and \$34,000 the  
27.20 second year are for grants to the Minnesota  
27.21 State Horticultural Society. This is a onetime  
27.22 appropriation.

27.23 (g) \$25,000 the first year and \$25,000 the  
27.24 second year are for grants to the Center for  
27.25 Rural Policy and Development. This is a  
27.26 onetime appropriation.

27.27 (h) \$75,000 the first year and \$75,000 the  
27.28 second year are appropriated from the general  
27.29 fund to the commissioner of agriculture for  
27.30 grants to the Minnesota Turf Seed Council for  
27.31 basic and applied research on: (1) the  
27.32 improved production of forage and turf seed  
27.33 related to new and improved varieties; and (2)  
27.34 native plants, including plant breeding,

28.1 nutrient management, pest management,  
28.2 disease management, yield, and viability. The  
28.3 Minnesota Turf Seed Council may subcontract  
28.4 with a qualified third party for some or all of  
28.5 the basic or applied research. Any  
28.6 unencumbered balance does not cancel at the  
28.7 end of the first year and is available in the  
28.8 second year. The Minnesota Turf Seed Council  
28.9 must prepare a report outlining the use of the  
28.10 grant money and related accomplishments. No  
28.11 later than January 15, 2025, the council must  
28.12 submit the report to the chairs and ranking  
28.13 minority members of the legislative  
28.14 committees and divisions with jurisdiction  
28.15 over agriculture finance and policy. This is a  
28.16 onetime appropriation.

28.17 (i) \$100,000 the first year and \$100,000 the  
28.18 second year are for grants to GreenSeam for  
28.19 assistance to agriculture-related businesses to  
28.20 support business retention and development,  
28.21 business attraction and creation, talent  
28.22 development and attraction, and regional  
28.23 branding and promotion. These are onetime  
28.24 appropriations. No later than December 1,  
28.25 2024, and December 1, 2025, GreenSeam  
28.26 must report to the chairs and ranking minority  
28.27 members of the legislative committees with  
28.28 jurisdiction over agriculture and rural  
28.29 development with information on new and  
28.30 existing businesses supported, number of new  
28.31 jobs created in the region, new educational  
28.32 partnerships and programs supported, and  
28.33 regional branding and promotional efforts.

28.34 (j) \$1,950,000 the first year and \$1,950,000  
28.35 the second year are for grants to Second

29.1 Harvest Heartland on behalf of Minnesota's  
29.2 six Feeding America food banks for the  
29.3 following purposes:

29.4 (1) at least \$850,000 each year must be  
29.5 allocated to purchase milk for distribution to  
29.6 Minnesota's food shelves and other charitable  
29.7 organizations that are eligible to receive food  
29.8 from the food banks. Milk purchased under  
29.9 the grants must be acquired from Minnesota  
29.10 milk processors and based on low-cost bids.  
29.11 The milk must be allocated to each Feeding  
29.12 America food bank serving Minnesota  
29.13 according to the formula used in the  
29.14 distribution of United States Department of  
29.15 Agriculture commodities under The  
29.16 Emergency Food Assistance Program. Second  
29.17 Harvest Heartland may enter into contracts or  
29.18 agreements with food banks for shared funding  
29.19 or reimbursement of the direct purchase of  
29.20 milk. Each food bank that receives funding  
29.21 under this clause may use up to two percent  
29.22 for administrative expenses. Notwithstanding  
29.23 Minnesota Statutes, section 16A.28, any  
29.24 unencumbered balance the first year does not  
29.25 cancel and is available the second year;

29.26 (2) to compensate agricultural producers and  
29.27 processors for costs incurred to harvest and  
29.28 package for transfer surplus fruits, vegetables,  
29.29 and other agricultural commodities that would  
29.30 otherwise go unharvested, be discarded, or be  
29.31 sold in a secondary market. Surplus  
29.32 commodities must be distributed statewide to  
29.33 food shelves and other charitable organizations  
29.34 that are eligible to receive food from the food  
29.35 banks. Surplus food acquired under this clause

30.1 must be from Minnesota producers and  
30.2 processors. Second Harvest Heartland may  
30.3 use up to 15 percent of each grant awarded  
30.4 under this clause for administrative and  
30.5 transportation expenses; and  
30.6 (3) to purchase and distribute protein products,  
30.7 including but not limited to pork, poultry, beef,  
30.8 dry legumes, cheese, and eggs to Minnesota's  
30.9 food shelves and other charitable organizations  
30.10 that are eligible to receive food from the food  
30.11 banks. Second Harvest Heartland may use up  
30.12 to two percent of each grant awarded under  
30.13 this clause for administrative expenses. Protein  
30.14 products purchased under the grants must be  
30.15 acquired from Minnesota processors and  
30.16 producers.

30.17 Second Harvest Heartland must submit  
30.18 quarterly reports to the commissioner and the  
30.19 chairs and ranking minority members of the  
30.20 legislative committees with jurisdiction over  
30.21 agriculture finance in the form prescribed by  
30.22 the commissioner. The reports must include  
30.23 but are not limited to information on the  
30.24 expenditure of funds, the amount of milk or  
30.25 other commodities purchased, and the  
30.26 organizations to which this food was  
30.27 distributed. The base for this appropriation is  
30.28 \$1,700,000 for fiscal year 2026 and each year  
30.29 thereafter.

30.30 (k) \$25,000 the first year and \$25,000 the  
30.31 second year are for grants to the Southern  
30.32 Minnesota Initiative Foundation to promote  
30.33 local foods through an annual event that raises  
30.34 public awareness of local foods and connects

31.1 local food producers and processors with  
31.2 potential buyers.

31.3 (l) \$300,000 the first year and \$300,000 the  
31.4 second year are for grants to The Good Acre  
31.5 for the Local Emergency Assistance Farmer  
31.6 Fund (LEAFF) program to compensate  
31.7 emerging farmers for crops donated to hunger  
31.8 relief organizations in Minnesota. This is a  
31.9 onetime appropriation.

31.10 (m) \$750,000 the first year and \$750,000 the  
31.11 second year are to expand the Emerging  
31.12 Farmers Office and provide services to  
31.13 beginning and emerging farmers to increase  
31.14 connections between farmers and market  
31.15 opportunities throughout the state. This  
31.16 appropriation may be used for grants,  
31.17 translation services, training programs, or  
31.18 other purposes in line with the  
31.19 recommendations of the Emerging Farmer  
31.20 Working Group established under Minnesota  
31.21 Statutes, section 17.055, subdivision 1. The  
31.22 base for this appropriation is \$1,000,000 in  
31.23 fiscal year 2026 and each year thereafter.

31.24 (n) \$50,000 the first year is to provide  
31.25 technical assistance and leadership in the  
31.26 development of a comprehensive and  
31.27 well-documented state aquaculture plan. The  
31.28 commissioner must provide the state  
31.29 aquaculture plan to the legislative committees  
31.30 with jurisdiction over agriculture finance and  
31.31 policy by February 15, 2025.

31.32 (o) \$337,000 the first year and \$337,000 the  
31.33 second year are for farm advocate services.  
31.34 Of these amounts, \$50,000 the first year and  
31.35 \$50,000 the second year are for the

- 32.1 continuation of the farmland transition
- 32.2 programs and may be used for grants to
- 32.3 farmland access teams to provide technical
- 32.4 assistance to potential beginning farmers.
- 32.5 Farmland access teams must assist existing
- 32.6 farmers and beginning farmers with
- 32.7 transitioning farm ownership and farm
- 32.8 operation. Services provided by teams may
- 32.9 include but are not limited to mediation
- 32.10 assistance, designing contracts, financial
- 32.11 planning, tax preparation, estate planning, and
- 32.12 housing assistance.
- 32.13 (p) \$260,000 the first year and \$260,000 the
- 32.14 second year are for a pass-through grant to
- 32.15 Region Five Development Commission to
- 32.16 provide, in collaboration with Farm Business
- 32.17 Management, statewide mental health
- 32.18 counseling support to Minnesota farm
- 32.19 operators, families, and employees, and
- 32.20 individuals who work with Minnesota farmers
- 32.21 in a professional capacity. Region Five
- 32.22 Development Commission may use up to 6.5
- 32.23 percent of the grant awarded under this
- 32.24 paragraph for administration.
- 32.25 (q) \$1,000,000 the first year is for transfer to
- 32.26 the agricultural emergency account established
- 32.27 under Minnesota Statutes, section 17.041.
- 32.28 (r) \$1,084,000 the first year and \$500,000 the
- 32.29 second year are to support IT modernization
- 32.30 efforts, including laying the technology
- 32.31 foundations needed for improving customer
- 32.32 interactions with the department for licensing
- 32.33 and payments. This is a onetime appropriation.
- 32.34 (s) \$275,000 the first year is for technical
- 32.35 assistance grants to certified community



33.1 development financial institutions that  
33.2 participate in United States Department of  
33.3 Agriculture loan or grant programs for small  
33.4 or emerging farmers, including but not limited  
33.5 to the Increasing Land, Capital, and Market  
33.6 Access Program. For purposes of this  
33.7 paragraph, "emerging farmer" has the meaning  
33.8 given in Minnesota Statutes, section 17.055,  
33.9 subdivision 1. The commissioner may use up  
33.10 to 6.5 percent of this appropriation for costs  
33.11 incurred to administer the program.  
33.12 Notwithstanding Minnesota Statutes, section  
33.13 16A.28, any unencumbered balance does not  
33.14 cancel at the end of the first year and is  
33.15 available in the second year. This is a onetime  
33.16 appropriation.  
33.17 (t) \$1,425,000 the first year and \$1,425,000  
33.18 the second year are for transfer to the  
33.19 agricultural and environmental revolving loan  
33.20 account established under Minnesota Statutes,  
33.21 section 17.117, subdivision 5a, for low-interest  
33.22 loans under Minnesota Statutes, section  
33.23 17.117.  
33.24 (u) \$150,000 the first year and \$150,000 the  
33.25 second year are for administrative support for  
33.26 the Rural Finance Authority.  
33.27 (v) The base in fiscal years 2026 and 2027 is  
33.28 \$150,000 each year to coordinate  
33.29 climate-related activities and services within  
33.30 the Department of Agriculture and  
33.31 counterparts in local, state, and federal  
33.32 agencies and to hire a full-time climate  
33.33 implementation coordinator. The climate  
33.34 implementation coordinator must coordinate  
33.35 efforts seeking federal funding for Minnesota's

34.1 agricultural climate adaptation and mitigation  
34.2 efforts and develop strategic partnerships with  
34.3 the private sector and nongovernment  
34.4 organizations.

34.5 (w) \$1,200,000 the first year and \$930,000 the  
34.6 second year are to maintain the current level  
34.7 of service delivery. The base for this  
34.8 appropriation is ~~\$1,085,000~~ \$1,065,000 in  
34.9 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000  
34.10 in fiscal year 2027.

34.11 (x) \$250,000 the first year is for a grant to the  
34.12 Board of Regents of the University of  
34.13 Minnesota to purchase equipment for the  
34.14 Veterinary Diagnostic Laboratory to test for  
34.15 chronic wasting disease, African swine fever,  
34.16 avian influenza, and other animal diseases.  
34.17 The Veterinary Diagnostic Laboratory must  
34.18 report expenditures under this paragraph to  
34.19 the legislative committees with jurisdiction  
34.20 over agriculture finance and higher education  
34.21 with a report submitted by January 3, 2024,  
34.22 and a final report submitted by December 31,  
34.23 2024. The reports must include a list of  
34.24 equipment purchased, including the cost of  
34.25 each item.

34.26 (y) \$1,000,000 the first year and \$1,000,000  
34.27 the second year are to award and administer  
34.28 down payment assistance grants under  
34.29 Minnesota Statutes, section 17.133, with  
34.30 priority given to ~~emerging~~  
34.31 experiencing limited land access as defined in  
34.32 Minnesota Statutes, section ~~17.055~~,  
34.33 ~~subdivision 1~~ 17.133, subdivision 1, or farmers  
34.34 who had a gross farm profit of \$100,000 or  
34.35 less the previous year. Notwithstanding

35.1 Minnesota Statutes, section 16A.28, any  
35.2 unencumbered balance at the end of the first  
35.3 year does not cancel and is available in the  
35.4 second year and appropriations encumbered  
35.5 under contract by June 30, 2025, are available  
35.6 until June 30, 2027.

35.7 (z) \$222,000 the first year and \$322,000 the  
35.8 second year are for meat processing training  
35.9 and retention incentive grants under section  
35.10 5. The commissioner may use up to 6.5  
35.11 percent of this appropriation for costs incurred  
35.12 to administer the program. Notwithstanding  
35.13 Minnesota Statutes, section 16A.28, any  
35.14 unencumbered balance does not cancel at the  
35.15 end of the first year and is available in the  
35.16 second year. This is a onetime appropriation.

35.17 (aa) \$300,000 the first year and \$300,000 the  
35.18 second year are for transfer to the Board of  
35.19 Regents of the University of Minnesota to  
35.20 evaluate, propagate, and maintain the genetic  
35.21 diversity of oilseeds, grains, grasses, legumes,  
35.22 and other plants including flax, timothy,  
35.23 barley, rye, triticale, alfalfa, orchard grass,  
35.24 clover, and other species and varieties that  
35.25 were in commercial distribution and use in  
35.26 Minnesota before 1970, excluding wild rice.  
35.27 This effort must also protect traditional seeds  
35.28 brought to Minnesota by immigrant  
35.29 communities. This appropriation includes  
35.30 funding for associated extension and outreach  
35.31 to small and Black, Indigenous, and People of  
35.32 Color (BIPOC) farmers. This is a onetime  
35.33 appropriation.

35.34 (bb) The commissioner shall continue to  
35.35 increase connections with ethnic minority and

36.1 immigrant farmers to farming opportunities  
36.2 and farming programs throughout the state.

36.3 Sec. 8. **COMMISSIONER OF HEALTH; APPROPRIATIONS.**

36.4 (a) \$2,000,000 in fiscal year 2025 is appropriated from the general fund to the  
36.5 commissioner of health to establish a mitigation program for contaminated wells, including  
36.6 testing, repairing, and replacing wells and providing home water treatment, such as reverse  
36.7 osmosis treatment, for private wells that are tested at or above the maximum contaminant  
36.8 level of 10 mg/L located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha,  
36.9 or Winona County. This appropriation is available until June 30, 2027. This is a onetime  
36.10 appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the  
36.11 commissioner may use up to 6.5 percent of this appropriation for administrative costs.

36.12 (b) By December 15 each year through 2027, the commissioner must report to the chairs  
36.13 and ranking minority members of the legislative committees with jurisdiction over agriculture  
36.14 and health detailing the use of the appropriation in this section and the number of households  
36.15 served in each county.

36.16 **ARTICLE 2**

36.17 **AGRICULTURE POLICY**

36.18 Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended  
36.19 to read:

36.20 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner  
36.21 may award and administer equipment and infrastructure grants to beginning farmers. The  
36.22 commissioner shall give preference to applicants who are ~~emerging~~ farmers experiencing  
36.23 limited land access as defined in section 17.133, subdivision 1. Grant money may be used  
36.24 for equipment and infrastructure development.

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

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

36.28 Sec. 2. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

36.29 Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers, and organizations such as  
36.30 farms, agricultural cooperatives, educational institutions, individuals at educational

37.1 institutions, ~~or~~ nonprofit organizations, Tribal governments, or local units of government  
 37.2 residing or located in the state for research or demonstrations on farms in the state.

37.3 (b) Grants may only be made for projects that show:

37.4 (1) the ability to maximize direct or indirect energy savings or production;

37.5 (2) a positive effect or reduced adverse effect on the environment; or

37.6 (3) increased profitability for the individual farm by reducing costs or improving  
 37.7 marketing opportunities.

37.8 Sec. 3. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

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

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

37.14 (2) has participated in the business operation of a farm for at least three years;

37.15 ~~(2)~~ (3) grosses no more than \$250,000 per year from the sale of farm products; and

37.16 ~~(3)~~ (4) has not, and whose spouse has not, at any time had a direct or indirect ownership  
 37.17 interest in farmland.

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

37.20 (d) "Incubator farm" means a farm where people are given temporary, exclusive, and  
 37.21 affordable access to small parcels of land, infrastructure, and often training, for the purposes  
 37.22 of honing skills and launching farm businesses.

37.23 (e) "Limited land access" means farming without ownership of land and:

37.24 (1) under a lease or other rental arrangement of no more than three years in duration  
 37.25 when the person leasing or renting the land is not related to the lessee or renter by blood or  
 37.26 marriage;

37.27 (2) farming by renting land from an incubator farm as defined in this section;

37.28 (3) farming with no current lease or other rental arrangement; or

37.29 (4) farming where access to land is constrained by Tribal land ownership patterns,  
 37.30 treaties, or federal and Tribal laws and regulations.

38.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended  
38.2 to read:

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

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

38.11 (2) the number and amount of grants;

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

38.13 (4) the number of grant recipients who are ~~emerging~~ farmers experiencing limited land  
38.14 access or who have a gross farm profit of \$100,000 or less the previous year;

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

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

38.18 (7) the number and amount of grant applications that exceeded the allocation available  
38.19 in each year.

38.20 Sec. 5. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended  
38.21 to read:

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

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

38.28 (c) The person responsible for payment of the inspection fees for fertilizers, soil  
38.29 amendments, or plant amendments sold and used in this state must pay the inspection fee  
38.30 set under paragraph (e), and until June 30, ~~2024~~ 2034, an additional 40 cents per ton, of  
38.31 fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a  
38.32 minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner

39.1 must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer  
 39.2 research and education account in section 18C.80. Products sold or distributed to  
 39.3 manufacturers or exchanged between them are exempt from the inspection fee imposed by  
 39.4 this subdivision if the products are used exclusively for manufacturing purposes.

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

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

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

39.12 Sec. 6. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

39.13 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2035.

39.14 Sec. 7. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

39.15 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2035.

39.16 Sec. 8. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

39.17 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2035.

39.18 Sec. 9. Minnesota Statutes 2022, section 28A.10, is amended to read:

39.19 **28A.10 POSTING OF LICENSE; RULES.**

39.20 All such licenses shall be issued for a period of one year and shall be posted or displayed  
 39.21 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~  
 39.22 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~  
 39.23 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

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

39.26 Sec. 10. Minnesota Statutes 2022, section 31.94, is amended to read:

39.27 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

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

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

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

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

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

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

40.14 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in  
40.15 conjunction with the task force created in paragraph (c), shall report on the status of organic  
40.16 agriculture in Minnesota to the legislative policy and finance committees and divisions with  
40.17 jurisdiction over agriculture. The report must include available data on organic acreage and  
40.18 production, available data on the sales or market performance of organic products, and  
40.19 recommendations regarding programs, policies, and research efforts that will benefit  
40.20 Minnesota's organic agriculture sector.

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

40.26 (1) three organic farmers;

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

40.28 (3) one representative of organic certification agencies;

40.29 (4) two organic processors;

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

40.31 (6) one University of Minnesota faculty member;

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



41.1 (8) two public members;

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

41.3 (10) one retailer of organic products; and

41.4 (11) one organic consumer representative.

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

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

41.11 (d) For the purposes of expanding, improving, and developing production and marketing  
41.12 of the organic products of Minnesota agriculture, the commissioner may receive funds from  
41.13 state and federal sources and spend them, including through grants or contracts, to assist  
41.14 producers and processors to achieve certification, to conduct education or marketing  
41.15 activities, to enter into research and development partnerships, or to address production or  
41.16 marketing obstacles to the growth and well-being of the industry.

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

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

41.22 Sec. 11. Minnesota Statutes 2022, section 32D.30, is amended to read:

41.23 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

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

41.27 Subd. 2. **Dairy profitability enhancement ~~teams~~ program.** (a) The dairy profitability  
41.28 enhancement ~~teams~~ program must provide ~~one-on-one~~ information and technical assistance  
41.29 to dairy farms of all sizes to enhance their financial success and long-term sustainability.  
41.30 ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state  
41.31 and. Assistance to producers from the program may ~~consist of~~ be provided individually, as  
41.32 a team, or through other methods by farm business management instructors, dairy extension

42.1 specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities  
 42.2 ~~including such as~~ comprehensive financial analysis, risk management education, enhanced  
 42.3 milk marketing tools and technologies, ~~and~~ facilitating or improving production systems,  
 42.4 including rotational grazing and other sustainable agriculture methods, and value-added  
 42.5 opportunities.

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

42.14 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business  
 42.15 planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive~~  
 42.16 ~~business plans~~ use technical assistance services for evaluating operations, transitional  
 42.17 changes, expansions, improvements, and other business modifications. Producers and  
 42.18 processors must not use dairy business planning grants for capital improvements.

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

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

42.31 Sec. 12. Minnesota Statutes 2023 Supplement, section 35.155, subdivision 12, is amended  
 42.32 to read:

42.33 Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from  
 42.34 a state or province where chronic wasting disease has been detected in the farmed or wild

43.1 cervid population in the last five years unless the animal has tested not detected for chronic  
43.2 wasting disease with a validated live-animal test.

43.3 (b) Live Cervidae or Cervidae semen must originate from a herd that has been subject  
43.4 to a state-, federal-, or provincial-approved chronic wasting disease herd certification program  
43.5 and that has reached a status equivalent to the highest certification.

43.6 (c) Cervidae imported in violation of this section may be seized and destroyed by the  
43.7 commissioner of natural resources.

43.8 (d) This subdivision does not apply to the interstate transfer of animals between two  
43.9 facilities accredited by the Association of Zoos and Aquariums.

43.10 (e) Notwithstanding this subdivision, the commissioner of natural resources may issue  
43.11 a permit allowing the importation of orphaned wild cervid species that are not susceptible  
43.12 to chronic wasting disease from another state to an Association of Zoos and Aquariums  
43.13 accredited institution in Minnesota following a joint risk-based assessment conducted by  
43.14 the commissioner and the institution.

43.15 (f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo  
43.16 that is a United States Department of Agriculture-licensed exhibitor of regulated animals  
43.17 to import live Cervidae from another state if the Cervidae are part of a herd that is:

43.18 (1) in the United States Department of Agriculture Herd Certification program; or

43.19 (2) subject to similar equivalent disease surveillance at the discretion of the state  
43.20 veterinarian.

43.21 Sec. 13. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 1, is amended  
43.22 to read:

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

43.25 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and  
43.26 machinery used for farming in Minnesota.

43.27 (c) "Beginning farmer" means an individual or LLC owned by an individual who:

43.28 (1) is a resident of Minnesota;

43.29 (2) is seeking entry, or has entered within the last ten years, into farming;

43.30 (3) intends to farm land located within the state borders of Minnesota;

44.1 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
44.2 family member of the owner of the agricultural assets from whom the beginning farmer is  
44.3 seeking to purchase or rent agricultural assets;

44.4 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
44.5 family member of a partner, member, shareholder, or trustee of the owner of agricultural  
44.6 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;  
44.7 and

44.8 (6) meets the following eligibility requirements as determined by the authority:

44.9 (i) has a net worth that does not exceed the limit provided under section 41B.03,  
44.10 subdivision 3, paragraph (a), clause (2);

44.11 (ii) provides the majority of the day-to-day physical labor and management of the farm;

44.12 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates  
44.13 knowledge in the type of farming for which the beginning farmer seeks assistance from the  
44.14 authority;

44.15 (iv) demonstrates to the authority a profit potential by submitting projected earnings  
44.16 statements;

44.17 (v) asserts to the satisfaction of the authority that farming will be a significant source  
44.18 of income for the beginning farmer;

44.19 (vi) is enrolled in or has completed within ten years of their first year of farming a  
44.20 financial management program approved by the authority or the commissioner of agriculture;

44.21 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility  
44.22 requirements within the three-year certification period, in which case the beginning farmer  
44.23 is no longer eligible for credits under this section; and

44.24 (viii) has other qualifications as specified by the authority.

44.25 The authority may waive the requirement in item (vi) if the participant requests a waiver  
44.26 and has a four-year degree in an agricultural program or related field, reasonable agricultural  
44.27 job-related experience, or certification as an adult farm management instructor.

44.28 (d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055,  
44.29 subdivision 1.

44.30 (e) "Family member" means a family member within the meaning of the Internal Revenue  
44.31 Code, section 267(c)(4).

45.1 (f) "Farm product" means plants and animals useful to humans and includes, but is not  
 45.2 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,  
 45.3 poultry and poultry products, livestock, fruits, and vegetables.

45.4 (g) "Farming" means the active use, management, and operation of real and personal  
 45.5 property for the production of a farm product.

45.6 (h) "Limited land access" has the meaning given in section 17.133, subdivision 1.

45.7 ~~(h)~~ (i) "Owner of agricultural assets" means an individual, trust, or pass-through entity  
 45.8 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.  
 45.9 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined  
 45.10 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of  
 45.11 selling agricultural assets for profit and that is not engaged in farming as its primary business  
 45.12 activity. An owner of agricultural assets approved and certified by the authority under  
 45.13 subdivision 4 must notify the authority if the owner no longer meets the definition in this  
 45.14 paragraph within the three year certification period and is then no longer eligible for credits  
 45.15 under this section.

45.16 ~~(i)~~ (j) "Resident" has the meaning given in section 290.01, subdivision 7.

45.17 ~~(j)~~ (k) "Share rent agreement" means a rental agreement in which the principal  
 45.18 consideration given to the owner of agricultural assets is a predetermined portion of the  
 45.19 production of farm products produced from the rented agricultural assets and which provides  
 45.20 for sharing production costs or risk of loss, or both.

45.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 45.22 31, 2024.

45.23 Sec. 14. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 2, is amended  
 45.24 to read:

45.25 **Subd. 2. Tax credit for owners of agricultural assets.** (a) An owner of agricultural  
 45.26 assets may take a credit against the tax due under chapter 290 for the sale or rental of  
 45.27 agricultural assets to a beginning farmer in the amount allocated by the authority under  
 45.28 subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

45.29 (1) eight percent of the lesser of the sale price or the fair market value of the agricultural  
 45.30 asset, up to a maximum of \$50,000;

45.31 (2) ten percent of the gross rental income in each of the first, second, and third years of  
 45.32 a rental agreement, up to a maximum of \$7,000 per year; or

46.1 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,  
46.2 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

46.3 (b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent  
46.4 agreement. The agricultural asset must be rented at prevailing community rates as determined  
46.5 by the authority.

46.6 (c) The credit may be claimed only after approval and certification by the authority, and  
46.7 is limited to the amount stated on the certificate issued under subdivision 4. An owner of  
46.8 agricultural assets must apply to the authority for certification and allocation of a credit, in  
46.9 a form and manner prescribed by the authority.

46.10 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,  
46.11 including a share rent agreement, for reasonable cause upon approval of the authority. If a  
46.12 rental agreement is terminated without the fault of the owner of agricultural assets, the tax  
46.13 credits shall not be retroactively disallowed. In determining reasonable cause, the authority  
46.14 must look at which party was at fault in the termination of the agreement. If the authority  
46.15 determines the owner of agricultural assets did not have reasonable cause, the owner of  
46.16 agricultural assets must repay all credits received as a result of the rental agreement to the  
46.17 commissioner of revenue. The repayment is additional income tax for the taxable year in  
46.18 which the authority makes its decision or when a final adjudication under subdivision 5,  
46.19 paragraph (a), is made, whichever is later.

46.20 (e) The credit is limited to the liability for tax as computed under chapter 290 for the  
46.21 taxable year. If the amount of the credit determined under this section for any taxable year  
46.22 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according  
46.23 to section 290.06, subdivision 37.

46.24 (f) For purposes of the credit for the sale of agricultural land only, the family member  
46.25 definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.  
46.26 For a sale to a family member to qualify for the credit, the sales price of the agricultural  
46.27 land must equal or exceed the assessed value of the land as of the date of the sale. For  
46.28 purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer  
46.29 in which the beginning farmer or the beginning farmer's spouse is a family member of:

46.30 (1) the owner of the agricultural land; or

46.31 (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

46.32 (g) For a sale to ~~an emerging~~ a farmer experiencing limited land access, the credit rate  
46.33 under paragraph (a), clause (1), is twelve percent rather than eight percent.

47.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
47.2 31, 2024.

47.3 Sec. 15. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended  
47.4 to read:

47.5 Subd. 4. **Authority duties.** (a) The authority shall:

47.6 (1) approve and certify or recertify beginning farmers as eligible for the program under  
47.7 this section;

47.8 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax  
47.9 credit under subdivision 2 subject to the allocation limits in paragraph (c);

47.10 (3) provide necessary and reasonable assistance and support to beginning farmers for  
47.11 qualification and participation in financial management programs approved by the authority;

47.12 (4) refer beginning farmers to agencies and organizations that may provide additional  
47.13 pertinent information and assistance; and

47.14 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information  
47.15 with the commissioner of revenue to the extent necessary to administer provisions under  
47.16 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority  
47.17 must annually notify the commissioner of revenue of approval and certification or  
47.18 recertification of beginning farmers and owners of agricultural assets under this section.  
47.19 For credits under subdivision 2, the notification must include the amount of credit approved  
47.20 by the authority and stated on the credit certificate.

47.21 (b) The certification of a beginning farmer or an owner of agricultural assets under this  
47.22 section is valid for the year of the certification and the two following years, after which  
47.23 time the beginning farmer or owner of agricultural assets must apply to the authority for  
47.24 recertification.

47.25 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
47.26 must not allocate more than \$6,500,000 for taxable years beginning after December 31,  
47.27 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December  
47.28 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning  
47.29 on January 1 of each year, except that recertifications for the second and third years of  
47.30 credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any  
47.31 amount authorized but not allocated for taxable years ending before January 1, 2023, is  
47.32 canceled and is not allocated for future taxable years. For taxable years beginning after  
47.33 December 31, 2022, any amount authorized but not allocated in any taxable year does not

48.1 cancel and is added to the allocation for the next taxable year. For each taxable year, 50  
48.2 percent of newly allocated credits must be allocated to ~~emerging farmers~~ owners of  
48.3 agricultural assets who sell or rent agricultural assets to beginning farmers who are  
48.4 experiencing limited land access. Any portion of a taxable year's newly allocated credits  
48.5 that is reserved for ~~emerging sales or rentals to farmers~~ experiencing limited land access  
48.6 that is not allocated by September 30 of the taxable year is available for allocation to other  
48.7 credit allocations beginning on October 1.

48.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
48.9 31, 2024.

48.10 Sec. 16. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 6, is amended  
48.11 to read:

48.12 Subd. 6. **Report to legislature.** (a) No later than February 1, 2024, the Rural Finance  
48.13 Authority, in consultation with the commissioner of revenue, must provide a report to the  
48.14 chairs and ranking minority members of the legislative committees having jurisdiction over  
48.15 agriculture, economic development, rural development, and taxes, in compliance with  
48.16 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in  
48.17 tax years beginning after December 31, 2017, and before January 1, 2024.

48.18 (b) The report must include background information on beginning farmers in Minnesota  
48.19 and any other information the commissioner and authority find relevant to evaluating the  
48.20 effect of the credits on increasing opportunities for and the number of beginning farmers.

48.21 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report  
48.22 must include:

48.23 (1) the number and amount of credits issued under each clause;

48.24 (2) the geographic distribution of credits issued under each clause;

48.25 (3) the type of agricultural assets for which credits were issued under clause (1);

48.26 (4) the number and geographic distribution of beginning farmers whose purchase or  
48.27 rental of assets resulted in credits for the seller or owner of the asset;

48.28 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

48.29 (6) data on the number of beginning farmers by geographic region in calendar years  
48.30 2017 through 2023, including:

48.31 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in  
48.32 the 2020 United States Census; and



49.1 (ii) the number of beginning farmers who are experiencing limited land access and, to  
 49.2 the extent available, the number of beginning farmers who are emerging farmers; and

49.3 (7) the number and amount of credit applications that exceeded the allocation available  
 49.4 in each year.

49.5 (d) For credits issued under subdivision 3, the report must include:

49.6 (1) the number and amount of credits issued;

49.7 (2) the geographic distribution of credits;

49.8 (3) a listing and description of each approved financial management program for which  
 49.9 credits were issued; and

49.10 (4) a description of the approval procedure for financial management programs not on  
 49.11 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

49.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 49.13 31, 2024.

49.14 Sec. 17. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

49.15 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster  
 49.16 recovery loan program to help farmers:

49.17 (1) clean up, repair, or replace farm structures and septic and water systems, as well as  
 49.18 replace seed, other crop inputs, feed, and livestock;

49.19 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems  
 49.20 and practices, and feed when drought is the cause of the purchase;

49.21 (3) restore farmland;

49.22 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue  
 49.23 when the replacement, improvements, or loss of revenue is due to the confirmed presence  
 49.24 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial  
 49.25 livestock operation, located in Minnesota; or

49.26 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease  
 49.27 for which the governor has declared a peacetime emergency under section 12.31.

49.28 Sec. 18. **SUPERSEDING EFFECT.**

49.29 The amendment to Minnesota Statutes, section 35.155, subdivision 12, in section 12 of  
 49.30 this article is intended to supersede the amendment in article 1, section 18, in S.F. No. 4225.

50.1 Sec. 19. **REPEALER.**

50.2 Minnesota Statutes 2022, section 34.07, is repealed.

50.3 **ARTICLE 3**

50.4 **BROADBAND**

50.5 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision  
50.6 to read:

50.7 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year  
50.8 appropriation between the border-to-border broadband program, low density population  
50.9 broadband program, and the broadband line extension program to meet demand. The  
50.10 commissioner must inform the chairs and ranking minority members of the legislative  
50.11 committees with jurisdiction over broadband finance in writing when this transfer authority  
50.12 is used. The written notice must include how much money was transferred and why the  
50.13 transfer was made. The written notice must also be filed with the Legislative Reference  
50.14 Library in compliance with Minnesota Statutes, section 3.195.

50.15 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**  
50.16 **FUNDING; APPROPRIATION.**

50.17 (a) The commissioner of employment and economic development must prepare and  
50.18 submit an application to the United States Department of Commerce requesting State Digital  
50.19 Equity Capacity Grant funding made available under Public Law 117-58, the Infrastructure  
50.20 Investment and Jobs Act.

50.21 (b) The amount awarded to Minnesota pursuant to the application submitted under  
50.22 paragraph (a) is appropriated to the commissioner of employment and economic development  
50.23 for purposes of the commissioner's Minnesota Digital Opportunity Plan.

50.24 **ARTICLE 4**

50.25 **COMMERCE APPROPRIATIONS**

50.26 Section 1. Laws 2023, chapter 63, article 9, section 5, is amended to read:

50.27 **Sec. 5. OFFICE OF CANNABIS** **17,953,000**  
50.28 **MANAGEMENT** **\$ 21,614,000 \$ 20,680,000**

50.29 The base for this appropriation is ~~\$35,587,000~~  
50.30 \$36,909,000 in fiscal year 2026 and  
50.31 ~~\$38,144,000~~ \$39,530,000 in fiscal year 2027.

51.1 \$1,000,000 the second year is for cannabis  
 51.2 industry community renewal grants under  
 51.3 Minnesota Statutes, section 342.70. Of these  
 51.4 amounts, up to three percent may be used for  
 51.5 administrative expenses. The base for this  
 51.6 appropriation is \$15,000,000 in fiscal year  
 51.7 2026 and each fiscal year thereafter.

51.8 \$1,000,000 each year is for transfer to the  
 51.9 CanGrow revolving loan account established  
 51.10 under Minnesota Statutes, section 342.73,  
 51.11 subdivision 4. Of these amounts, up to three  
 51.12 percent may be used for administrative  
 51.13 expenses.

51.14 \$1,107,000 the second year is for temporary  
 51.15 regulation under the Health Enforcement  
 51.16 Consolidation Act of 1993 of edible products  
 51.17 extracted from hemp. This is a onetime  
 51.18 appropriation.

51.19 \$771,000 the second year is for testing  
 51.20 products regulated under Minnesota Statutes,  
 51.21 section 151.72, and chapter 342. The base for  
 51.22 this appropriation is \$690,000 in fiscal year  
 51.23 2026 and each year thereafter.

51.24 \$849,000 the second year is for the Office of  
 51.25 Cannabis Management to operate a state  
 51.26 reference laboratory. The base for this  
 51.27 appropriation is \$632,000 in fiscal year 2026  
 51.28 and \$696,000 in fiscal year 2027.

51.29 Sec. 2. Laws 2023, chapter 63, article 9, section 10, is amended to read:

51.30 **Sec. 10. HEALTH**

51.31				<b><u>20,252,000</u></b>
51.32	<b>Subdivision 1. Total Appropriation</b>	<b>\$</b>	<b>3,300,000</b>	<b>\$ <u>23,025,000</u></b>

52.1 The base for this appropriation is ~~\$19,064,000~~  
 52.2 \$23,242,000 in fiscal year 2026 and ~~each fiscal~~  
 52.3 ~~year thereafter~~ \$23,178,000 in fiscal year  
 52.4 2027.

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

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

52.10 For administration and grants under Minnesota  
 52.11 Statutes, section 144.197, subdivision 1. Of  
 52.12 the amount appropriated, \$2,863,000 is for  
 52.13 program operations and administration and  
 52.14 \$1,500,000 is for grants. The base for this  
 52.15 appropriation is \$4,534,000 in fiscal year 2026  
 52.16 and \$4,470,000 in fiscal year 2027.

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

52.19 For ~~grants under~~ a coordinated prevention and  
 52.20 education program for pregnant and  
 52.21 breastfeeding individuals under Minnesota  
 52.22 Statutes, section 144.197, subdivision 2. The  
 52.23 base for this appropriation is \$1,834,000 in  
 52.24 fiscal year 2026 and each year thereafter.

52.25	<b>Subd. 4. <u>Local and Tribal Health Departments</u></b>	-0-	10,000,000
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52.26 For administration and grants under Minnesota  
 52.27 Statutes, section 144.197, subdivision 4. Of  
 52.28 the amount appropriated, \$1,094,000 is for  
 52.29 administration and \$8,906,000 is for grants.

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

52.32 For reports under Minnesota Statutes, section  
 52.33 144.196.

53.1	<b>Subd. 6. Administration for Expungement</b>		
53.2	<b>Orders</b>	71,000	71,000
53.3	For administration related to orders issued by		
53.4	the Cannabis Expungement Board. The base		
53.5	for this appropriation is \$71,000 in fiscal year		
53.6	2026, \$71,000 in fiscal year 2027, \$71,000 in		
53.7	fiscal year 2028, \$71,000 in fiscal year 2029,		
53.8	and \$0 in fiscal year 2030.		
53.9	<b>Subd. 7. Grants to the Minnesota Poison Control</b>		
53.10	<b>System</b>	910,000	810,000
53.11	For <u>administration and grants under Minnesota</u>		
53.12	<u>Statutes, section 145.93. Of the amount</u>		
53.13	<u>appropriated in fiscal year 2025, \$15,000 is</u>		
53.14	<u>for administration and \$795,000 is for grants.</u>		
53.15	<b>Subd. 8. Temporary Regulation of Edible</b>		
53.16	<b>Products Extracted from Hemp</b>	1,107,000	<del>1,107,000</del> <u>-0-</u>
53.17	For temporary regulation under the health		
53.18	enforcement consolidation act of edible		
53.19	products extracted from hemp. <u>The</u>		
53.20	<u>commissioner may transfer encumbrances and</u>		
53.21	<u>unobligated amounts from fiscal year 2024 to</u>		
53.22	<u>the Office of Cannabis Management for this</u>		
53.23	<u>purpose. This is a onetime appropriation.</u>		
53.24	<b>Subd. 9. Testing:</b>	719,000	<del>771,000</del> <u>-0-</u>
53.25	For testing of edible cannabinoid products.		
53.26	<del>The base for this appropriation is \$690,000 in</del>		
53.27	<del>fiscal year 2026 and each fiscal year thereafter.</del>		
53.28	<u>The commissioner may transfer encumbrances</u>		
53.29	<u>and unobligated amounts from fiscal year 2024</u>		
53.30	<u>to the Office of Cannabis Management for this</u>		
53.31	<u>purpose.</u>		
53.32	<b>Subd. 10. Substance Use Treatment, Recovery,</b>		
53.33	<b><u>and Prevention</u></b>	<u>-0-</u>	<u>5,500,000</u>
53.34	<u>For the purposes outlined in Minnesota</u>		
53.35	<u>Statutes, section 342.72. The base for this</u>		

54.1 appropriation is \$5,500,000 in fiscal year 2026  
 54.2 and each fiscal year thereafter.  
 54.3 Notwithstanding Minnesota Statutes, section  
 54.4 16B.98, subdivision 14, the commissioner may  
 54.5 use up to five percent of this appropriation for  
 54.6 administrative costs.

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

54.8 Sec. 3. Laws 2023, chapter 63, article 9, section 15, subdivision 4, is amended to read:

54.9	Subd. 4. <b>Office of Traffic and Safety</b>	11,485,000	6,117,000
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54.10 (a) The base for this appropriation is  
 54.11 \$5,000,000 in fiscal year 2026 and each fiscal  
 54.12 year thereafter.

54.13 (b) \$10,000,000 the first year and \$5,000,000  
 54.14 the second year are for the drug evaluation  
 54.15 and classification program for drug recognition  
 54.16 evaluator training; additional phlebotomists;  
 54.17 drug recognition training for peace officers,  
 54.18 as defined in Minnesota Statutes, section  
 54.19 626.84, subdivision 1, paragraph (c); and  
 54.20 required continuing education training for drug  
 54.21 recognition experts, program administration,  
 54.22 grants to local law enforcement divisions, and  
 54.23 making grants to eligible employers for drug  
 54.24 evaluation and classification training costs of  
 54.25 their staff. The commissioner must make  
 54.26 reasonable efforts to reflect the geographic  
 54.27 diversity of the state in making expenditures  
 54.28 under this appropriation. This appropriation  
 54.29 is available until June 30, 2027.

54.30 (c) \$1,485,000 the first year and \$1,117,000  
 54.31 the second year are for a roadside testing pilot  
 54.32 project. These are onetime appropriations.

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

55.1 Sec. 4. Laws 2023, chapter 63, article 9, section 20, is amended to read:

55.2 Sec. 20. **TRANSFERS.**

55.3 ~~(a)~~ \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred  
55.4 from the general fund to the dual training account in the special revenue fund under  
55.5 Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal  
55.6 cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal  
55.7 year thereafter. The commissioner may use up to six percent of the amount transferred for  
55.8 administrative costs. The commissioner shall give priority to applications from employers  
55.9 who are, or who are training employees who are, eligible to be social equity applicants  
55.10 under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance  
55.11 from this transfer may be used for grants to any eligible employer under Minnesota Statutes,  
55.12 section 136A.246.

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

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

55.18 Sec. 5. **DEPARTMENT OF COMMERCE.**

55.19 The general fund base for the commissioner of commerce is increased by \$47,000 in  
55.20 fiscal year 2026 and each year thereafter for the commissioner of commerce to administer  
55.21 and enforce Minnesota Statutes, section 325E.21, subdivision 2c.

55.22 Sec. 6. **ATTORNEY GENERAL.**

55.23 The general fund base for the attorney general is increased by \$941,000 in fiscal year  
55.24 2026 and \$701,000 in fiscal year 2027 to enforce the Minnesota Consumer Data Privacy  
55.25 Act under Minnesota Statutes, chapter 325O.

56.1 **ARTICLE 5**

56.2 **MINNESOTA CONSUMER DATA PRIVACY ACT**

56.3 Section 1. **[13.6505] ATTORNEY GENERAL DATA CODED ELSEWHERE.**

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

56.7 Subd. 2. **Data privacy and protection assessments.** A data privacy and protection  
 56.8 assessment collected or maintained by the attorney general is classified under section  
 56.9 3250.08.

56.10 Sec. 2. **[3250.01] CITATION.**

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

56.12 Sec. 3. **[3250.02] DEFINITIONS.**

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

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

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

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

56.27 Biometric data does not include:

56.28 (1) a digital or physical photograph;

56.29 (2) an audio or video recording; or

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

58.9 (p) "Personal data" means any information that is linked or reasonably linkable to an  
58.10 identified or identifiable natural person. Personal data does not include deidentified data or  
58.11 publicly available information. For purposes of this paragraph, "publicly available  
58.12 information" means information that (1) is lawfully made available from federal, state, or  
58.13 local government records or widely distributed media, or (2) a controller has a reasonable  
58.14 basis to believe has lawfully been made available to the general public.

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

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

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

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

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

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

- 59.1 (2) the disclosure of personal data to a third party for purposes of providing a product  
59.2 or service requested by the consumer;
- 59.3 (3) the disclosure or transfer of personal data to an affiliate of the controller;
- 59.4 (4) the disclosure of information that the consumer intentionally made available to the  
59.5 general public via a channel of mass media and did not restrict to a specific audience;
- 59.6 (5) the disclosure or transfer of personal data to a third party as an asset that is part of a  
59.7 completed or proposed merger, acquisition, bankruptcy, or other transaction in which the  
59.8 third party assumes control of all or part of the controller's assets; or
- 59.9 (6) the exchange of personal data between the producer of a good or service and  
59.10 authorized agents of the producer who sell and service the goods and services, to enable  
59.11 the cooperative provisioning of goods and services by both the producer and the producer's  
59.12 agents.
- 59.13 (v) Sensitive data is a form of personal data. "Sensitive data" means:
- 59.14 (1) personal data revealing racial or ethnic origin, religious beliefs, mental or physical  
59.15 health condition or diagnosis, sexual orientation, or citizenship or immigration status;
- 59.16 (2) the processing of biometric data or genetic information for the purpose of uniquely  
59.17 identifying an individual;
- 59.18 (3) the personal data of a known child; or
- 59.19 (4) specific geolocation data.
- 59.20 (w) "Specific geolocation data" means information derived from technology, including  
59.21 but not limited to global positioning system level latitude and longitude coordinates or other  
59.22 mechanisms, that directly identifies the geographic coordinates of a consumer or a device  
59.23 linked to a consumer with an accuracy of more than three decimal degrees of latitude and  
59.24 longitude or the equivalent in an alternative geographic coordinate system, or a street address  
59.25 derived from the coordinates. Specific geolocation data does not include the content of  
59.26 communications, the contents of databases containing street address information which are  
59.27 accessible to the public as authorized by law, or any data generated by or connected to  
59.28 advanced utility metering infrastructure systems or other equipment for use by a public  
59.29 utility.
- 59.30 (x) "Targeted advertising" means displaying advertisements to a consumer where the  
59.31 advertisement is selected based on personal data obtained or inferred from the consumer's

60.1 activities over time and across nonaffiliated websites or online applications to predict the  
60.2 consumer's preferences or interests. Targeted advertising does not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

60.29 (2) a federally recognized Indian tribe;

60.30 (3) information that meets the definition of:

- 61.1 (i) protected health information, as defined by and for purposes of the Health Insurance  
61.2 Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;
- 61.3 (ii) health records, as defined in section 144.291, subdivision 2;
- 61.4 (iii) patient identifying information for purposes of Code of Federal Regulations, title  
61.5 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;
- 61.6 (iv) identifiable private information for purposes of the federal policy for the protection  
61.7 of human subjects, Code of Federal Regulations, title 45, part 46; identifiable private  
61.8 information that is otherwise information collected as part of human subjects research  
61.9 pursuant to the good clinical practice guidelines issued by the International Council for  
61.10 Harmonisation; the protection of human subjects under Code of Federal Regulations, title  
61.11 21, parts 50 and 56; or personal data used or shared in research conducted in accordance  
61.12 with one or more of the requirements set forth in this paragraph;
- 61.13 (v) information and documents created for purposes of the federal Health Care Quality  
61.14 Improvement Act of 1986, Public Law 99-660, and related regulations; or
- 61.15 (vi) patient safety work product for purposes of Code of Federal Regulations, title 42,  
61.16 part 3, established pursuant to United States Code, title 42, sections 299b-21 to 299b-26;
- 61.17 (4) information that is derived from any of the health care-related information listed in  
61.18 clause (3), but that has been deidentified in accordance with the requirements for  
61.19 deidentification set forth in Code of Federal Regulations, title 45, part 164;
- 61.20 (5) information originating from, and intermingled to be indistinguishable with, any of  
61.21 the health care-related information listed in clause (3) that is maintained by:
- 61.22 (i) a covered entity or business associate, as defined by the Health Insurance Portability  
61.23 and Accountability Act of 1996, Public Law 104-191, and related regulations;
- 61.24 (ii) a health care provider, as defined in section 144.291, subdivision 2; or
- 61.25 (iii) a program or a qualified service organization, as defined by Code of Federal  
61.26 Regulations, title 42, part 2, established pursuant to United States Code, title 42, section  
61.27 290dd-2;
- 61.28 (6) information that is:
- 61.29 (i) maintained by an entity that meets the definition of health care provider under Code  
61.30 of Federal Regulations, title 45, section 160.103, to the extent that the entity maintains the  
61.31 information in the manner required of covered entities with respect to protected health

62.1 information for purposes of the Health Insurance Portability and Accountability Act of  
62.2 1996, Public Law 104-191, and related regulations;

62.3 (ii) included in a limited data set, as described under Code of Federal Regulations, title  
62.4 45, part 164.514(e), to the extent that the information is used, disclosed, and maintained in  
62.5 the manner specified by that part;

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

62.8 (iv) originated from, or intermingled with, information described in clause (9) and that  
62.9 a licensed residential mortgage originator, as defined under section 58.02, subdivision 19,  
62.10 or residential mortgage servicer, as defined under section 58.02, subdivision 20, collects,  
62.11 processes, uses, or maintains in the same manner as required under the laws and regulations  
62.12 specified in clause (9);

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

62.15 (8) an activity involving the collection, maintenance, disclosure, sale, communication,  
62.16 or use of any personal data bearing on a consumer's credit worthiness, credit standing, credit  
62.17 capacity, character, general reputation, personal characteristics, or mode of living by a  
62.18 consumer reporting agency, as defined in United States Code, title 15, section 1681a(f), by  
62.19 a furnisher of information, as set forth in United States Code, title 15, section 1681s-2, who  
62.20 provides information for use in a consumer report, as defined in United States Code, title  
62.21 15, section 1681a(d), and by a user of a consumer report, as set forth in United States Code,  
62.22 title 15, section 1681b, except that information is only excluded under this paragraph to the  
62.23 extent that the activity involving the collection, maintenance, disclosure, sale, communication,  
62.24 or use of the information by the agency, furnisher, or user is subject to regulation under the  
62.25 federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x, and  
62.26 the information is not collected, maintained, used, communicated, disclosed, or sold except  
62.27 as authorized by the Fair Credit Reporting Act;

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

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

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

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

63.7 (13) data collected or maintained:

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

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

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

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

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

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

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

63.28 (18) an insurance company, as defined in section 60A.02, subdivision 4, an insurance  
63.29 producer, as defined in section 60K.31, subdivision 6, a third-party administrator of  
63.30 self-insurance, or an affiliate or subsidiary of any entity identified in this clause that is  
63.31 principally engaged in financial activities, as described in United States Code, title 12,  
63.32 section 1843(k), except that this clause does not apply to a person that, alone or in

64.1 combination with another person, establishes and maintains a self-insurance program that  
64.2 does not otherwise engage in the business of entering into policies of insurance;

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

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

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

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

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

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

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

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

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

64.31 (c) A contract between a controller and a processor shall govern the processor's data  
64.32 processing procedures with respect to processing performed on behalf of the controller. The



65.1 contract shall be binding and clearly set forth instructions for processing data, the nature  
65.2 and purpose of processing, the type of data subject to processing, the duration of processing,  
65.3 and the rights and obligations of both parties. The contract shall also require that the  
65.4 processor:

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

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

65.10 (d) Taking into account the context of processing, the controller and the processor shall  
65.11 implement appropriate technical and organizational measures to ensure a level of security  
65.12 appropriate to the risk and establish a clear allocation of the responsibilities between the  
65.13 controller and the processor to implement the technical and organizational measures.

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

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

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

65.26 (3) the processor shall allow for, and contribute to, reasonable assessments and inspections  
65.27 by the controller or the controller's designated assessor. Alternatively, the processor may  
65.28 arrange for a qualified and independent assessor to conduct, at least annually and at the  
65.29 processor's expense, an assessment of the processor's policies and technical and organizational  
65.30 measures in support of the obligations under this chapter. The assessor must use an  
65.31 appropriate and accepted control standard or framework and assessment procedure for  
65.32 assessments as applicable, and shall provide a report of an assessment to the controller upon  
65.33 request.

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

66.4 (g) Determining whether a person is acting as a controller or processor with respect to  
66.5 a specific processing of data is a fact-based determination that depends upon the context in  
66.6 which personal data are to be processed. A person that is not limited in the person's processing  
66.7 of personal data pursuant to a controller's instructions, or that fails to adhere to a controller's  
66.8 instructions, is a controller and not a processor with respect to a specific processing of data.  
66.9 A processor that continues to adhere to a controller's instructions with respect to a specific  
66.10 processing of personal data remains a processor. If a processor begins, alone or jointly with  
66.11 others, determining the purposes and means of the processing of personal data, the processor  
66.12 is a controller with respect to the processing.

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

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

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

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

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

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

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

66.32 (g) If a consumer's personal data is profiled in furtherance of decisions that produce  
66.33 legal effects concerning a consumer or similarly significant effects concerning a consumer,

67.1 the consumer has the right to question the result of the profiling, to be informed of the reason  
67.2 that the profiling resulted in the decision, and, if feasible, to be informed of what actions  
67.3 the consumer might have taken to secure a different decision and the actions that the  
67.4 consumer might take to secure a different decision in the future. The consumer has the right  
67.5 to review the consumer's personal data used in the profiling. If the decision is determined  
67.6 to have been based upon inaccurate personal data, taking into account the nature of the  
67.7 personal data and the purposes of the processing of the personal data, the consumer has the  
67.8 right to have the data corrected and the profiling decision reevaluated based upon the  
67.9 corrected data.

67.10 (h) A consumer has a right to obtain a list of the specific third parties to which the  
67.11 controller has disclosed the consumer's personal data. If the controller does not maintain  
67.12 the information in a format specific to the consumer, a list of specific third parties to whom  
67.13 the controller has disclosed any consumers' personal data may be provided instead.

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

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

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

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

67.31 Subd. 3. **Universal opt-out mechanisms.** (a) A controller must allow a consumer to opt  
67.32 out of any processing of the consumer's personal data for the purposes of targeted advertising,  
67.33 or any sale of the consumer's personal data through an opt-out preference signal sent, with  
67.34 the consumer's consent, by a platform, technology, or mechanism to the controller indicating

68.1 the consumer's intent to opt out of any processing or sale. The platform, technology, or  
68.2 mechanism must:

68.3 (1) not unfairly disadvantage another controller;

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

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

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

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

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

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

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

68.26 Subd. 4. **Controller response to consumer requests.** (a) Except as provided in this  
68.27 chapter, a controller must comply with a request to exercise the rights pursuant to subdivision  
68.28 1.

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

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

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

69.6 (e) A controller must inform a consumer of any action taken on a request under  
69.7 subdivision 1 without undue delay and in any event within 45 days of receipt of the request.  
69.8 That period may be extended once by 45 additional days where reasonably necessary, taking  
69.9 into account the complexity and number of the requests. The controller must inform the  
69.10 consumer of any extension within 45 days of receipt of the request, together with the reasons  
69.11 for the delay.

69.12 (f) If a controller does not take action on a consumer's request, the controller must inform  
69.13 the consumer without undue delay and at the latest within 45 days of receipt of the request  
69.14 of the reasons for not taking action and instructions for how to appeal the decision with the  
69.15 controller as described in subdivision 3.

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

69.22 (h) A controller is not required to comply with a request to exercise any of the rights  
69.23 under subdivision 1, paragraphs (b) to (h), if the controller is unable to authenticate the  
69.24 request using commercially reasonable efforts. In such cases, the controller may request  
69.25 the provision of additional information reasonably necessary to authenticate the request. A  
69.26 controller is not required to authenticate an opt-out request, but a controller may deny an  
69.27 opt-out request if the controller has a good faith, reasonable, and documented belief that  
69.28 the request is fraudulent. If a controller denies an opt-out request because the controller  
69.29 believes a request is fraudulent, the controller must notify the person who made the request  
69.30 that the request was denied due to the controller's belief that the request was fraudulent and  
69.31 state the controller's basis for that belief.

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

70.1 (1) Social Security number;

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

70.3 (3) financial account number;

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

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

70.6 (6) biometric data.

70.7 (j) In response to a consumer request under subdivision 1, a controller is not required

70.8 to reveal any trade secret.

70.9 (k) A controller that has obtained personal data about a consumer from a source other

70.10 than the consumer may comply with a consumer's request to delete the consumer's personal

70.11 data pursuant to subdivision 1, paragraph (d), by either:

70.12 (1) retaining a record of the deletion request, retaining the minimum data necessary for

70.13 the purpose of ensuring the consumer's personal data remains deleted from the business's

70.14 records, and not using the retained data for any other purpose pursuant to the provisions of

70.15 this chapter; or

70.16 (2) opting the consumer out of the processing of personal data for any purpose except

70.17 for the purposes exempted pursuant to the provisions of this chapter.

70.18 Subd. 5. **Appeal process required.** (a) A controller must establish an internal process

70.19 whereby a consumer may appeal a refusal to take action on a request to exercise any of the

70.20 rights under subdivision 1 within a reasonable period of time after the consumer's receipt

70.21 of the notice sent by the controller under subdivision 3, paragraph (f).

70.22 (b) The appeal process must be conspicuously available. The process must include the

70.23 ease of use provisions in subdivision 3 applicable to submitting requests.

70.24 (c) Within 45 days of receipt of an appeal, a controller must inform the consumer of any

70.25 action taken or not taken in response to the appeal, along with a written explanation of the

70.26 reasons in support thereof. That period may be extended by 60 additional days where

70.27 reasonably necessary, taking into account the complexity and number of the requests serving

70.28 as the basis for the appeal. The controller must inform the consumer of any extension within

70.29 45 days of receipt of the appeal, together with the reasons for the delay.

70.30 (d) When informing a consumer of any action taken or not taken in response to an appeal

70.31 pursuant to paragraph (c), the controller must provide a written explanation of the reasons

70.32 for the controller's decision and clearly and prominently provide the consumer with

71.1 information about how to file a complaint with the Office of the Attorney General. The  
 71.2 controller must maintain records of all appeals and the controller's responses for at least 24  
 71.3 months and shall, upon written request by the attorney general as part of an investigation,  
 71.4 compile and provide a copy of the records to the attorney general.

71.5 **Sec. 7. [325O.06] PROCESSING DEIDENTIFIED DATA OR PSEUDONYMOUS**  
 71.6 **DATA.**

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

71.9 (1) reidentify deidentified data;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

72.22 (b) If a controller sells personal data to third parties, processes personal data for targeted  
 72.23 advertising, or engages in profiling in furtherance of decisions that produce legal effects  
 72.24 concerning a consumer or similarly significant effects concerning a consumer, the controller  
 72.25 must disclose the processing in the privacy notice and provide access to a clear and  
 72.26 conspicuous method outside the privacy notice for a consumer to opt out of the sale,  
 72.27 processing, or profiling in furtherance of decisions that produce legal effects concerning a  
 72.28 consumer or similarly significant effects concerning a consumer. This method may include  
 72.29 but is not limited to an internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your  
 72.30 Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web  
 72.31 page where the consumer can make the opt-out request.



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

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

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

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

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

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

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

73.32 (c) A controller shall establish, implement, and maintain reasonable administrative,  
73.33 technical, and physical data security practices to protect the confidentiality, integrity, and  
73.34 accessibility of personal data, including the maintenance of an inventory of the data that

74.1 must be managed to exercise these responsibilities. The data security practices shall be  
74.2 appropriate to the volume and nature of the personal data at issue.

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

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

74.15 (f) A controller may not process the personal data of a consumer for purposes of targeted  
74.16 advertising, or sell the consumer's personal data, without the consumer's consent, under  
74.17 circumstances where the controller knows that the consumer is between the ages of 13 and  
74.18 16.

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

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

74.29 (b) A controller may not discriminate against a consumer for exercising any of the rights  
74.30 contained in this chapter, including denying goods or services to the consumer, charging  
74.31 different prices or rates for goods or services, and providing a different level of quality of  
74.32 goods and services to the consumer. This subdivision does not: (1) require a controller to  
74.33 provide a good or service that requires the personal data of a consumer that the controller  
74.34 does not collect or maintain; or (2) prohibit a controller from offering a different price, rate,

75.1 level, quality, or selection of goods or services to a consumer, including offering goods or  
 75.2 services for no fee, if the offering is in connection with a consumer's voluntary participation  
 75.3 in a bona fide loyalty, rewards, premium features, discounts, or club card program.

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

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

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

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

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

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

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

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

75.24 **Sec. 10. [3250.08] DATA PRIVACY POLICIES AND DATA PRIVACY**  
 75.25 **PROTECTION ASSESSMENTS.**

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

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

- 76.1 (2) a description of the controller's data privacy policies and procedures which reflect  
76.2 the requirements in section 325O.07, and any policies and procedures designed to:
- 76.3 (i) reflect the requirements of this chapter in the design of the controller's systems;  
76.4 (ii) identify and provide personal data to a consumer as required by this chapter;  
76.5 (iii) establish, implement, and maintain reasonable administrative, technical, and physical  
76.6 data security practices to protect the confidentiality, integrity, and accessibility of personal  
76.7 data, including the maintenance of an inventory of the data that must be managed to exercise  
76.8 the responsibilities under this item;
- 76.9 (iv) limit the collection of personal data to what is adequate, relevant, and reasonably  
76.10 necessary in relation to the purposes for which the data are processed;
- 76.11 (v) prevent the retention of personal data that is no longer relevant and reasonably  
76.12 necessary in relation to the purposes for which the data were collected and processed, unless  
76.13 retention of the data is otherwise required by law or permitted under section 325O.09; and
- 76.14 (vi) identify and remediate violations of this chapter.
- 76.15 (b) A controller must conduct and document a data privacy and protection assessment  
76.16 for each of the following processing activities involving personal data:
- 76.17 (1) the processing of personal data for purposes of targeted advertising;  
76.18 (2) the sale of personal data;  
76.19 (3) the processing of sensitive data;  
76.20 (4) any processing activities involving personal data that present a heightened risk of  
76.21 harm to consumers; and
- 76.22 (5) the processing of personal data for purposes of profiling, where the profiling presents  
76.23 a reasonably foreseeable risk of:
- 76.24 (i) unfair or deceptive treatment of, or disparate impact on, consumers;  
76.25 (ii) financial, physical, or reputational injury to consumers;  
76.26 (iii) a physical or other intrusion upon the solitude or seclusion, or the private affairs or  
76.27 concerns, of consumers, where the intrusion would be offensive to a reasonable person; or  
76.28 (iv) other substantial injury to consumers.

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

77.4 (d) A data privacy and protection assessment must identify and weigh the benefits that  
77.5 may flow directly and indirectly from the processing to the controller, consumer, other  
77.6 stakeholders, and the public against the potential risks to the rights of the consumer associated  
77.7 with the processing, as mitigated by safeguards that can be employed by the controller to  
77.8 reduce the potential risks. The use of deidentified data and the reasonable expectations of  
77.9 consumers, as well as the context of the processing and the relationship between the controller  
77.10 and the consumer whose personal data will be processed, must be factored into this  
77.11 assessment by the controller.

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

77.14 (f) As part of a civil investigative demand, the attorney general may request, in writing,  
77.15 that a controller disclose any data privacy and protection assessment that is relevant to an  
77.16 investigation conducted by the attorney general. The controller must make a data privacy  
77.17 and protection assessment available to the attorney general upon a request made under this  
77.18 paragraph. The attorney general may evaluate the data privacy and protection assessments  
77.19 for compliance with this chapter. Data privacy and protection assessments are classified as  
77.20 nonpublic data, as defined by section 13.02, subdivision 9. The disclosure of a data privacy  
77.21 and protection assessment pursuant to a request from the attorney general under this  
77.22 paragraph does not constitute a waiver of the attorney-client privilege or work product  
77.23 protection with respect to the assessment and any information contained in the assessment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

79.21 (d) A controller or processor that discloses personal data to a third-party controller or  
79.22 processor in compliance with the requirements of this chapter is not in violation of this  
79.23 chapter if the recipient processes the personal data in violation of this chapter, provided that  
79.24 at the time of disclosing the personal data, the disclosing controller or processor did not  
79.25 have actual knowledge that the recipient intended to commit a violation. A third-party  
79.26 controller or processor receiving personal data from a controller or processor in compliance  
79.27 with the requirements of this chapter is not in violation of this chapter for the obligations  
79.28 of the controller or processor from which the third-party controller or processor receives  
79.29 the personal data.

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

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

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

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

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

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

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

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

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

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

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

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

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



81.1 (d) Nothing in this chapter establishes a private right of action, including under section  
 81.2 8.31, subdivision 3a, for a violation of this chapter or any other law.

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

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

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

81.10 **Sec. 14. EFFECTIVE DATE.**

81.11 This article is effective July 31, 2025, except that postsecondary institutions regulated  
 81.12 by the Office of Higher Education are not required to comply with this article until July 31,  
 81.13 2029.

81.14 **ARTICLE 6**

81.15 **COMMERCE POLICY**

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

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

81.25	Total Assets	Assessment
81.26		200
81.27	Less than \$100,000,000	\$ <u>400</u>
81.28		750
81.29	\$100,000,000 to \$1,000,000,000	\$ <u>1,500</u>
81.30		<del>2,000</del>
81.31	Over \$1,000,000,000	\$ <u>4,000</u>
81.32	Minnesota Written Premium	Assessment

82.1		<del>200</del>
82.2	Less than \$10,000,000	\$ <u>400</u>
82.3		<del>750</del>
82.4	\$10,000,000 to \$100,000,000	\$ <u>1,500</u>
82.5		<del>2,000</del>
82.6	Over \$100,000,000	\$ <u>4,000</u>

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

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

82.11 Sec. 2. **[58B.051] REGISTRATION FOR LENDERS.**

82.12 (a) Beginning January 1, 2025, a lender must register with the commissioner as a lender  
 82.13 before providing services in Minnesota. A lender must not offer or make a student loan to  
 82.14 a resident of Minnesota without first registering with the commissioner as provided in this  
 82.15 section.

82.16 (b) A registration application must include:

82.17 (1) the lender's name;

82.18 (2) the lender's address;

82.19 (3) the names of all officers, directors, partners, and owners of controlling interests in  
 82.20 the lender;

82.21 (4) the addresses of all officers, directors, partners, and owners of controlling interests  
 82.22 in the lender; and

82.23 (5) any other information the commissioner requires by rule.

82.24 (c) A lender must renew the lender's registration on an annual basis and may be required  
 82.25 to pay a fee at the time of renewal.

82.26 (d) The commissioner may adopt and enforce:

82.27 (1) registration procedures for lenders, which may include using the Nationwide  
 82.28 Multistate Licensing System and Registry;

82.29 (2) registration fees for lenders, which may include fees for using the Nationwide  
 82.30 Multistate Licensing System and Registry, to be paid directly by the lender;

83.1 (3) procedures and fees to renew a lender's registration, which may include fees for the  
 83.2 renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly  
 83.3 by the lender; and

83.4 (4) alternate registration procedures and fees for institutions of postsecondary education  
 83.5 that offer student loans.

83.6 Sec. 3. [62J.96] ACCESS TO 340B DRUGS.

83.7 Subdivision 1. **Manufacturers.** A manufacturer must not directly or indirectly restrict,  
 83.8 prohibit, or otherwise interfere with the delivery of a covered outpatient drug to a pharmacy  
 83.9 that is under contract with a 340B covered entity to receive and dispense covered outpatient  
 83.10 drugs on behalf of the covered entity, unless the delivery of the drug to the pharmacy is  
 83.11 prohibited under the 340B Drug Pricing Program.

83.12 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

83.13 (b) "340B covered entity" has the meaning provided in section 340B(a)(4) of the Public  
 83.14 Health Service Act.

83.15 (c) "Covered outpatient drug" has the meaning provided in section 1927(k) of the Social  
 83.16 Security Act.

83.17 (d) "Manufacturer" has the meaning provided in section 151.01, subdivision 14a.

83.18 Sec. 4. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

83.19 Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an  
 83.20 enrollee who has received an adverse determination may submit a written request for an  
 83.21 external review of the adverse determination, if applicable under section 62Q.68, subdivision  
 83.22 1, or 62M.06, to the commissioner of health if the request involves a health plan company  
 83.23 regulated by that commissioner or to the commissioner of commerce if the request involves  
 83.24 a health plan company regulated by that commissioner. Notification of the enrollee's right  
 83.25 to external review must accompany the denial issued by the insurer. ~~The written request~~  
 83.26 ~~must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner~~  
 83.27 ~~of health or commerce in cases of financial hardship and must be refunded if the adverse~~  
 83.28 ~~determination is completely reversed. No enrollee may be subject to filing fees totaling~~  
 83.29 ~~more than \$75 during a plan year for group coverage or policy year for individual coverage.~~

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

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

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

84.6 Sec. 5. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

84.7 **144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND**  
 84.8 **EDUCATION PROGRAMS.**

84.9 Subdivision 1. **Youth prevention and education program.** The commissioner of health,  
 84.10 in consultation with the commissioners of human services and education and in collaboration  
 84.11 with local health departments and Tribal health departments, shall conduct a long-term,  
 84.12 coordinated ~~education~~ program to raise public awareness about ~~and address the top three~~  
 84.13 substance misuse prevention, treatment options, and recovery options. The program must  
 84.14 address adverse health effects, ~~as determined by the commissioner~~, associated with the use  
 84.15 of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived  
 84.16 consumer products by persons under age 25. In conducting this education program, the  
 84.17 commissioner shall engage and consult with youth around the state on program content and  
 84.18 on methods to effectively disseminate program information to youth around the state.

84.19 Subd. 2. **Prevention and education program for pregnant and breastfeeding**  
 84.20 **individuals; and individuals who may become pregnant.** The commissioner of health,  
 84.21 in consultation with the commissioners of human services and education, shall conduct a  
 84.22 long-term, coordinated prevention program to educate focused on (1) preventing substance  
 84.23 use by pregnant individuals, breastfeeding individuals, and individuals who may become  
 84.24 pregnant, and (2) raising public awareness of the risks of substance use while pregnant or  
 84.25 breastfeeding. The program must include education on the adverse health effects of prenatal  
 84.26 exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or  
 84.27 hemp-derived consumer products and on the adverse health effects experienced by infants  
 84.28 and children who are exposed to cannabis flower, cannabis products, lower-potency hemp  
 84.29 edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by  
 84.30 ingesting cannabinoid products. This prevention and education program must also educate  
 84.31 individuals on what constitutes a substance use disorder, signs of a substance use disorder,  
 84.32 and treatment options for persons with a substance use disorder. The prevention and education  
 84.33 program must also provide resources, including training resources, technical assistance, or

85.1 educational materials, to local public health home visiting programs, Tribal home visiting  
 85.2 programs, and child welfare workers.

85.3 ~~Subd. 3. **Home visiting programs.** The commissioner of health shall provide training,~~  
 85.4 ~~technical assistance, and education materials to local public health home visiting programs~~  
 85.5 ~~and Tribal home visiting programs and child welfare workers regarding the safe and unsafe~~  
 85.6 ~~use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived~~  
 85.7 ~~consumer products in homes with infants and young children. Training, technical assistance,~~  
 85.8 ~~and education materials shall address substance use, the signs of a substance use disorder,~~  
 85.9 ~~treatment options for persons with a substance use disorder, the dangers of driving under~~  
 85.10 ~~the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or~~  
 85.11 ~~hemp-derived consumer products, how to safely consume cannabis flower, cannabis products,~~  
 85.12 ~~lower-potency hemp edibles, or hemp-derived consumer products in homes with infants~~  
 85.13 ~~and young children, and how to prevent infants and young children from being exposed to~~  
 85.14 ~~cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer~~  
 85.15 ~~products by ingesting cannabinoid products or through secondhand smoke.~~

85.16 Subd. 4. **Local and Tribal health departments.** The commissioner of health shall  
 85.17 distribute grants to local health departments and Tribal health departments for ~~these~~ the  
 85.18 departments to create and disseminate educational materials on cannabis flower, cannabis  
 85.19 products, lower-potency hemp edibles, and hemp-derived consumer products and to provide  
 85.20 safe use and prevention training, education, technical assistance, and community engagement  
 85.21 regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived  
 85.22 consumer products. prevention, education, and recovery programs focusing on substance  
 85.23 misuse prevention and treatment options. The programs must include specific  
 85.24 cannabis-related initiatives.

85.25 Sec. 6. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is amended  
 85.26 to read:

85.27 Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer,  
 85.28 including an agent, employee, or representative of the dealer, shall create a permanent record  
 85.29 written in English, using an electronic record program at the time of each purchase or  
 85.30 acquisition of scrap metal or a motor vehicle. The record must include:

85.31 (1) a complete and accurate account or description, including the weight if customarily  
 85.32 purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

85.33 (2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased  
 85.34 or acquired and a unique transaction identifier;

86.1 (3) a photocopy or electronic scan of the seller's proof of identification including the  
86.2 identification number;

86.3 (4) the amount paid and the number of the check or electronic transfer used to purchase  
86.4 or acquire the scrap metal or motor vehicle;

86.5 (5) the license plate number and description of the vehicle used by the person when  
86.6 delivering the scrap metal or motor vehicle, including the vehicle make and model, and any  
86.7 identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

86.8 (6) a statement signed by the seller, under penalty of perjury as provided in section  
86.9 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens  
86.10 or encumbrances and the seller has the right to sell it;

86.11 (7) a copy of the receipt, which must include at least the following information: the name  
86.12 and address of the dealer, the date and time the scrap metal or motor vehicle was received  
86.13 by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount  
86.14 paid for the scrap metal or motor vehicle;

86.15 (8) in order to purchase or acquire a detached catalytic converter, the vehicle identification  
86.16 number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers,  
86.17 or other unique markings, whether resulting from the pilot project created under subdivision  
86.18 2b or some other source. The alternative number must be under a numbering system that  
86.19 can be immediately linked to the vehicle identification number by law enforcement; ~~and~~

86.20 (9) the identity or identifier of the employee completing the transaction; and

86.21 (10) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the  
86.22 seller's current license to sell scrap metal copper issued by the commissioner under  
86.23 subdivision 2c.

86.24 (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall  
86.25 at all reasonable times be open to the inspection of any properly identified law enforcement  
86.26 officer.

86.27 (c) Except for the purchase or acquisition of detached catalytic converters or motor  
86.28 vehicles, no record is required for property purchased or acquired from merchants,  
86.29 manufacturers, salvage pools, insurance companies, rental car companies, financial  
86.30 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having  
86.31 an established place of business, or of any goods purchased or acquired at open sale from  
86.32 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained

87.1 and kept by the person, which must be shown upon demand to any properly identified law  
87.2 enforcement officer.

87.3 (d) The dealer must provide a copy of the receipt required under paragraph (a), clause  
87.4 (7), to the seller in every transaction.

87.5 (e) The commissioner of public safety and law enforcement agencies in the jurisdiction  
87.6 where a dealer is located may conduct inspections and audits as necessary to ensure  
87.7 compliance, refer violations to the city or county attorney for criminal prosecution, and  
87.8 notify the registrar of motor vehicles.

87.9 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,  
87.10 employee, or representative may not disclose personal information concerning a customer  
87.11 without the customer's consent unless the disclosure is required by law or made in response  
87.12 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable  
87.13 safeguards to protect the security of the personal information and prevent unauthorized  
87.14 access to or disclosure of the information. For purposes of this paragraph, "personal  
87.15 information" is any individually identifiable information gathered in connection with a  
87.16 record under paragraph (a).

87.17 Sec. 7. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to  
87.18 read:

87.19 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,  
87.20 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the  
87.21 person has a valid license issued by the commissioner under this subdivision.

87.22 (b) A seller of scrap metal copper may apply to the commissioner on a form prescribed  
87.23 by the commissioner. The application form must include, at a minimum:

87.24 (1) the name, permanent address, telephone number, and date of birth of the applicant;  
87.25 and

87.26 (2) an acknowledgment that the applicant obtained the copper by lawful means in the  
87.27 regular course of the applicant's business, trade, or authorized construction work.

87.28 (c) Each application must be accompanied by a nonrefundable fee of \$250.

87.29 (d) Within 30 days of the date an application is received, the commissioner may require  
87.30 additional information or submissions from an applicant and may obtain any document or  
87.31 information that is reasonably necessary to verify the information contained in the application.  
87.32 Within 90 days after the date a completed application is received, the commissioner must

88.1 review the application and issue a license if the applicant is deemed qualified under this  
88.2 section. The commissioner may issue a license subject to restrictions or limitations. If the  
88.3 commissioner determines the applicant is not qualified, the commissioner must notify the  
88.4 applicant and must specify the reason for the denial.

88.5 (e) A person licensed to perform work pursuant to chapter 326B or section 103I.501 or  
88.6 issued a Section 608 Technician Certification is deemed to hold a license to sell scrap metal  
88.7 copper.

88.8 (f) A license issued under this subdivision is valid for one year. To renew a license, an  
88.9 applicant must submit a completed renewal application on a form prescribed by the  
88.10 commissioner and a renewal fee of \$250. The commissioner may request that a renewal  
88.11 applicant submit additional information to clarify any new information presented in the  
88.12 renewal application. A renewal application submitted after the renewal deadline must be  
88.13 accompanied by a nonrefundable late fee of \$500.

88.14 (g) The commissioner may deny a license renewal under this subdivision if:

88.15 (1) the commissioner determines that the applicant is in violation of or noncompliant  
88.16 with federal or state law; or

88.17 (2) the applicant fails to timely submit a renewal application and the information required  
88.18 under this subdivision.

88.19 (h) In lieu of denying a renewal application under paragraph (g), the commissioner may  
88.20 permit the applicant to submit to the commissioner a corrective action plan to cure or correct  
88.21 deficiencies.

88.22 (i) The commissioner may suspend, revoke, or place on probation a license issued under  
88.23 this subdivision if:

88.24 (1) the applicant engages in fraudulent activity that violates state or federal law;

88.25 (2) the commissioner receives consumer complaints that justify an action under this  
88.26 subdivision to protect the safety and interests of consumers;

88.27 (3) the applicant fails to pay an application license or renewal fee; or

88.28 (4) the applicant fails to comply with a requirement set forth in this subdivision.

88.29 (j) This subdivision does not apply to transfers by or to an auctioneer who is in  
88.30 compliance with chapter 330 and acting in the person's official role as an auctioneer to  
88.31 facilitate or conduct an auction of scrap metal.

88.32 (k) The commissioner must enforce this subdivision under chapter 45.



89.1 Sec. 8. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

89.2 **342.72 SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION**  
 89.3 **GRANTS.**

89.4 Subdivision 1. ~~Account established;~~ **Appropriation.** A substance use treatment,  
 89.5 recovery, and prevention grant ~~account~~ is created ~~in the special revenue fund~~. Money ~~in the~~  
 89.6 ~~account, including interest earned,~~ is appropriated to the ~~office~~ commissioner of health for  
 89.7 the purposes specified in this section. ~~Of the amount transferred from the general fund to~~  
 89.8 ~~the account, the office may use up to five percent for administrative expenses.~~

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

89.14 Subd. 3. **Disposition of money; grants.** (a) Money ~~in the substance use treatment,~~  
 89.15 ~~recovery, and prevention grant account~~ appropriated to the commissioner of health for  
 89.16 purposes of this section must be distributed as follows:

89.17 (1) at least 75 percent of the money is for grants for substance use disorder and mental  
 89.18 health recovery and prevention programs. Funds must be used for recovery and prevention  
 89.19 activities and supplies that assist individuals and families to initiate, stabilize, and maintain  
 89.20 long-term recovery from substance use disorders and co-occurring mental health conditions.  
 89.21 Recovery and prevention activities may include prevention education, school-linked  
 89.22 behavioral health, school-based peer programs, peer supports, self-care and wellness,  
 89.23 culturally specific healing, community public awareness, mutual aid networks, telephone  
 89.24 recovery checkups, mental health warmlines, harm reduction, recovery community  
 89.25 organization development, first episode psychosis programs, and recovery housing; and

89.26 (2) up to 25 percent of the money is for substance use disorder treatment programs as  
 89.27 defined in chapter 245G and may be used to implement, strengthen, or expand supportive  
 89.28 services and activities that are not covered by medical assistance under chapter 256B,  
 89.29 MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B.  
 89.30 Services and activities may include adoption or expansion of evidence-based practices;  
 89.31 competency-based training; continuing education; culturally specific and culturally responsive  
 89.32 services; sober recreational activities; developing referral relationships; family preservation  
 89.33 and healing; and start-up or capacity funding for programs that specialize in adolescent,

90.1 culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family  
90.2 treatment services.

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

90.8 Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter  
90.9 year, the ~~office~~ commissioner of health must submit a report to the chairs and ranking  
90.10 minority members of the committees of the house of representatives and the senate having  
90.11 jurisdiction over health and human services policy and finance that details grants awarded  
90.12 from the substance use treatment, recovery, and prevention grant account, including the  
90.13 total amount awarded, total number of recipients, and geographic distribution of those  
90.14 recipients.

90.15 Sec. 9. **SCRAP METAL WORKING GROUP.**

90.16 The commissioner of public safety must convene a working group of representatives  
90.17 designated by the Minnesota Sheriffs Association, the Minnesota Chiefs of Police  
90.18 Association, and the trade association representing scrap metal recyclers. Meetings must  
90.19 occur monthly to discuss metal theft and share nonproprietary and nonprivileged information  
90.20 related to prevention, investigation, and prosecution of metal theft crimes.

90.21 **ARTICLE 7**

90.22 **CLIMATE AND ENERGY FINANCE**

90.23 Section 1. **APPROPRIATIONS.**

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

90.31	<b><u>APPROPRIATIONS</u></b>	
90.32	<b><u>Available for the Year</u></b>	
90.33	<b><u>Ending June 30</u></b>	
90.34	<b><u>2024</u></b>	<b><u>2025</u></b>



92.1 16B.98, subdivision 14, the commissioner of  
 92.2 commerce may use up to one percent of the  
 92.3 appropriation to administer the grant. This is  
 92.4 a onetime appropriation.

92.5 **Sec. 3. PUBLIC UTILITIES COMMISSION    \$                    0 \$                    39,000**

92.6 \$39,000 the second year is for the thermal  
 92.7 energy network deployment work group under  
 92.8 article 9, section 38. The base budget for this  
 92.9 appropriation is \$39,000 in fiscal year 2026  
 92.10 and \$0 in fiscal year 2027.

92.11 **Sec. 4. GRANT ADMINISTRATION REPORTING.**

92.12 (a) By July 1, 2024, the commissioner of commerce shall report to the chairs and ranking  
 92.13 minority members of the legislative committees having jurisdiction over energy finance  
 92.14 and policy the anticipated costs for administering each named grant and competitive grant  
 92.15 program in Laws 2023, chapter 60, article 10, section 2, and Laws 2023, chapter 60, article  
 92.16 11, section 2.

92.17 (b) Within 90 days after each named grantee has fulfilled the obligations of their grant  
 92.18 agreement, the commissioner shall report to the chairs and ranking minority members of  
 92.19 the legislative committees having jurisdiction over energy finance and policy on the final  
 92.20 cost for administering each named grant included in paragraph (a), and for each named  
 92.21 grant in articles 7 and 8 of this act.

92.22 (c) By January 15, 2025, and each year thereafter, the commissioner shall report to the  
 92.23 chairs and ranking minority members of the legislative committees having jurisdiction over  
 92.24 energy finance and policy on the annual cost for administering each competitive grant  
 92.25 program included in paragraph (a), and for each competitive grant program enacted in  
 92.26 articles 8 and 9 of this act.

## 92.27 **ARTICLE 8**

### 92.28 **RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**

#### 92.29 **Section 1. APPROPRIATIONS.**

92.30 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
 92.31 and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section  
 92.32 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable  
 92.33 development account in the special revenue fund established in Minnesota Statutes, section



94.1 utility subject to Minnesota Statutes, section  
94.2 116C.779. This appropriation is available until  
94.3 June 30, 2027. The base budget for this  
94.4 appropriation is \$500,000 in fiscal year 2026  
94.5 and \$0 in fiscal year 2027.

94.6 (b) For purposes of this subdivision, "energy  
94.7 efficiency project" includes: (1) LED lighting,  
94.8 as defined under Minnesota Statutes, section  
94.9 216B.241, subdivision 5; (2) solar arrays; or  
94.10 (3) heating, ventilating, or air conditioning  
94.11 system improvements.

94.12 **Subd. 4. Anaerobic Digester Energy System**

94.13 (a) \$5,000,000 the second year is for a grant  
94.14 to Recycling and Energy, in partnership with  
94.15 Dem-Con HZI Bioenergy, LLC, to construct  
94.16 an anaerobic energy system in Louisville  
94.17 Township. This appropriation is available until  
94.18 June 30, 2027. The base budget for this  
94.19 appropriation is \$5,000,000 in fiscal year 2026  
94.20 and \$0 in fiscal year 2027.

94.21 (b) For the purposes of this subdivision,  
94.22 "anaerobic energy system" means a facility  
94.23 that uses diverted food and organic waste to  
94.24 create renewable natural gas and biochar.

94.25 **Subd. 5. Wildlife Rehabilitation Center of**  
94.26 **Minnesota**

94.27 \$400,000 the second year is for a grant to the  
94.28 Wildlife Rehabilitation Center of Minnesota  
94.29 to install solar panels. This is a onetime  
94.30 appropriation and is available until June 30,  
94.31 2027.

95.1 **Subd. 6. Ultraefficient Vehicle Development**  
 95.2 **Grants**

95.3 \$250,000 the second year is transferred to the  
 95.4 ultraefficient vehicle development grant  
 95.5 account under section 4, subdivision 4, to  
 95.6 provide grants for developers and producers  
 95.7 of ultraefficient vehicles. This is a onetime  
 95.8 transfer.

95.9 **Subd. 7. Geothermal Heat Exchange System**  
 95.10 **Rebate Program**

95.11 \$1,500,000 the second year is transferred to  
 95.12 the geothermal heat exchange system rebate  
 95.13 account established under Minnesota Statutes,  
 95.14 section 216C.47, to provide rebates for  
 95.15 geothermal heat exchange systems for eligible  
 95.16 applicants. This is a onetime transfer.

95.17 **Subd. 8. Administrative Costs**

95.18 (a) Notwithstanding Minnesota Statutes,  
 95.19 section 16B.98, subdivision 14, the  
 95.20 commissioner may use up to two percent of  
 95.21 the appropriations in subdivisions 2 to 5 for  
 95.22 administrative costs.

95.23 (b) Notwithstanding Minnesota Statutes,  
 95.24 section 16B.98, subdivision 14, the  
 95.25 commissioner may use up to five percent of  
 95.26 the appropriations in subdivisions 6 and 7 for  
 95.27 administrative costs.

95.28 **Sec. 3. [216C.47] GEOTHERMAL HEAT EXCHANGE SYSTEM REBATE**  
 95.29 **PROGRAM.**

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

95.32 (b) "Eligible applicant" means a person, business, nonprofit, government entity, federally  
 95.33 recognized Tribe in Minnesota, or religious institution who provides evidence to the

96.1 commissioner's satisfaction demonstrating that the person has received or has applied for  
 96.2 a geothermal heat exchange system rebate available from the federal Department of Treasury  
 96.3 under the Inflation Reduction Act of 2022, Public Law 117-189, for a commercial or  
 96.4 multifamily building located in Minnesota.

96.5 (c) "Geothermal heat exchange system" means a heating or cooling exchange mechanism  
 96.6 composed of a mechanism to collect or reject heat from or to the underground.

96.7 (d) "Commissioner" means the commissioner of the Department of Commerce.

96.8 Subd. 2. **Establishment.** A geothermal heat exchange system rebate program is  
 96.9 established in the department to provide financial assistance to eligible applicants that install  
 96.10 geothermal heat exchange technology in the applicant's building.

96.11 Subd. 3. **Application.** (a) An application for a rebate under this section must be made  
 96.12 to the commissioner on a form developed by the commissioner. The application must be  
 96.13 accompanied by documentation, as required by the commissioner, demonstrating:

96.14 (1) that the applicant is an eligible applicant;

96.15 (2) that the applicant owns the Minnesota building in which the geothermal exchange  
 96.16 system is to be installed;

96.17 (3) that an energy audit of the building in which the geothermal exchange system is to  
 96.18 be installed has been conducted within the 18 months preceding the application date by a  
 96.19 person with a building analyst technician certification issued by the Building Performance  
 96.20 Institute, Inc., or an equivalent certification as determined by the commissioner;

96.21 (4) that the applicant has installed a geothermal heat exchange system of the capacity  
 96.22 recommended by the auditor or contractor, and has had the heat pump installed by a  
 96.23 contractor with sufficient training and experience in installing heat pumps, as determined  
 96.24 by the commissioner; and

96.25 (5) the total cost to install the geothermal heat exchange system in the applicant's building  
 96.26 and the associated geothermal loop installed and located outside of the building.

96.27 (b) The commissioner must develop administrative procedures governing the application  
 96.28 and rebate award processes.

96.29 (c) The commissioner may modify program requirements under this section when  
 96.30 necessary to align with comparable federal programs administered by the department under  
 96.31 the federal Inflation Reduction Act of 2022, Public Law 117-189.



97.1 Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lower  
 97.2 of:

97.3 (1) ten percent of geothermal heat exchange system costs, not to exceed \$100,000 for a  
 97.4 single project; or

97.5 (2) the total cost to purchase and install the heat exchange system in an eligible applicant's  
 97.6 building net of any financial support received for the system from other federal, state, or  
 97.7 utility programs.

97.8 Subd. 5. **Prioritization.** In evaluating applications under this program, the commissioner  
 97.9 must give priority to applications that:

97.10 (1) are located in environmental justice communities, as defined by section 115A.03,  
 97.11 subdivision 10b;

97.12 (2) have submitted a workforce plan demonstrating the intention to use registered  
 97.13 apprenticeships; or

97.14 (3) are multifamily housing or commercial buildings that:

97.15 (i) are owned by a non-profit or government entity; and

97.16 (ii) meet the definition of low-income rental property under section 273.128.

97.17 Subd. 6. **Account established.** (a) The geothermal heat exchange system rebate account  
 97.18 is established as a separate account in the special revenue fund in the state treasury. The  
 97.19 commissioner must credit appropriations and transfers to the account. Earnings, including  
 97.20 interest, dividends, and any other earnings arising from assets of the account, must be  
 97.21 credited to the account. Money remaining in the account at the end of a fiscal year does not  
 97.22 cancel to the general fund, but remains in the account until expended. The commissioner  
 97.23 must manage the account.

97.24 (b) Money in the account is appropriated to the commissioner for the purposes of this  
 97.25 section and to reimburse the reasonable costs incurred by the department to administer this  
 97.26 section. Any money remaining in the account on January 1, 2033, cancels to the renewable  
 97.27 development account.

97.28 Sec. 4. **ULTRAEFFICIENT VEHICLE DEVELOPMENT GRANTS.**

97.29 Subdivision 1. **Program establishment.** (a) A grant program is established in the  
 97.30 Department of Commerce to provide financial assistance to developers and producers of  
 97.31 ultraefficient vehicles that use proprietary technology.

98.1 (b) For purposes of this section, "ultraefficient vehicle" means a fully closed compartment  
 98.2 vehicle designed to carry at least one adult passenger that achieves:

98.3 (1) at least 75 miles per gallon while operating on gasoline;

98.4 (2) at least 75 miles per gallon equivalent while operating as a hybrid electric-gasoline;

98.5 or

98.6 (3) at least 75 miles per gallon equivalent while operating as a fully electric vehicle.

98.7 Subd. 2. **Application process.** Applicants seeking a grant under this section must submit  
 98.8 an application to the commissioner of commerce on a form developed by the commissioner.

98.9 The commissioner is responsible for receiving and reviewing grant applications and awarding  
 98.10 grants under this subdivision. The commissioner must develop administrative procedures  
 98.11 to govern the application, evaluation, and grant-award process.

98.12 Subd. 3. **Grant awards.** (a) The maximum grant award for each eligible applicant  
 98.13 awarded a grant under this section is \$250,000. In awarding grants under this section, the  
 98.14 department must:

98.15 (1) give priority to ultraefficient vehicle projects that are deemed to be near production  
 98.16 ready; and

98.17 (2) give priority to ultraefficient vehicle projects that maximize the use of electricity to  
 98.18 charge and run the vehicle.

98.19 (b) Grant recipients must demonstrate that the grant will be matched by an equal amount  
 98.20 of nonstate money before receiving any grant money.

98.21 Subd. 4. **Account established.** An ultraefficient vehicle development grant account is  
 98.22 established in the special revenue fund in the state treasury. The commissioner of commerce  
 98.23 must credit to the account appropriations made for ultraefficient vehicle development grants.  
 98.24 Earnings, including interest, arising from assets in the account, must be credited to the  
 98.25 account. Money in the account is available until June 30, 2028. Any amount in the account  
 98.26 after June 30, 2028, cancels to the renewable development account. The commissioner of  
 98.27 commerce must manage the account.

98.28 Subd. 5. **Appropriation; expenditures.** Money in the account established in subdivision  
 98.29 4 is appropriated to the commissioner of commerce and must be used only:

98.30 (1) to make grant awards under this section; and

98.31 (2) to pay the reasonable costs incurred by the department to administer this section.

99.1 Subd. 6. **Report.** On January 15, 2026, and on January 15, 2029, the commissioner of  
 99.2 commerce must submit a report to the chairs and ranking minority members of the legislative  
 99.3 committees with jurisdiction over energy policy and finance on the grant awards under this  
 99.4 section.

## 99.5 **ARTICLE 9**

### 99.6 **ENERGY, UTILITIES, ENVIRONMENT, AND CLIMATE POLICY**

99.7 Section 1. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is  
 99.8 amended to read:

99.9 Subdivision 1. **Renewable development account.** (a) The renewable development  
 99.10 account is established as a separate account in the special revenue fund in the state treasury.  
 99.11 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
 99.12 as interest, dividends, and any other earnings arising from assets of the account, shall be  
 99.13 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
 99.14 canceled to the general fund but remain in the account until expended. The account shall  
 99.15 be administered by the commissioner of management and budget as provided under this  
 99.16 section.

99.17 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
 99.18 plant must transfer all funds in the renewable development account previously established  
 99.19 under this subdivision and managed by the public utility to the renewable development  
 99.20 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
 99.21 that have not yet been expended and unencumbered funds required to be paid in calendar  
 99.22 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject  
 99.23 to transfer under this paragraph.

99.24 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
 99.25 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
 99.26 plant must transfer to the renewable development account \$500,000 each year for each dry  
 99.27 cask containing spent fuel that is located at the Prairie Island power plant for each year the  
 99.28 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by  
 99.29 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste  
 99.30 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any  
 99.31 part of a year. The total amount transferred annually under this paragraph must be reduced  
 99.32 by \$3,750,000.

100.1 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
100.2 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
100.3 plant must transfer to the renewable development account \$350,000 each year for each dry  
100.4 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
100.5 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
100.6 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
100.7 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
100.8 any part of a year.

100.9 (e) Each year, the public utility shall withhold from the funds transferred to the renewable  
100.10 development account under paragraphs (c) and (d) the amount necessary to pay its obligations  
100.11 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

100.12 (f) If the commission approves a new or amended power purchase agreement, the  
100.13 termination of a power purchase agreement, or the purchase and closure of a facility under  
100.14 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
100.15 the public utility subject to this section shall enter into a contract with the city in which the  
100.16 poultry litter plant is located to provide grants to the city for the purposes of economic  
100.17 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
100.18 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
100.19 by the public utility from funds withheld from the transfer to the renewable development  
100.20 account, as provided in paragraphs (b) and (e).

100.21 (g) If the commission approves a new or amended power purchase agreement, or the  
100.22 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
100.23 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
100.24 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
100.25 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
100.26 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
100.27 30 days after the commission approves the new or amended power purchase agreement, or  
100.28 the termination of the power purchase agreement, and on each June 1 thereafter through  
100.29 2021, to assist the transition required by the new, amended, or terminated power purchase  
100.30 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
100.31 to the renewable development account as provided in paragraphs (b) and (e).

100.32 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
100.33 and (g) is limited to the amount deposited into the renewable development account, and its  
100.34 predecessor, the renewable development account, established under this section, that was

101.1 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
101.2 10.

101.3 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello  
101.4 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued  
101.5 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued  
101.6 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year  
101.7 in which the commission finds, by the preponderance of the evidence, that the public utility  
101.8 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a  
101.9 permanent or interim storage site out of the state. This determination shall be made at least  
101.10 every two years.

101.11 (j) Funds in the account may be expended only for any of the following purposes:

101.12 (1) to stimulate research and development of renewable electric energy technologies;

101.13 (2) to encourage grid modernization, including, but not limited to, projects that implement  
101.14 electricity storage, load control, and smart meter technology; and

101.15 (3) to stimulate other innovative energy projects that reduce demand and increase system  
101.16 efficiency and flexibility.

101.17 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
101.18 from the utility that owns a nuclear-powered electric generating plant in this state or the  
101.19 Prairie Island Indian community or its members.

101.20 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
101.21 subdivision.

101.22 (k) For the purposes of paragraph (j), the following terms have the meanings given:

101.23 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
101.24 (c), clauses (1), (2), (4), and (5); and

101.25 (2) "grid modernization" means:

101.26 (i) enhancing the reliability of the electrical grid;

101.27 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
101.28 and

101.29 (iii) increasing energy conservation opportunities by facilitating communication between  
101.30 the utility and its customers through the use of two-way meters, control technologies, energy  
101.31 storage and microgrids, technologies to enable demand response, and other innovative  
101.32 technologies.

102.1 (l) A renewable development account advisory group that includes, among others,  
102.2 representatives of the public utility and its ratepayers, and includes at least one representative  
102.3 of the Prairie Island Indian community appointed by that community's tribal council, shall  
102.4 develop recommendations on account expenditures. The advisory group must design a  
102.5 request for proposal and evaluate projects submitted in response to a request for proposals.  
102.6 The advisory group must utilize an independent third-party expert to evaluate proposals  
102.7 submitted in response to a request for proposal, including all proposals made by the public  
102.8 utility. A request for proposal for research and development under paragraph (j), clause (1),  
102.9 may be limited to or include a request to higher education institutions located in Minnesota  
102.10 for multiple projects authorized under paragraph (j), clause (1). The request for multiple  
102.11 projects may include a provision that exempts the projects from the third-party expert review  
102.12 and instead provides for project evaluation and selection by a merit peer review grant system.  
102.13 In the process of determining request for proposal scope and subject and in evaluating  
102.14 responses to request for proposals, the advisory group must strongly consider, where  
102.15 reasonable:

102.16 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;  
102.17 and

102.18 (2) the proposer's commitment to increasing the diversity of the proposer's workforce  
102.19 and vendors.

102.20 (m) The advisory group shall submit funding recommendations to the public utility,  
102.21 which has full and sole authority to determine which expenditures shall be submitted by  
102.22 the advisory group to the legislature. The commission may approve proposed expenditures,  
102.23 may disapprove proposed expenditures that it finds not to be in compliance with this  
102.24 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,  
102.25 modify proposed expenditures. The commission shall, by order, submit its funding  
102.26 recommendations to the legislature as provided under paragraph (n).

102.27 (n) The commission shall present its recommended appropriations from the account to  
102.28 the senate and house of representatives committees with jurisdiction over energy policy and  
102.29 finance annually by February 15. Expenditures from the account must be appropriated by  
102.30 law. In enacting appropriations from the account, the legislature:

102.31 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
102.32 a project recommended by the commission; and

102.33 (2) may not appropriate money for a project the commission has not recommended  
102.34 funding.

103.1 (o) A request for proposal for renewable energy generation projects must, when feasible  
 103.2 and reasonable, give preference to projects that are most cost-effective for a particular energy  
 103.3 source.

103.4 (p) The advisory group must annually, by February 15, report to the chairs and ranking  
 103.5 minority members of the legislative committees with jurisdiction over energy policy on  
 103.6 projects funded by the account for the prior year and all previous years. The report must,  
 103.7 to the extent possible and reasonable, itemize the actual and projected financial benefit to  
 103.8 the public utility's ratepayers of each project.

103.9 ~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of~~  
 103.10 ~~management and budget shall submit a written report regarding the availability of funds in~~  
 103.11 ~~and obligations of the account to the chairs and ranking minority members of the senate~~  
 103.12 ~~and house committees with jurisdiction over energy policy and finance, the public utility,~~  
 103.13 ~~and the advisory group.~~

103.14 ~~(+)~~ (q) A project receiving funds from the account must produce a written final report  
 103.15 that includes sufficient detail for technical readers and a clearly written summary for  
 103.16 nontechnical readers. The report must include an evaluation of the project's financial,  
 103.17 environmental, and other benefits to the state and the public utility's ratepayers. A project  
 103.18 receiving funds from the account must submit a report that meets the requirements of section  
 103.19 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

103.20 ~~(s)~~ (r) Final reports, any mid-project status reports, and renewable development account  
 103.21 financial reports must be posted online on a public website designated by the commissioner  
 103.22 of commerce.

103.23 ~~(+)~~ (s) All final reports must acknowledge that the project was made possible in whole  
 103.24 or part by the Minnesota renewable development account, noting that the account is financed  
 103.25 by the public utility's ratepayers.

103.26 ~~(+)~~ (t) Of the amount in the renewable development account, priority must be given to  
 103.27 making the payments required under section 216C.417.

103.28 ~~(+)~~ (u) Construction projects receiving funds from this account are subject to the  
 103.29 requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements  
 103.30 and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and  
 103.31 177.45.

104.1 Sec. 2. [216B.076] SMART METER GATEWAY DEVICE; CONSENT.

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

104.4 (b) "Electric utility" has the meaning given in section 216B.38, subdivision 5.

104.5 (c) "Smart meter gateway device" means any electric utility meter, electric utility meter  
104.6 component, electric utility load control device, or device ancillary to the electric utility  
104.7 meter that is located at an end user's residence or business and: (1) serves as a  
104.8 communications gateway or portal to electrical appliances, electrical equipment, or electrical  
104.9 devices within the end user's residence or business; or (2) otherwise communicates with,  
104.10 monitors, or controls electrical appliances, electrical equipment, or electrical devices within  
104.11 the end user's residence or business.

104.12 Subd. 2. Property owner consent required. (a) An electric utility that sells or provides  
104.13 electricity in Minnesota is prohibited from installing a smart meter gateway device on or  
104.14 in a person's home or business without the written consent of the person who owns the home  
104.15 or business.

104.16 (b) An electric utility must create a form that the person who owns the home or business  
104.17 must sign to opt in to having a smart meter gateway device installed on or in the person's  
104.18 home or business. The form must be in 12-point, boldface type and state that:

104.19 (1) the opt-in is optional and the person's service is not affected if the person elects to  
104.20 not opt in; and

104.21 (2) the device is a smart meter gateway device, and include the definition in subdivision  
104.22 1, paragraph (c).

104.23 Subd. 3. Smart meter gateway device; disclosure. When an electric utility enrolls a  
104.24 homeowner or business owner for electrical service at the person's home or business, the  
104.25 electric utility must: (1) disclose in writing whether a smart meter gateway device has been  
104.26 installed; and (2) upon written request of the homeowner or business owner, remove or  
104.27 allow the removal of all smart meter gateway devices.

104.28 Sec. 3. Minnesota Statutes 2022, section 216B.098, is amended by adding a subdivision  
104.29 to read:

104.30 Subd. 7. Social Security number and individual taxpayer identification number. If  
104.31 a utility requires a new customer to provide a Social Security number on an application for  
104.32 utility service, the utility must accept an individual taxpayer identification number in lieu



105.1 of a Social Security number. The utility application must indicate that the utility accepts an  
 105.2 individual taxpayer identification number.

105.3 Sec. 4. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

105.4 Subd. 6c. **Incentive plan for energy conservation and efficient fuel-switching**

105.5 **improvement.** (a) The commission may order public utilities to develop and submit for  
 105.6 commission approval incentive plans that describe the method of recovery and accounting  
 105.7 for utility conservation and efficient fuel-switching expenditures and savings. For public  
 105.8 utilities that provide electric service, the commission must develop and implement incentive  
 105.9 plans designed to promote energy conservation separately from the plans designed to promote  
 105.10 efficient fuel-switching. In developing the incentive plans the commission shall ensure the  
 105.11 effective involvement of interested parties.

105.12 (b) In approving incentive plans, the commission shall consider:

105.13 (1) whether the plan is likely to increase utility investment in cost-effective energy  
 105.14 conservation or efficient fuel switching;

105.15 (2) whether the plan is compatible with the interest of utility ratepayers and other  
 105.16 interested parties;

105.17 (3) whether the plan links the incentive to the utility's performance in achieving  
 105.18 cost-effective conservation or efficient fuel switching; ~~and~~

105.19 (4) whether the plan is in conflict with other provisions of this chapter;

105.20 (5) whether the plan conflicts with other provisions of this chapter; and

105.21 (6) the likely financial impacts of the conservation and efficient fuel-switching programs  
 105.22 on the utility.

105.23 (c) The commission may set rates to encourage the vigorous and effective implementation  
 105.24 of utility conservation and efficient fuel-switching programs. The commission may:

105.25 (1) increase or decrease any otherwise allowed rate of return on net investment based  
 105.26 upon the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of  
 105.27 energy through energy conservation or efficient fuel switching;

105.28 (2) share between ratepayers and utilities the net savings resulting from energy  
 105.29 conservation and efficient fuel-switching programs to the extent justified by the utility's  
 105.30 skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

106.1 (3) adopt any mechanism that satisfies the criteria of this subdivision, such that  
 106.2 implementation of cost-effective conservation or efficient fuel switching is a preferred  
 106.3 resource choice for the public utility considering the impact of conservation or efficient fuel  
 106.4 switching on earnings of the public utility.

106.5 (d) Any incentives offered to electric utilities under this subdivision for efficient-fuel  
 106.6 switching projects expire December 31, 2032.

106.7 Sec. 5. Minnesota Statutes 2022, section 216B.16, subdivision 8, is amended to read:

106.8 Subd. 8. **Advertising expense.** (a) The commission shall disapprove the portion of any  
 106.9 rate which makes an allowance directly or indirectly for expenses incurred by a public utility  
 106.10 to provide a public advertisement which:

106.11 (1) is designed to influence or has the effect of influencing public attitudes toward  
 106.12 legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed  
 106.13 authorization of the Public Utilities Commission or other agency of government responsible  
 106.14 for regulating a public utility;

106.15 (2) is designed to justify or otherwise support or defend a rate, proposed rate, practice  
 106.16 or proposed practice of a public utility;

106.17 (3) is designed primarily to promote consumption of the services of the utility;

106.18 (4) is designed primarily to promote good will for the public utility or improve the  
 106.19 utility's public image; or

106.20 (5) is designed to promote the use of nuclear power or to promote a nuclear waste storage  
 106.21 facility.

106.22 (b) The commission may approve a rate which makes an allowance for expenses incurred  
 106.23 by a public utility to disseminate information which:

106.24 (1) is designed to encourage ~~conservation~~ efficient use of energy supplies;

106.25 (2) is designed to promote safety; or

106.26 (3) is designed to inform and educate customers as to financial services made available  
 106.27 to them by the public utility.

106.28 (c) The commission shall not withhold approval of a rate because it makes an allowance  
 106.29 for expenses incurred by the utility to disseminate information about corporate affairs to its  
 106.30 owners.

107.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 216B.1691, subdivision 1, is amended  
107.2 to read:

107.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
107.4 the meaning given them.

107.5 (b) "Carbon-free" means a technology that generates electricity without emitting carbon  
107.6 dioxide. Carbon-free includes a technology that, as of the effective date of this act and  
107.7 thereafter, generates at least 50 percent of a utility's annual retail electricity sales in Minnesota  
107.8 by combusting wood chips derived from:

107.9 (1) limbs, branches, and other by-products of timber harvesting operations conducted  
107.10 to obtain wood for nonenergy purposes; or

107.11 (2) discarded wood products.

107.12 (c) Unless otherwise specified in law, "eligible energy technology" means an energy  
107.13 technology that generates electricity from the following renewable energy sources:

107.14 (1) solar;

107.15 (2) wind;

107.16 (3) hydroelectric with a capacity of: (i) less than 100 megawatts; or (ii) 100 megawatts  
107.17 or more, provided that the facility is in operation as of February 8, 2023;

107.18 (4) hydrogen generated from the resources listed in this paragraph; or

107.19 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester  
107.20 system; the predominantly organic components of wastewater effluent, sludge, or related  
107.21 by-products from publicly owned treatment works, but not including incineration of  
107.22 wastewater sludge to produce electricity; and, except as provided in subdivision 1a, an  
107.23 energy recovery facility used to capture the heat value of mixed municipal solid waste or  
107.24 refuse-derived fuel from mixed municipal solid waste as a primary fuel.

107.25 (d) "Electric utility" means: (1) a public utility providing electric service; (2) a generation  
107.26 and transmission cooperative electric association; (3) a municipal power agency; (4) a power  
107.27 district; or (5) a cooperative electric association or municipal utility providing electric service  
107.28 that is not a member of an entity in clauses (2) to (4).

107.29 (e) "Environmental justice area" means an area in Minnesota that, based on the most  
107.30 recent data published by the United States Census Bureau, meets one or more of the following  
107.31 criteria:

107.32 (1) 40 percent or more of the area's total population is nonwhite;

108.1 (2) 35 percent or more of households in the area have an income that is at or below 200  
108.2 percent of the federal poverty level;

108.3 (3) 40 percent or more of the area's residents over the age of five have limited English  
108.4 proficiency; or

108.5 (4) the area is located within Indian country, as defined in United State Code, title 18,  
108.6 section 1151.

108.7 (f) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by  
108.8 an electric utility to retail customers of the electric utility or to a distribution utility for  
108.9 distribution to the retail customers of the distribution utility.

108.10 Sec. 7. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision  
108.11 to read:

108.12 Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures,  
108.13 equipment, and installations at a single site where electricity is used primarily by computers  
108.14 to process transactions involving digital currency not issued by a central authority.

108.15 Sec. 8. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

108.16 Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means  
108.17 a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput  
108.18 to all retail customers, including natural gas transportation customers, on a utility's  
108.19 distribution system in Minnesota. Gross annual retail energy sales does not include:

108.20 (1) gas sales to:

108.21 (i) a large energy facility;

108.22 (ii) a large customer facility whose natural gas utility has been exempted by the  
108.23 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural  
108.24 gas sales made to the large customer facility; and

108.25 (iii) a commercial gas customer facility whose natural gas utility has been exempted by  
108.26 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to  
108.27 natural gas sales made to the commercial gas customer facility;

108.28 (2) electric sales to:

108.29 (i) a large customer facility whose electric utility has been exempted by the commissioner  
108.30 under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made  
108.31 to the large customer facility; ~~or~~ and

109.1 (ii) a data mining facility, if the facility:

109.2 (A) has provided a signed letter to the utility verifying the facility meets the definition  
 109.3 of a data mining facility; and

109.4 (B) imposes a peak electrical demand on a consumer-owned utility's system equal to or  
 109.5 greater than 40 percent of the peak electrical demand of the system, measured in the same  
 109.6 manner as the utility that serves the customer facility measures electric demand for billing  
 109.7 purposes; or

109.8 (3) the amount of electric sales prior to December 31, 2032, that are associated with a  
 109.9 utility's program, rate, or tariff for electric vehicle charging based on a methodology and  
 109.10 assumptions developed by the department in consultation with interested stakeholders no  
 109.11 later than December 31, 2021. After December 31, 2032, incremental sales to electric  
 109.12 vehicles must be included in calculating a public utility's gross annual retail sales.

109.13 Sec. 9. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

109.14 **Subd. 2. Consumer-owned utility; energy-savings goal.** (a) Each individual  
 109.15 consumer-owned electric utility subject to this section has an annual energy-savings goal  
 109.16 equivalent to 1.5 percent of gross annual retail energy sales and each individual  
 109.17 consumer-owned natural gas utility subject to this section has an annual energy-savings  
 109.18 goal equivalent to one percent of gross annual retail energy sales, to be met with a minimum  
 109.19 of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90  
 109.20 percent of the consumer-owned utility's gross annual retail energy sales. The balance of  
 109.21 energy savings toward the annual energy-savings goal may be achieved only by the following  
 109.22 consumer-owned utility activities:

109.23 (1) energy savings from additional energy conservation improvements;

109.24 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision  
 109.25 1, that result in increased efficiency greater than would have occurred through normal  
 109.26 maintenance activity;

109.27 (3) net energy savings from efficient fuel-switching improvements that meet the criteria  
 109.28 under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or

109.29 (4) subject to department approval, demand-side natural gas or electric energy displaced  
 109.30 by use of waste heat recovered and used as thermal energy, including the recovered thermal  
 109.31 energy from a cogeneration or combined heat and power facility.

110.1 (b) The energy-savings goals specified in this section must be calculated based on  
110.2 weather-normalized sales averaged over the most recent three years. A consumer-owned  
110.3 utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the  
110.4 next three years, except that energy savings from electric utility infrastructure projects may  
110.5 be carried forward for five years. A particular energy savings can only be used to meet one  
110.6 year's goal.

110.7 (c) A consumer-owned utility subject to this section is not required to make energy  
110.8 conservation improvements that are not cost-effective, even if the improvement is necessary  
110.9 to attain the energy-savings goal. A consumer-owned utility subject to this section must  
110.10 make reasonable efforts to implement energy conservation improvements that exceed the  
110.11 minimum level established under this subdivision if cost-effective opportunities and funding  
110.12 are available, considering other potential investments the consumer-owned utility intends  
110.13 to make to benefit customers during the term of the plan filed under subdivision 3.

110.14 (d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a  
110.15 consumer-owned utility subject to this section on efficient fuel-switching improvements  
110.16 implemented to meet the annual energy savings goal under this section must not exceed  
110.17 ~~0.55~~ 0.6 percent per year, averaged over a three-year period, of the consumer-owned utility's  
110.18 gross annual retail energy sales.

110.19 Sec. 10. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

110.20 Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a)  
110.21 By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must  
110.22 file with the commissioner an energy conservation and optimization plan that describes the  
110.23 programs for energy conservation, efficient fuel-switching, load management, and other  
110.24 measures the consumer-owned utility intends to offer to achieve the utility's energy savings  
110.25 goal.

110.26 (b) A plan's term may extend up to three years. A multiyear plan must identify the total  
110.27 energy savings and energy savings resulting from energy conservation improvements that  
110.28 are projected to be achieved in each year of the plan. A multiyear plan that does not, in each  
110.29 year of the plan, meet both the minimum energy savings goal from energy conservation  
110.30 improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by  
110.31 the commissioner under paragraph (k), must:

110.32 (1) state why each goal is projected to be unmet; and

111.1 (2) demonstrate how the consumer-owned utility proposes to meet both goals on an  
111.2 average basis over the duration of the plan.

111.3 (c) A plan filed under this subdivision must provide:

111.4 (1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned  
111.5 utility's programs offered under the plan, using a list of baseline energy- and capacity-savings  
111.6 assumptions developed in consultation with the department; and

111.7 (2) for new programs, a preliminary analysis upon which the program will proceed, in  
111.8 parallel with further development of assumptions and standards.

111.9 (d) The commissioner must evaluate a plan filed under this subdivision based on the  
111.10 plan's likelihood to achieve the energy-savings goals established in subdivision 2. The  
111.11 commissioner may make recommendations to a consumer-owned utility regarding ways to  
111.12 increase the effectiveness of the consumer-owned utility's energy conservation activities  
111.13 and programs under this subdivision. The commissioner may recommend that a  
111.14 consumer-owned utility implement a cost-effective energy conservation or efficient  
111.15 fuel-switching program, ~~including an energy conservation program~~ suggested by an outside  
111.16 source such as a political subdivision, nonprofit corporation, or community organization.

111.17 (e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility  
111.18 must file: (1) an annual update identifying the status of the plan filed under this subdivision,  
111.19 including: (i) total expenditures and investments made to date under the plan; and (ii) any  
111.20 intended changes to the plan; and (2) a summary of the annual energy-savings achievements  
111.21 under a plan. An annual filing made in the last year of a plan must contain a new plan that  
111.22 complies with this section.

111.23 (f) When evaluating the cost-effectiveness of a consumer-owned utility's energy  
111.24 conservation programs, the consumer-owned utility and the commissioner must consider  
111.25 the costs and benefits to ratepayers, the utility, participants, and society. The commissioner  
111.26 must also consider the rate at which the consumer-owned utility is increasing energy savings  
111.27 and expenditures on energy conservation, and lifetime energy savings and cumulative energy  
111.28 savings.

111.29 (g) A consumer-owned utility may annually spend and invest up to ten percent of the  
111.30 total amount spent and invested on energy conservation, efficient fuel-switching, or load  
111.31 management improvements on research and development projects that meet the applicable  
111.32 definition of energy conservation, efficient fuel-switching, or load management improvement.

112.1 (h) A generation and transmission cooperative electric association or municipal power  
112.2 agency that provides energy services to consumer-owned utilities may file a plan under this  
112.3 subdivision on behalf of the consumer-owned utilities to which the association or agency  
112.4 provides energy services and may make investments, offer conservation programs, and  
112.5 otherwise fulfill the energy-savings goals and reporting requirements of this subdivision  
112.6 for those consumer-owned utilities on an aggregate basis.

112.7 (i) A consumer-owned utility is prohibited from spending for or investing in energy  
112.8 conservation improvements that directly benefit a large energy facility or a large electric  
112.9 customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

112.10 (j) The energy conservation and optimization plan of a consumer-owned utility may  
112.11 include activities to improve energy efficiency in the public schools served by the utility.  
112.12 These activities may include programs to:

112.13 (1) increase the efficiency of the school's lighting and heating and cooling systems;

112.14 (2) recommission buildings;

112.15 (3) train building operators; and

112.16 (4) provide opportunities to educate students, teachers, and staff regarding energy  
112.17 efficiency measures implemented at the school.

112.18 (k) A consumer-owned utility may request that the commissioner adjust the  
112.19 consumer-owned utility's minimum goal for energy savings from energy conservation  
112.20 improvements under subdivision 2, paragraph (a), for the duration of the plan filed under  
112.21 this subdivision. The request must be made by January 1 of the year when the  
112.22 consumer-owned utility must file a plan under this subdivision. The request must be based  
112.23 on:

112.24 (1) historical energy conservation improvement program achievements;

112.25 (2) customer class makeup;

112.26 (3) projected load growth;

112.27 (4) an energy conservation potential study that estimates the amount of cost-effective  
112.28 energy conservation potential that exists in the consumer-owned utility's service territory;

112.29 (5) the cost-effectiveness and quality of the energy conservation programs offered by  
112.30 the consumer-owned utility; and

112.31 (6) other factors the commissioner and consumer-owned utility determine warrant an  
112.32 adjustment.



113.1 The commissioner must adjust the energy savings goal to a level the commissioner determines  
113.2 is supported by the record, but must not approve a minimum energy savings goal from  
113.3 energy conservation improvements that is less than an average of 0.95 percent per year over  
113.4 the consecutive years of the plan's duration, including the year the minimum energy savings  
113.5 goal is adjusted.

113.6 (l) A consumer-owned utility filing a conservation and optimization plan that includes  
113.7 an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part  
113.8 of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~  
113.9 that the requirements of subdivision 8 are met, using a full fuel-cycle energy analysis.

113.10 Sec. 11. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

113.11 **Subd. 5. Energy conservation programs for low-income households.** (a) A  
113.12 consumer-owned utility subject to this section must provide energy conservation programs  
113.13 to low-income households. The commissioner must evaluate a consumer-owned utility's  
113.14 plans under this section by considering the consumer-owned utility's historic spending on  
113.15 energy conservation programs directed to low-income households, the rate of customer  
113.16 participation in and the energy savings resulting from those programs, and the number of  
113.17 low-income persons residing in the consumer-owned utility's service territory. A municipal  
113.18 utility that furnishes natural gas service must spend at least 0.2 percent of the municipal  
113.19 utility's most recent three-year average gross operating revenue from residential customers  
113.20 in Minnesota on energy conservation programs for low-income households. A  
113.21 consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the  
113.22 consumer-owned utility's gross operating revenue from residential customers in Minnesota  
113.23 on energy conservation programs for low-income households. The requirement under this  
113.24 paragraph applies to each generation and transmission cooperative association's aggregate  
113.25 gross operating revenue from the sale of electricity to residential customers in Minnesota  
113.26 by all of the association's member distribution cooperatives.

113.27 (b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned  
113.28 utility may contribute money to the energy and conservation account established in section  
113.29 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount  
113.30 of contributions the consumer-owned utility plans to make to the energy and conservation  
113.31 account. Contributions to the account must be used for energy conservation programs serving  
113.32 low-income households, including renters, located in the service area of the consumer-owned  
113.33 utility making the contribution. Contributions must be remitted to the commissioner by  
113.34 February 1 each year.

114.1 (c) The commissioner must establish energy conservation programs for low-income  
114.2 households funded through contributions to the energy and conservation account under  
114.3 paragraph (b). When establishing energy conservation programs for low-income households,  
114.4 the commissioner must consult political subdivisions, utilities, and nonprofit and community  
114.5 organizations, including organizations providing energy and weatherization assistance to  
114.6 low-income households. The commissioner must record and report expenditures and energy  
114.7 savings achieved as a result of energy conservation programs for low-income households  
114.8 funded through the energy and conservation account in the report required under section  
114.9 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political  
114.10 subdivision, nonprofit or community organization, public utility, municipality, or  
114.11 consumer-owned utility to implement low-income programs funded through the energy and  
114.12 conservation account.

114.13 (d) A consumer-owned utility may petition the commissioner to modify the required  
114.14 spending under this subdivision if the consumer-owned utility and the commissioner were  
114.15 unable to expend the amount required for three consecutive years.

114.16 (e) The commissioner must develop and establish guidelines for determining the eligibility  
114.17 of multifamily buildings to participate in energy conservation programs provided to  
114.18 low-income households. Notwithstanding the definition of low-income household in section  
114.19 216B.2402, a consumer-owned utility or association may apply the most recent guidelines  
114.20 published by the department for purposes of determining the eligibility of multifamily  
114.21 buildings to participate in low-income programs. The commissioner must convene a  
114.22 stakeholder group to review and update these guidelines by August 1, 2021, and at least  
114.23 once every five years thereafter. The stakeholder group must include but is not limited to  
114.24 representatives of public utilities; municipal electric or gas utilities; electric cooperative  
114.25 associations; multifamily housing owners and developers; and low-income advocates.

114.26 (f) Up to 15 percent of a consumer-owned utility's spending on low-income energy  
114.27 conservation programs may be spent on preweatherization measures. A consumer-owned  
114.28 utility is prohibited from claiming energy savings from preweatherization measures toward  
114.29 the consumer-owned utility's energy savings goal.

114.30 (g) The commissioner must, by order, establish a list of preweatherization measures  
114.31 eligible for inclusion in low-income energy conservation programs no later than March 15,  
114.32 2022.

114.33 (h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate  
114.34 account in the special revenue fund in the state treasury. A consumer-owned utility may

115.1 elect to contribute money to the Healthy AIR account to provide preweatherization measures  
 115.2 for households eligible for weatherization assistance from the state weatherization assistance  
 115.3 program in section 216C.264. Remediation activities must be executed in conjunction with  
 115.4 federal weatherization assistance program services. Money contributed to the account by a  
 115.5 consumer-owned utility counts toward: (1) the minimum low-income spending requirement  
 115.6 under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f).  
 115.7 Money in the account is annually appropriated to the commissioner of commerce to pay for  
 115.8 Healthy AIR-related activities.

115.9 (i) This paragraph applies to a consumer-owned utility that supplies electricity to a  
 115.10 low-income household whose primary heating fuel is supplied by an entity other than a  
 115.11 public utility. Any spending on space and water heating energy conservation improvements  
 115.12 and efficient fuel-switching by the consumer-owned utility on behalf of the low-income  
 115.13 household may be applied to the consumer owned utility's spending requirement under  
 115.14 paragraph (a). To the maximum extent possible, a consumer-owned utility providing services  
 115.15 under this paragraph must offer the services in conjunction with weatherization services  
 115.16 provided under section 216C.264.

115.17 Sec. 12. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

115.18 Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching  
 115.19 improvement is deemed efficient if, applying the technical criteria established under section  
 115.20 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being  
 115.21 displaced:

115.22 (1) results in a net reduction in the amount of source energy consumed for a particular  
 115.23 use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's  
 115.24 electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal,  
 115.25 monthly, or more granular level of analysis for the electric utility system over the measure's  
 115.26 life;

115.27 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section  
 115.28 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching  
 115.29 improvement installed by an electric consumer-owned utility, the reduction in emissions  
 115.30 must be measured ~~based on the hourly emissions profile of the consumer-owned utility or~~  
 115.31 ~~the utility's electricity supplier, as reported in the most recent resource plan approved by~~  
 115.32 ~~the commission under section 216B.2422. If the hourly emissions profile is not available,~~  
 115.33 ~~the commissioner must develop a method consumer-owned utilities must use to estimate~~  
 115.34 ~~that value~~ using (i) the consumer-owned utility's or the utility's electricity supplier's annual

116.1 average emissions factor, or (ii) if the utility elects, the seasonal, monthly, or more granular  
 116.2 level of analysis for the electric utility system over the measure's life; and

116.3 (3) is cost-effective, considering the costs and benefits from the perspective of the  
 116.4 consumer-owned utility, participants, and society; ~~and.~~

116.5 ~~(4) is installed and operated in a manner that improves the consumer-owned utility's~~  
 116.6 ~~system load factor.~~

116.7 (b) For purposes of this subdivision, "source energy" means the total amount of primary  
 116.8 energy required to deliver energy services, adjusted for losses in generation, transmission,  
 116.9 and distribution, and expressed on a fuel-neutral basis.

116.10 Sec. 13. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

116.11 **Subd. 2. Public utility; energy conservation and optimization plans.** (a) The  
 116.12 commissioner may require a public utility to make investments and expenditures in energy  
 116.13 conservation improvements, explicitly setting forth the interest rates, prices, and terms under  
 116.14 which the improvements must be offered to the customers.

116.15 (b) A public utility shall file an energy conservation and optimization plan by June 1,  
 116.16 on a schedule determined by order of the commissioner, but at least every three years. As  
 116.17 provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching  
 116.18 improvements and load management. An individual utility program may combine elements  
 116.19 of energy conservation, load management, or efficient fuel-switching. The plan must estimate  
 116.20 the lifetime energy savings and cumulative lifetime energy savings projected to be achieved  
 116.21 under the plan. A plan filed by a public utility by June 1 must be approved or approved as  
 116.22 modified by the commissioner by December 1 of that same year.

116.23 (c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the  
 116.24 reliability of technologies employed. The commissioner's order must provide to the extent  
 116.25 practicable for a free choice, by consumers participating in an energy conservation program,  
 116.26 of the device, method, material, or project constituting the energy conservation improvement  
 116.27 and for a free choice of the seller, installer, or contractor of the energy conservation  
 116.28 improvement, provided that the device, method, material, or project seller, installer, or  
 116.29 contractor is duly licensed, certified, approved, or qualified, including under the residential  
 116.30 conservation services program, where applicable.

116.31 (d) The commissioner may require a utility subject to subdivision 1c to make an energy  
 116.32 conservation improvement investment or expenditure whenever the commissioner finds

117.1 that the improvement will result in energy savings at a total cost to the utility less than the  
117.2 cost to the utility to produce or purchase an equivalent amount of new supply of energy.

117.3 (e) Each public utility subject to this subdivision may spend and invest annually up to  
117.4 ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests  
117.5 on energy conservation, efficient fuel-switching, or load management improvements under  
117.6 this section ~~by the public utility~~ on research and development projects that meet the applicable  
117.7 definition of energy conservation, efficient fuel-switching, or load management improvement.

117.8 (f) The commissioner shall consider and may require a public utility to undertake an  
117.9 energy conservation ~~program~~ or efficient fuel-switching program, subject to the requirements  
117.10 of subdivisions 11 and 12, that is suggested by an outside source, including a political  
117.11 subdivision, a nonprofit corporation, or community organization. In approving a proposal  
117.12 under this paragraph, the commissioner must consider the qualifications and experience of  
117.13 the entity proposing the program and any other criteria the commissioner deems relevant.

117.14 (g) A public utility, a political subdivision, or a nonprofit or community organization  
117.15 that has suggested an energy conservation program, the attorney general acting on behalf  
117.16 of consumers and small business interests, or a public utility customer that has suggested  
117.17 an energy conservation program and is not represented by the attorney general under section  
117.18 8.33 may petition the commission to modify or revoke a department decision under this  
117.19 section, and the commission may do so if it determines that the energy conservation program  
117.20 is not cost-effective, does not adequately address the residential conservation improvement  
117.21 needs of low-income persons, has a long-range negative effect on one or more classes of  
117.22 customers, or is otherwise not in the public interest. The commission shall reject a petition  
117.23 that, on its face, fails to make a reasonable argument that an energy conservation program  
117.24 is not in the public interest.

117.25 (h) The commissioner may order a public utility to include, with the filing of the public  
117.26 utility's annual status report, the results of an independent audit of the public utility's  
117.27 conservation improvement programs and expenditures performed by the department or an  
117.28 auditor with experience in the provision of energy conservation and energy efficiency  
117.29 services approved by the commissioner and chosen by the public utility. The audit must  
117.30 specify the energy savings or increased efficiency in the use of energy within the service  
117.31 territory of the public utility that is the result of the public utility's spending and investments.  
117.32 The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

117.33 (i) The energy conservation and optimization plan of each public utility subject to this  
117.34 section must include activities to improve energy efficiency in public schools served by the

118.1 utility. As applicable to each public utility, at a minimum the activities must include programs  
 118.2 to increase the efficiency of the school's lighting and heating and cooling systems, and to  
 118.3 provide for building recommissioning, building operator training, and opportunities to  
 118.4 educate students, teachers, and staff regarding energy efficiency measures implemented at  
 118.5 the school.

118.6 (j) The commissioner may require investments or spending greater than the amounts  
 118.7 proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose  
 118.8 most recent advanced forecast required under section 216B.2422 projects a peak demand  
 118.9 deficit of 100 megawatts or more within five years under midrange forecast assumptions.

118.10 (k) A public utility filing a conservation and optimization plan that includes an efficient  
 118.11 fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing,  
 118.12 demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~ that the  
 118.13 requirements of subdivisions 11 or 12 are met, as applicable, using a full fuel-cycle energy  
 118.14 analysis.

118.15 Sec. 14. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

118.16 Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a)  
 118.17 A public utility providing electric service at retail may include in the plan required under  
 118.18 subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility  
 118.19 expects to achieve under the plan and the programs to implement efficient fuel-switching  
 118.20 improvements or combinations of energy conservation improvements, fuel-switching  
 118.21 improvements, and load management. For each program, the public utility must provide a  
 118.22 proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy  
 118.23 and demand savings.

118.24 (b) The department may approve proposed programs for efficient fuel-switching  
 118.25 improvements if the department determines the improvements meet the requirements of  
 118.26 paragraph (d). ~~For fuel-switching improvements that require the deployment of electric~~  
 118.27 ~~technologies, the department must also consider whether the fuel-switching improvement~~  
 118.28 ~~can be operated in a manner that facilitates the integration of variable renewable energy~~  
 118.29 ~~into the electric system. The net benefits from an efficient fuel-switching improvement that~~  
 118.30 ~~is integrated with an energy efficiency program approved under this section may be counted~~  
 118.31 ~~toward the net benefits of the energy efficiency program, if the department determines the~~  
 118.32 ~~primary purpose and effect of the program is energy efficiency.~~

118.33 (c) A public utility may file a rate schedule with the commission that provides for annual  
 118.34 cost recovery of reasonable and prudent costs to implement and promote efficient

119.1 fuel-switching programs. The utility, department, or other entity may propose, and the  
 119.2 commission may not approve, modify, or reject, a proposal for a financial incentive to  
 119.3 encourage efficient fuel-switching programs operated by a public utility providing electric  
 119.4 service approved under this subdivision. When making a decision on the financial incentive  
 119.5 proposal, the commission must apply the considerations established in section 216B.16,  
 119.6 subdivision 6c, paragraphs (b) and (c).

119.7 (d) A fuel-switching improvement is deemed efficient if, applying the technical criteria  
 119.8 established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets  
 119.9 the following criteria, relative to the fuel that is being displaced:

119.10 (1) results in a net reduction in the amount of source energy consumed for a particular  
 119.11 use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency,  
 119.12 or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the  
 119.13 electric utility system over the measure's life;

119.14 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section  
 119.15 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching  
 119.16 improvement installed by an electric utility, the reduction in emissions must be measured  
 119.17 ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile~~  
 119.18 ~~in the most recent resource plan approved by the commission under section 216B.2422~~  
 119.19 using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal,  
 119.20 monthly, or more granular level of analysis for the electric utility system over the measure's  
 119.21 life; and

119.22 (3) is cost-effective, considering the costs and benefits from the perspective of the utility,  
 119.23 participants, and society; ~~and.~~

119.24 ~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

119.25 (e) For purposes of this subdivision, "source energy" means the total amount of primary  
 119.26 energy required to deliver energy services, adjusted for losses in generation, transmission,  
 119.27 and distribution, and expressed on a fuel-neutral basis.

119.28 Sec. 15. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

119.29 Subd. 12. **Programs for efficient fuel-switching improvements; natural gas**  
 119.30 **utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that  
 119.31 provides natural gas service to Minnesota retail customers may propose one or more programs  
 119.32 to install electric technologies that reduce the consumption of natural gas by the utility's  
 119.33 retail customers as an energy conservation improvement. The commissioner may approve

120.1 a proposed program if the commissioner, applying the technical criteria developed under  
120.2 section 216B.241, subdivision 1d, paragraph (e), determines that:

120.3 (1) the electric technology to be installed meets the criteria established under section  
120.4 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

120.5 (2) the program is cost-effective, considering the costs and benefits to ratepayers, the  
120.6 utility, participants, and society.

120.7 (b) If a program is approved by the commission under this subdivision, the public utility  
120.8 may count the program's energy savings toward its energy savings goal under section  
120.9 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient  
120.10 fuel-switching achieved through programs approved under this subdivision is energy  
120.11 conservation.

120.12 (c) A public utility may file rate schedules with the commission that provide annual  
120.13 cost-recovery for programs approved by the department under this subdivision, including  
120.14 reasonable and prudent costs to implement and promote the programs.

120.15 (d) The commission may approve, modify, or reject a proposal made by the department  
120.16 or a utility for an incentive plan to encourage efficient fuel-switching programs approved  
120.17 under this subdivision, applying the considerations established under section 216B.16,  
120.18 subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive  
120.19 mechanism that is calculated based on the combined energy savings and net benefits that  
120.20 the commission has determined have been achieved by a program approved under this  
120.21 subdivision, provided the commission determines that the financial incentive mechanism  
120.22 is in the ratepayers' interest.

120.23 ~~(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching~~  
120.24 ~~program under this subdivision in any year in which the utility achieves energy savings~~  
120.25 ~~below one percent of gross annual retail energy sales, excluding savings achieved through~~  
120.26 ~~fuel-switching programs.~~

120.27 Sec. 16. Minnesota Statutes 2022, section 216B.243, subdivision 3b, is amended to read:

120.28 Subd. 3b. **Nuclear power plant; certain new construction prohibited; relicensing.** (a)  
120.29 Except as provided in paragraph (c), the commission may not issue a certificate of need for  
120.30 the construction of a new nuclear-powered electric generating plant.

120.31 (b) Any certificate of need for additional storage of spent nuclear fuel for a facility  
120.32 seeking a license extension shall address the impacts of continued operations over the period  
120.33 for which approval is sought.



121.1 (c) The commission may issue a certificate of need to construct a new nuclear-powered  
 121.2 generating plant with a maximum generation capacity of 300 megawatts.

121.3 Sec. 17. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

121.4 **216C.08 JURISDICTION.**

121.5 (a) The commissioner has sole authority and responsibility for the administration of  
 121.6 sections 216C.05 to 216C.30 and 216C.375 to administer this chapter. Other laws  
 121.7 notwithstanding, the authority granted to the commissioner shall supersede under this section  
 121.8 supersedes the authority given any other agency whenever overlapping, duplication, or  
 121.9 additional administrative or legal procedures might occur in ~~the administration of sections~~  
 121.10 ~~216C.05 to 216C.30 and 216C.375~~ administering this chapter. The commissioner shall  
 121.11 consult with other state departments or agencies in matters related to energy and shall  
 121.12 contract with ~~them~~ the other state departments or agencies to provide appropriate services  
 121.13 to effectuate the purposes of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter. Any  
 121.14 other department, agency, or official of this state or political subdivision thereof which  
 121.15 would in any way affect the administration or enforcement of ~~sections 216C.05 to 216C.30~~  
 121.16 ~~and 216C.375~~ this chapter shall cooperate and coordinate all activities with the commissioner  
 121.17 to assure orderly and efficient administration and enforcement of ~~sections 216C.05 to~~  
 121.18 ~~216C.30 and 216C.375~~ this chapter.

121.19 (b) The commissioner shall designate a liaison officer whose duty shall be to insure the  
 121.20 maximum possible consistency in procedures and to eliminate duplication between the  
 121.21 commissioner and the other agencies that may be involved in energy.

121.22 Sec. 18. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

121.23 **216C.09 COMMISSIONER DUTIES.**

121.24 (a) The commissioner shall:

121.25 (1) manage the department as the central repository within the state government for the  
 121.26 collection of data on energy;

121.27 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the  
 121.28 event of an impending serious shortage of energy, or a threat to public health, safety, or  
 121.29 welfare;

121.30 (3) undertake a continuing assessment of trends in the consumption of all forms of energy  
 121.31 and analyze the social, economic, and environmental consequences of these trends;

- 122.1 (4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend  
122.2 to the governor and the legislature additional energy policies and conservation measures as  
122.3 required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;
- 122.4 (5) collect and analyze data relating to present and future demands and resources for all  
122.5 sources of energy;
- 122.6 (6) evaluate policies governing the establishment of rates and prices for energy as related  
122.7 to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and~~  
122.8 ~~216C.375~~ this chapter, and make recommendations for changes in energy pricing policies  
122.9 and rate schedules;
- 122.10 (7) study the impact and relationship of the state energy policies to international, national,  
122.11 and regional energy policies;
- 122.12 (8) design and implement a state program for the conservation of energy; this program  
122.13 shall include but not be limited to, general commercial, industrial, and residential, and  
122.14 transportation areas; such program shall also provide for the evaluation of energy systems  
122.15 as they relate to lighting, heating, refrigeration, air conditioning, building design and  
122.16 operation, and appliance manufacturing and operation;
- 122.17 (9) inform and educate the public about the sources and uses of energy and the ways in  
122.18 which persons can conserve energy;
- 122.19 (10) dispense funds made available for the purpose of research studies and projects of  
122.20 professional and civic orientation, which are related to either energy conservation, resource  
122.21 recovery, or the development of alternative energy technologies which conserve  
122.22 nonrenewable energy resources while creating minimum environmental impact;
- 122.23 (11) charge other governmental departments and agencies involved in energy-related  
122.24 activities with specific information gathering goals and require that those goals be met;
- 122.25 (12) design a comprehensive program for the development of indigenous energy  
122.26 resources. The program shall include, but not be limited to, providing technical,  
122.27 informational, educational, and financial services and materials to persons, businesses,  
122.28 municipalities, and organizations involved in the development of solar, wind, hydropower,  
122.29 peat, fiber fuels, biomass, and other alternative energy resources. The program shall be  
122.30 evaluated by the alternative energy technical activity; and
- 122.31 (13) dispense loans, grants, or other financial aid from money received from litigation  
122.32 or settlement of alleged violations of federal petroleum-pricing regulations made available  
122.33 to the department for that purpose.

123.1 (b) Further, the commissioner may participate fully in hearings before the Public Utilities  
 123.2 Commission on matters pertaining to rate design, cost allocation, efficient resource utilization,  
 123.3 utility conservation investments, small power production, cogeneration, and other rate issues.  
 123.4 The commissioner shall support the policies stated in section 216C.05 and shall prepare  
 123.5 and defend testimony proposed to encourage energy conservation improvements as defined  
 123.6 in section 216B.241.

123.7 Sec. 19. Minnesota Statutes 2022, section 216C.10, is amended to read:

123.8 **216C.10 COMMISSIONER POWERS.**

123.9 (a) The commissioner may:

123.10 (1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections~~  
 123.11 ~~216C.05 to 216C.30~~ this chapter;

123.12 (2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things  
 123.13 necessary to cooperate with the United States government, and to qualify for, accept, and  
 123.14 disburse any grant intended ~~for the administration of sections 216C.05 to 216C.30~~ to  
 123.15 administer this chapter;

123.16 (3) provide on-site technical assistance to units of local government in order to enhance  
 123.17 local capabilities for dealing with energy problems;

123.18 (4) administer for the state, energy programs under federal law, regulations, or guidelines,  
 123.19 and coordinate the programs and activities with other state agencies, units of local  
 123.20 government, and educational institutions;

123.21 (5) develop a state energy investment plan with yearly energy conservation and alternative  
 123.22 energy development goals, investment targets, and marketing strategies;

123.23 (6) perform market analysis studies relating to conservation, alternative and renewable  
 123.24 energy resources, and energy recovery;

123.25 (7) assist with the preparation of proposals for innovative conservation, renewable,  
 123.26 alternative, or energy recovery projects;

123.27 (8) manage and disburse funds made available for the purpose of research studies or  
 123.28 demonstration projects related to energy conservation or other activities deemed appropriate  
 123.29 by the commissioner;

123.30 (9) intervene in certificate of need proceedings before the Public Utilities Commission;

124.1 (10) collect fees from recipients of loans, grants, or other financial aid from money  
 124.2 received from litigation or settlement of alleged violations of federal petroleum-pricing  
 124.3 regulations, which fees must be used to pay the department's costs in administering those  
 124.4 financial aids; and

124.5 (11) collect fees from proposers and operators of conservation and other energy-related  
 124.6 programs that are reviewed, evaluated, or approved by the department, other than proposers  
 124.7 that are political subdivisions or community or nonprofit organizations, to cover the  
 124.8 department's cost in making the reviewal, evaluation, or approval and in developing additional  
 124.9 programs for others to operate.

124.10 (b) Notwithstanding any other law, the commissioner is designated the state agent to  
 124.11 apply for, receive, and accept federal or other funds made available to the state for the  
 124.12 purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

124.13 Sec. 20. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

124.14 Subd. 3a. ~~Cost-effective Energy improvements.~~ "Cost-effective Energy improvements"  
 124.15 means:

124.16 (1) any new construction, renovation, or retrofitting of qualifying commercial real  
 124.17 property to improve energy efficiency that: (i) is permanently affixed to the property;; and  
 124.18 (ii) results in a net reduction in energy consumption without altering the principal source  
 124.19 of energy, and has been identified or greenhouse gas emissions, as documented in an energy  
 124.20 audit as repaying the purchase and installation costs in 20 years or less, based on the amount  
 124.21 of future energy saved and estimated future energy prices or emissions avoided;

124.22 (2) any renovation or retrofitting of qualifying residential real property that is permanently  
 124.23 affixed to the property and is eligible to receive an incentive through a program offered by  
 124.24 the electric or natural gas utility that provides service under section 216B.241 to the property  
 124.25 or is otherwise determined to be ~~a cost-effective~~ an eligible energy improvement by the  
 124.26 commissioner under section 216B.241, subdivision 1d, paragraph (a);

124.27 (3) permanent installation of new or upgraded electrical circuits and related equipment  
 124.28 to enable electrical vehicle charging; or

124.29 (4) a solar voltaic or solar thermal energy system attached to, installed within, or  
 124.30 proximate to a building that generates electrical or thermal energy from a renewable energy  
 124.31 source that has been ~~identified~~ documented in an energy audit or renewable energy system  
 124.32 feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based~~

125.1 ~~on the amount of future energy saved and estimated future energy prices, along with the~~  
125.2 estimated amount of related renewable energy production.

125.3 Sec. 21. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

125.4 Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor"  
125.5 means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed  
125.6 under a commercial PACE loan program.

125.7 Sec. 22. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
125.8 to read:

125.9 Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy  
125.10 improvements, resiliency improvements, or water improvements made to qualifying real  
125.11 property.

125.12 Sec. 23. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

125.13 Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy  
125.14 consumption of a building by a certified energy auditor, whose certification is approved by  
125.15 the commissioner, for the purpose of identifying appropriate energy improvements that  
125.16 could be made to the building and including an estimate of the ~~length of time a specific~~  
125.17 ~~energy improvement will take to repay its purchase and installation costs, based on the~~  
125.18 ~~amount of energy saved and estimated future energy prices~~ effective useful life, the reduction  
125.19 of energy consumption, and the related avoided greenhouse gas emissions resulting from  
125.20 the proposed eligible improvements.

125.21 Sec. 24. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended  
125.22 to read:

125.23 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"  
125.24 means a multifamily residential dwelling, a commercial or industrial building, or farmland,  
125.25 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,  
125.26 after review of an energy audit, renewable energy system feasibility study, water  
125.27 improvement study, resiliency improvement study, or agronomic assessment, as defined in  
125.28 section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy~~  
125.29 installing eligible improvements or land and water improvements, as defined in section  
125.30 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

126.1 Sec. 25. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

126.2 Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system  
126.3 feasibility study" means a written study, conducted by a contractor trained to perform that  
126.4 analysis, for the purpose of determining the feasibility of installing a renewable energy  
126.5 system in a building, including an estimate of the ~~length of time a specific~~ effective useful  
126.6 life, the production of renewable energy, and any related avoided greenhouse gas emissions  
126.7 of the proposed renewable energy system ~~will take to repay its purchase and installation~~  
126.8 ~~costs, based on the amount of energy saved and estimated future energy prices. For a~~  
126.9 ~~geothermal energy improvement, the feasibility study must calculate net savings in terms~~  
126.10 ~~of nongeothermal energy and costs.~~

126.11 Sec. 26. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
126.12 to read:

126.13 Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more  
126.14 installations or modifications to eligible commercial real property that are designed to  
126.15 improve a property's resiliency by improving the eligible real property's:

126.16 (1) structural integrity for seismic events;

126.17 (2) indoor air quality;

126.18 (3) durability to resist wind, fire, and flooding;

126.19 (4) ability to withstand an electric power outage;

126.20 (5) stormwater control measures, including structural and nonstructural measures to  
126.21 mitigate stormwater runoff;

126.22 (6) ability to mitigate the impacts of extreme temperatures; or

126.23 (7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

126.24 Sec. 27. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
126.25 to read:

126.26 Subd. 11b. **Resiliency improvement feasibility study.** "Resiliency improvement  
126.27 feasibility study" means a written study that is conducted by a contractor trained to perform  
126.28 the analysis to: (1) determine the feasibility of installing a resiliency improvement; (2)  
126.29 document the improved resiliency capabilities of the property; and (3) estimate the effective  
126.30 useful life of the proposed resiliency improvements.

127.1 Sec. 28. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
127.2 to read:

127.3 Subd. 14. **Water improvement.** "Water improvement" means one or more installations  
127.4 or modifications to qualifying commercial real property that are designed to improve water  
127.5 efficiency or water quality by:

127.6 (1) reducing water consumption;

127.7 (2) improving the quality, potability, or safety of water for the qualifying property; or

127.8 (3) conserving or remediating water, in whole or in part, on qualifying real property.

127.9 Sec. 29. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision  
127.10 to read:

127.11 Subd. 15. **Water improvement feasibility study.** "Water improvement feasibility study"  
127.12 means a written study that is conducted by a contractor trained to perform the analysis to:

127.13 (1) determine the appropriate water improvements that could be made to the building; and

127.14 (2) estimate the effective useful life, the reduction of water consumption, and any

127.15 improvement in water quality resulting from the proposed water improvements.

127.16 Sec. 30. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

127.17 Subdivision 1. **Program purpose and authority.** An implementing entity may establish  
127.18 a commercial PACE loan program to finance ~~cost-effective~~ energy, water, and resiliency  
127.19 improvements to enable owners of qualifying commercial real property to pay for the  
127.20 ~~cost-effective energy~~ eligible improvements to the qualifying real property with the net  
127.21 proceeds and interest earnings of revenue bonds authorized in this section. An implementing  
127.22 entity may limit the number of qualifying commercial real properties for which a property  
127.23 owner may receive program financing.

127.24 Sec. 31. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is  
127.25 amended to read:

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

127.28 (b) "Agronomic assessment" means a study by an independent third party that assesses  
127.29 the environmental impacts of proposed land and water improvements on farmland.

127.30 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under  
127.31 section 273.13, subdivision 23.

128.1 (d) "Land and water improvement" means:

128.2 (1) an improvement to farmland that:

128.3 (i) is permanent;

128.4 (ii) results in improved agricultural profitability or resiliency;

128.5 (iii) reduces the environmental impact of agricultural production; and

128.6 (iv) if the improvement affects drainage, complies with the most recent versions of the  
128.7 applicable following conservation practice standards issued by the United States Department  
128.8 of Agriculture's Natural Resources Conservation Service: Drainage Water Management  
128.9 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and  
128.10 Constructed Wetland (Code 656); or

128.11 (2) water conservation and quality measures, which include permanently affixed  
128.12 equipment, appliances, or improvements that reduce a property's water consumption or that  
128.13 enable water to be managed more efficiently.

128.14 (e) "Resiliency" means:

128.15 (1) the ability of farmland to maintain and enhance profitability, soil health, and water  
128.16 quality;

128.17 (2) the ability to mitigate greenhouse gas embodied emissions from an eligible real  
128.18 property; or

128.19 (3) an increase in building resilience through flood mitigation, stormwater management,  
128.20 wildfire and wind resistance, energy storage use, or microgrid use.

128.21 Sec. 32. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended  
128.22 to read:

128.23 Subd. 2. **Program requirements.** A commercial PACE loan program must:

128.24 (1) impose requirements and conditions on financing arrangements to ensure timely  
128.25 repayment;

128.26 (2) require an energy audit, renewable energy system feasibility study, resiliency  
128.27 improvement study, water improvement study, or agronomic or soil health assessment to  
128.28 be conducted on the qualifying commercial real property and reviewed by the implementing  
128.29 entity prior to approval of the financing;



129.1 (3) require the inspection or verification of all ~~installations and a performance verification~~  
129.2 ~~of at least ten percent of the cost-effective energy~~ eligible improvements or land and water  
129.3 improvements financed by the program;

129.4 (4) not prohibit the financing of all ~~cost-effective energy~~ eligible improvements or land  
129.5 and water improvements not otherwise prohibited by this section;

129.6 (5) require that all ~~cost-effective energy~~ eligible improvements or land and water  
129.7 improvements be made to a qualifying commercial real property prior to, or in conjunction  
129.8 with, an applicant's repayment of financing for ~~cost-effective energy~~ eligible improvements  
129.9 or land and water improvements for ~~that~~ the qualifying commercial real property;

129.10 (6) have ~~cost-effective energy~~ eligible improvements or land and water improvements  
129.11 financed by the program performed by a licensed contractor as required by chapter 326B  
129.12 or other law or ordinance;

129.13 (7) require disclosures in the loan document to borrowers by the implementing entity  
129.14 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency  
129.15 results from a default; and (ii) all the terms and conditions of the commercial PACE loan  
129.16 and the installation of ~~cost-effective energy~~ eligible improvements or land and water  
129.17 improvements, including the interest rate being charged on the loan;

129.18 (8) provide financing only to those who demonstrate an ability to repay;

129.19 (9) not provide financing for a qualifying commercial real property in which the owner  
129.20 is not current on mortgage or real property tax payments;

129.21 (10) require a petition to the implementing entity by all owners of the qualifying  
129.22 commercial real property requesting collections of repayments as a special assessment under  
129.23 section 429.101;

129.24 (11) provide that payments and assessments are not accelerated due to a default and that  
129.25 a tax delinquency exists only for assessments not paid when due;

129.26 (12) require that liability for special assessments related to the financing runs with the  
129.27 qualifying commercial real property; and

129.28 (13) prior to financing any improvements to or imposing any assessment upon qualifying  
129.29 commercial real property, require notice to and written consent from the mortgage lender  
129.30 of any mortgage encumbering or otherwise secured by the qualifying commercial real  
129.31 property.

130.1 Sec. 33. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

130.2 Subd. 4. **Financing terms.** Financing provided under this section must have:

130.3 (1) a cost-weighted average maturity not exceeding the useful life of the energy eligible  
130.4 improvements installed, as determined by the implementing entity, but in no event may a  
130.5 term exceed ~~20~~ 30 years;

130.6 (2) a principal amount not to exceed the lesser of:

130.7 (i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the  
130.8 improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value,  
130.9 accepted or approved by the mortgage lender; or

130.10 (ii) the actual cost of installing the energy eligible improvements, including the costs of  
130.11 necessary equipment, materials, and labor; ~~the costs of each related energy audit or,~~  
130.12 renewable energy system feasibility study, water improvement study, or resiliency  
130.13 improvement study; and the cost of verification of installation; and

130.14 (3) an interest rate sufficient to pay the financing costs of the program, including the  
130.15 issuance of bonds and any financing delinquencies.

130.16 Sec. 34. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

130.17 Subd. 7. **Repayment.** An implementing entity that finances an energy eligible  
130.18 improvement under this section must:

130.19 (1) secure payment with a lien against the qualifying commercial real property; and

130.20 (2) collect repayments as a special assessment as provided for in section 429.101 or by  
130.21 charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual  
130.22 installments.

130.23 If the implementing entity is an authority, the local government that authorized the  
130.24 authority to act as implementing entity shall impose and collect special assessments necessary  
130.25 to pay debt service on bonds issued by the implementing entity under subdivision 8, and  
130.26 shall transfer all collections of the assessments upon receipt to the authority.

130.27 Sec. 35. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

130.28 Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue  
130.29 bonds as provided in chapter 475 for the purposes of this section and section 216C.437,  
130.30 provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of  
130.31 issuance.

131.1 (b) The bonds must be payable as to both principal and interest solely from the revenues  
 131.2 from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

131.3 (c) No holder of bonds issued under this subdivision may compel any exercise of the  
 131.4 taxing power of the implementing entity that issued the bonds to pay principal or interest  
 131.5 on the bonds, and if the implementing entity is an authority, no holder of the bonds may  
 131.6 compel any exercise of the taxing power of the local government. Bonds issued under this  
 131.7 subdivision are not a debt or obligation of the issuer or any local government that issued  
 131.8 them, nor is the payment of the bonds enforceable out of any money other than the revenue  
 131.9 pledged to the payment of the bonds.

131.10 Sec. 36. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

131.11 Subd. 10. **Improvements; real property or fixture.** ~~A cost-effective energy~~ An eligible  
 131.12 improvement financed under a PACE loan program, including all equipment purchased in  
 131.13 whole or in part with loan proceeds under a loan program, is deemed real property or a  
 131.14 fixture attached to the real property.

131.15 Sec. 37. **ADVANCED NUCLEAR TECHNOLOGIES STUDY.**

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

131.18 (1) "advanced nuclear reactor" means a small modular reactor or a molten sodium reactor;

131.19 (2) "molten sodium reactor" means a nuclear fission reactor that uses a fluid fuel in the  
 131.20 form of very hot fluoride or chloride salt; and

131.21 (3) "small modular reactor" means a nuclear fission reactor that (i) has a capacity of 300  
 131.22 megawatts or less, and (ii) can be factory assembled and transported as a unit.

131.23 Subd. 2. Study required. (a) The commissioner of commerce must conduct a study  
 131.24 evaluating the potential costs, benefits, and impacts of advanced nuclear reactors operating  
 131.25 in Minnesota.

131.26 (b) At a minimum, the study must analyze the impacts the operation of advanced nuclear  
 131.27 reactors have on:

131.28 (1) air emissions from electric generating facilities in Minnesota;

131.29 (2) retail electricity prices;

131.30 (3) reliability of Minnesota's electric grid;

132.1 (4) the state's air resources, water resources, land resources, and public health, including  
 132.2 the impact of any waste material generated by the reactors;

132.3 (5) new employment opportunities for Minnesota workers;

132.4 (6) local economic development;

132.5 (7) Minnesota's eligible energy technology standard under Minnesota Statutes, section  
 132.6 216B.1691, subdivision 2a; and

132.7 (8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691,  
 132.8 subdivision 2g.

132.9 (c) The study must also identify Minnesota statutes and administrative rules that would  
 132.10 require modifications in order to enable the construction and operation of advanced nuclear  
 132.11 reactors.

132.12 (d) The study must evaluate the technologies and methods most likely to minimize the  
 132.13 environmental impacts of nuclear waste and the costs of managing nuclear waste.

132.14 Subd. 3. **Report.** The commissioner of commerce must submit the results of the study  
 132.15 under subdivision 2 to the chairs and ranking minority members of the legislative committees  
 132.16 having jurisdiction over energy finance and policy no later than January 31, 2025.

132.17 Sec. 38. **THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.**

132.18 Subdivision 1. **Direction.** The Public Utilities Commission must establish and appoint  
 132.19 a thermal energy network deployment work group to examine the potential regulatory  
 132.20 opportunities for regulated natural gas utilities to deploy thermal energy networks and  
 132.21 potential barriers to development. The work group must examine the public benefits, costs,  
 132.22 and impacts of deployment of thermal energy networks, as well as examine rate design  
 132.23 options.

132.24 Subd. 2. **Membership.** (a) The work group consists of at least the following:

132.25 (1) representatives of the Department of Commerce;

132.26 (2) representatives of the Department of Health;

132.27 (3) representatives of the Pollution Control Agency;

132.28 (4) representatives of the Department of Natural Resources;

132.29 (5) representatives of the Office of the Attorney General;

132.30 (6) representatives from utilities;

133.1 (7) representatives from clean energy advocacy organizations;

133.2 (8) representatives from labor organizations;

133.3 (9) geothermal technology providers;

133.4 (10) representatives from consumer protection organizations;

133.5 (11) representatives from cities; and

133.6 (12) representatives from low-income communities.

133.7 (b) The executive director may invite others to participate in one or more meetings of  
133.8 the work group.

133.9 Subd. 3. **Duties.** The work group must prepare a report containing findings and  
133.10 recommendations regarding how to deploy thermal energy networks within a regulated  
133.11 context in a manner that protects the public interest and considers reliability, affordability,  
133.12 environmental impacts, and socioeconomic impacts.

133.13 Subd. 4. **Report to legislature.** The work group must submit a report detailing the work  
133.14 group's findings and recommendations to the chairs and ranking minority members of the  
133.15 legislative committees and divisions with jurisdiction over energy policy and finance by  
133.16 December 31, 2025. The work group terminates the day after the report under this subdivision  
133.17 is submitted.

133.18 Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities  
133.19 Commission must file the completed report in Public Utilities Commission Docket No.  
133.20 G-999/CI-21-565 and provide notice to all docket participants and other interested persons  
133.21 that comments on the findings and recommendations may be filed in the docket.

133.22 Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means  
133.23 a project that provides heating and cooling to multiple buildings connected via underground  
133.24 piping containing fluids that, in concert with heat pumps, exchange thermal energy from  
133.25 the earth and underground or surface waters.

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

133.27 Sec. 39. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

133.28 (a) The Department of Commerce must conduct or contract for a study to determine the  
133.29 suitability of sites to deploy thermal energy networks statewide.

133.30 (b) The study must:

- 134.1 (1) identify areas more and less suitable for deployment of thermal energy networks  
134.2 statewide; and
- 134.3 (2) identify potential barriers to thermal energy networks and potential ways to address  
134.4 the barriers.
- 134.5 (c) In determining site suitability, the study must consider:
- 134.6 (1) geologic or hydrologic access to thermal storage;
- 134.7 (2) existing built environment, including but not limited to age, density, building uses,  
134.8 existing heating and cooling systems, and existing electrical services;
- 134.9 (3) the condition of existing natural gas infrastructure;
- 134.10 (4) road and street conditions, including planned replacement or maintenance;
- 134.11 (5) local land use regulation;
- 134.12 (6) area permitting requirements; and
- 134.13 (7) whether the area is an environmental justice area, as defined in Minnesota Statutes,  
134.14 section 116.065, subdivision 1, paragraph (e).
- 134.15 (c) No later than January 15, 2026, the Department of Commerce must submit a written  
134.16 report documenting the study's findings to the chairs and ranking minority members of the  
134.17 senate and house of representatives committees with jurisdiction over energy policy and  
134.18 finance.

APPENDIX  
Repealed Minnesota Statutes: S4942-3

**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.