

FORTY-FOURTH DAY

St. Paul, Minnesota, Monday, April 3, 2023

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Senator Boldon imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dr. DeWayne Davis.

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

The roll was called, and the following Senators were present:

Abeler	Eichorn	Johnson	McEwen	Pratt
Anderson	Fateh	Klein	Miller	Rarick
Bahr	Frentz	Koran	Mitchell	Rasmusson
Boldon	Green	Kreun	Mohamed	Rest
Carlson	Gruenhagen	Kupec	Morrison	Seeberger
Champion	Gustafson	Lieske	Murphy	Utke
Cwodzinski	Hauschild	Limmer	Nelson	Westlin
Dahms	Hawj	Mann	Oumou Verbeten	Wiklund
Dibble	Hoffman	Marty	Pappas	Xiong
Dornink	Howe	Mathews	Pha	
Drazkowski	Jasinski	Maye Quade	Port	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 31, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2023 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2023	Date Filed 2023
	45	19	2:31 p.m. March 29	March 29

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

S.F. No. 2265: A bill for an act relating to human services; establishing procedures for the commissioner of human services related to the transition from the public health emergency; appropriating money; amending Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended; Laws 2021, First Special Session chapter 7, article 1, section 36; article 16, section 2, subdivision 25.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned March 30, 2023

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 4: A Senate concurrent resolution relating to adjournment for more than three days.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned March 30, 2023

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1178, 1278, 1370, and 2175.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 30, 2023

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1178: A bill for an act relating to transportation; amending requirement to retire type III vehicles after 12 years; amending Minnesota Statutes 2022, section 169.454, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1032, now on General Orders.

H.F. No. 1278: A bill for an act relating to public safety; appropriating money for the disaster assistance contingency account.

Senator Boldon, designee of the Chair of the Committee on Rules and Administration, moved that H.F. No. 1278 be laid on the table. The motion prevailed.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1394, now on General Orders.

H.F. No. 2175: A bill for an act relating to financial institutions; regulating nonbank mortgage servicers; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 58.

Referred to the Committee on Commerce and Consumer Protection.

REPORTS OF COMMITTEES

Senator Boldon moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2307 and 49. The motion prevailed.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 548: A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2307: A bill for an act relating to public safety; appropriating money for the disaster assistance contingency account.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 5, delete "APPROPRIATION" and insert "TRANSFER"

Page 1, line 7, delete "appropriated" and insert "transferred" and delete "commissioner"

Page 1, line 8, delete everything before "disaster"

Page 1, line 9, after the period, insert "This is a onetime transfer."

Amend the title as follows:

Page 1, line 2, delete "appropriating" and insert "transferring"

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Wiklund from the Committee on Health and Human Services, to which was referred

S.F. No. 49: A bill for an act relating to human services; establishing transitional cost-sharing reduction, premium subsidy, small employer public option, and transitional health care credit; expanding eligibility for MinnesotaCare; modifying premium scale; requiring recommendations for alternative delivery and payment system; amending Minnesota Statutes 2022, sections 62V.05, by adding a subdivision; 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 290.06, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FACILITATING ENROLLMENT

Section 1. Minnesota Statutes 2022, section 62K.15, is amended to read:

62K.15 ANNUAL OPEN ENROLLMENT PERIODS; SPECIAL ENROLLMENT PERIODS.

(a) Health carriers offering individual health plans must limit annual enrollment in the individual market to the annual open enrollment periods for MNsure. Nothing in this section limits the application of special or limited open enrollment periods as defined under the Affordable Care Act.

(b) Health carriers offering individual health plans must inform all applicants at the time of application and enrollees at least annually of the open and special enrollment periods as defined under the Affordable Care Act.

(c) Health carriers offering individual health plans must provide a special enrollment period for enrollment in the individual market by employees of a small employer that offers a qualified small employer health reimbursement arrangement in accordance with United States Code, title 26, section 9831(d). The special enrollment period shall be available only to employees newly hired by a small employer offering a qualified small employer health reimbursement arrangement, and to employees

employed by the small employer at the time the small employer initially offers a qualified small employer health reimbursement arrangement. For employees newly hired by the small employer, the special enrollment period shall last for 30 days after the employee's first day of employment. For employees employed by the small employer at the time the small employer initially offers a qualified small employer health reimbursement arrangement, the special enrollment period shall last for 30 days after the date the arrangement is initially offered to employees.

(d) The commissioner of commerce shall enforce this section.

(e) Health carriers offering individual health plans through MNsure must provide a special enrollment period as required under the easy enrollment health insurance outreach program under section 62V.13.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and applies to health plans offered, issued, or sold on or after January 1, 2024.

Sec. 2. [62V.13] EASY ENROLLMENT HEALTH INSURANCE OUTREACH PROGRAM.

Subdivision 1. Establishment. The board, in cooperation with the commissioner of revenue, must establish the easy enrollment health insurance outreach program to:

(1) reduce the number of uninsured Minnesotans and increase access to affordable health insurance coverage;

(2) allow the commissioner of revenue to provide return information, at the request of the taxpayer, to MNsure to provide the taxpayer with information about the potential eligibility for financial assistance and health insurance enrollment options through MNsure;

(3) allow MNsure to estimate taxpayer potential eligibility for financial assistance for health insurance coverage; and

(4) allow MNsure to conduct targeted outreach to assist interested taxpayer households in applying for and enrolling in affordable health insurance options through MNsure, including connecting interested taxpayer households with a navigator or broker for free enrollment assistance.

Subd. 2. Screening for eligibility for insurance assistance. Upon receipt of and based on return information received from the commissioner of revenue under section 270B.14, subdivision 22, MNsure may make a projected assessment on whether the interested taxpayer's household may qualify for a financial assistance program for health insurance coverage.

Subd. 3. Outreach letter and special enrollment period. (a) MNsure must provide a written letter of the projected assessment under subdivision 2 to a taxpayer who indicates to the commissioner of revenue that the taxpayer is interested in obtaining information on access to health insurance.

(b) MNsure must allow a special enrollment period for taxpayers who receive the outreach letter in paragraph (a) and are determined eligible to enroll in a qualified health plan through MNsure. The triggering event for the special enrollment period is the day the outreach letter under this subdivision is mailed to the taxpayer. An eligible individual, and their dependents, have 65 days

from the triggering event to select a qualifying health plan and coverage for the qualifying health plan is effective the first day of the month after plan selection.

(c) Taxpayers who have a member of the taxpayer's household currently enrolled in a qualified health plan through MNsure are not eligible for the special enrollment under paragraph (b).

(d) MNsure must provide information about the easy enrollment health insurance outreach program and the special enrollment period described in this subdivision to the general public.

Subd. 4. **Appeals.** (a) Projected eligibility assessments for financial assistance under this section are not appealable.

(b) Qualification for the special enrollment period under this section is appealable to MNsure under this chapter and Minnesota Rules, chapter 7700.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and applies to health plans offered, issued, or sold on or after January 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 256.962, subdivision 5, is amended to read:

Subd. 5. **Incentive program.** Beginning January 1, 2008, the commissioner shall establish an incentive program for organizations and licensed insurance producers under chapter 60K that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare or medical assistance, the commissioner, within the available appropriation, shall pay the organization or licensed insurance producer a ~~\$70~~ \$100 application assistance bonus. The organization or licensed insurance producer may provide an applicant a gift certificate or other incentive upon enrollment.

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

Sec. 4. Minnesota Statutes 2022, section 256B.04, is amended by adding a subdivision to read:

Subd. 26. **Disenrollment under medical assistance and MinnesotaCare.** (a) The commissioner shall regularly update mailing addresses and other contact information for medical assistance and MinnesotaCare enrollees in cases of returned mail and nonresponse using information available through managed care and county-based purchasing plans, state health and human services programs, and other sources.

(b) The commissioner shall not disenroll an individual from medical assistance or MinnesotaCare in cases of returned mail until the commissioner makes at least two attempts by phone, email, or other methods to contact the individual. The commissioner may disenroll the individual after providing no less than 30 days for the individual to respond to the most recent contact attempt.

Sec. 5. Minnesota Statutes 2022, section 256B.056, subdivision 7, is amended to read:

Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(b) Notwithstanding any other law to the contrary:

(1) a child under 21 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months; and

(2) a child under six years of age who is determined eligible for medical assistance must remain eligible through the month in which the child reaches six years of age.

(c) A child's eligibility under paragraph (b) may be terminated earlier if:

(i) the child or the child's representative requests voluntary termination of eligibility;

(ii) the child ceases to be a resident of this state;

(iii) the child dies;

(iv) the child attains the maximum age; or

(v) the agency determines eligibility was erroneously granted at the most recent eligibility determination due to agency error or fraud, abuse, or perjury attributed to the child or the child's representative.

~~(b)~~ (d) For a person eligible for an insurance affordability program as defined in section 256B.02, subdivision 19, who reports a change that makes the person eligible for medical assistance, eligibility is available for the month the change was reported and for three months prior to the month the change was reported, if the person was eligible in those prior months.

EFFECTIVE DATE. This section is effective July 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2022, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is limited to citizens or nationals of the United States and lawfully present noncitizens as defined in Code of Federal Regulations, title 8, section 103.12. Undocumented noncitizens, with the exception of children under 19 years of age, are ineligible for MinnesotaCare. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are lawfully present and ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines.

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

Sec. 7. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision to read:

Subd. 22. **Disclosure to MNsure board.** The commissioner may disclose a return or return information to the MNsure board if a taxpayer makes the designation under section 290.433 on an income tax return filed with the commissioner. The commissioner must only disclose data necessary to provide the taxpayer with information about the potential eligibility for financial assistance and health insurance enrollment options under section 62V.13.

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

Sec. 8. **[290.433] EASY ENROLLMENT HEALTH INSURANCE OUTREACH PROGRAM CHECKOFF.**

Subdivision 1. **Taxpayer designation.** Any individual who files an income tax return may designate on their original return a request that the commissioner provide their return information to the MNsure board for purposes of providing the individual with information about potential eligibility for financial assistance and health insurance enrollment options under section 62V.13, to the extent necessary to administer the easy enrollment health insurance outreach program.

Subd. 2. **Form.** The commissioner shall notify filers of their ability to make the designation in subdivision 1 on their income tax return.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 9. **DIRECTION TO MNSURE BOARD AND COMMISSIONER.**

The MNsure board and the commissioner of the Department of Revenue must develop and implement systems, policies, and procedures that encourage, facilitate, and streamline data sharing, projected eligibility assessments, and notice to taxpayers to achieve the purpose of the easy enrollment health insurance outreach program under Minnesota Statutes, section 62V.13, for operation beginning with tax year 2023.

ARTICLE 2

AFFORDABILITY

Section 1. **[62J.86] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of sections 62J.86 to 62J.92, the following terms have the meanings given.

Subd. 2. **Advisory council.** "Advisory council" means the Health Care Affordability Advisory Council established under section 62J.88.

Subd. 3. **Board.** "Board" means the Health Care Affordability Board established under section 62J.87.

Sec. 2. **[62J.87] HEALTH CARE AFFORDABILITY BOARD.**

Subdivision 1. **Establishment.** The Legislative Coordinating Commission shall establish the Health Care Affordability Board, which shall be governed as a board under section 15.012, paragraph

(a), to protect consumers, state and local governments, health plan companies, providers, and other health care system stakeholders from unaffordable health care costs. The board must be operational by January 1, 2024.

Subd. 2. **Membership.** (a) The Health Care Affordability Board consists of 13 members, appointed as follows:

- (1) five members appointed by the governor;
- (2) two members appointed by the majority leader of the senate;
- (3) two members appointed by the minority leader of the senate;
- (4) two members appointed by the speaker of the house; and
- (5) two members appointed by the minority leader of the house of representatives.

(b) All appointed members must have knowledge and demonstrated expertise in one or more of the following areas: health care finance, health economics, health care management or administration at a senior level, health care consumer advocacy, representing the health care workforce as a leader in a labor organization, purchasing health care insurance as a health benefits administrator, delivery of primary care, health plan company administration, public or population health, and addressing health disparities and structural inequities.

(c) A member may not participate in board proceedings involving an organization, activity, or transaction in which the member has either a direct or indirect financial interest, other than as an individual consumer of health services.

(d) The Legislative Coordinating Commission shall coordinate appointments under this subdivision to ensure that board members are appointed by August 1, 2023, and that board members as a whole meet all of the criteria related to the knowledge and expertise specified in paragraph (b).

Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms. A board member shall not serve more than three consecutive terms.

(b) A board member may resign at any time by giving written notice to the board.

Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from the members appointed by the governor.

(b) The board shall elect a chair to replace the acting chair at the first meeting of the board by a majority of the members. The chair shall serve for two years.

(c) The board shall elect a vice-chair and other officers from its membership as it deems necessary.

Subd. 5. **Staff; technical assistance; contracting.** (a) The board shall hire a full-time executive director and other staff, who shall serve in the unclassified service. The executive director must have significant knowledge and expertise in health economics and demonstrated experience in health policy.

(b) The attorney general shall provide legal services to the board.

(c) The Health Economics Division within the Department of Health shall provide technical assistance to the board in analyzing health care trends and costs and in setting health care spending growth targets.

(d) The board may employ or contract for professional and technical assistance, including actuarial assistance, as the board deems necessary to perform the board's duties.

Subd. 6. **Access to information.** (a) The board may request that a state agency provide the board with any publicly available information in a usable format as requested by the board, at no cost to the board.

(b) The board may request from a state agency unique or custom data sets, and the agency may charge the board for providing the data at the same rate the agency would charge any other public or private entity.

(c) Any information provided to the board by a state agency must be de-identified. For purposes of this subdivision, "de-identification" means the process used to prevent the identity of a person or business from being connected with the information and ensuring all identifiable information has been removed.

(d) Any data submitted to the board shall retain its original classification under the Minnesota Data Practices Act in chapter 13.

Subd. 7. **Compensation.** Board members shall not receive compensation but may receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

Subd. 8. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall meet publicly at least quarterly. The board may meet in closed session when reviewing proprietary information as specified in section 62J.71, subdivision 4.

(b) The board shall announce each public meeting at least two weeks prior to the scheduled date of the meeting. Any materials for the meeting shall be made public at least one week prior to the scheduled date of the meeting.

(c) At each public meeting, the board shall provide the opportunity for comments from the public, including the opportunity for written comments to be submitted to the board prior to a decision by the board.

Sec. 3. [62J.88] HEALTH CARE AFFORDABILITY ADVISORY COUNCIL.

Subdivision 1. **Establishment.** The governor shall appoint a Health Care Affordability Advisory Council to provide advice to the board on health care costs and access issues and to represent the views of patients and other stakeholders. Members of the advisory council shall be appointed based on their knowledge and demonstrated expertise in one or more of the following areas: health care delivery, ensuring health care access for diverse populations, public and population health, patient perspectives, health care cost trends and drivers, clinical and health services research, innovation in health care delivery, and health care benefits management.

Subd. 2. **Duties; reports.** (a) The council shall provide technical recommendations to the board on:

(1) the identification of economic indicators and other metrics related to the development and setting of health care spending growth targets;

(2) data sources for measuring health care spending; and

(3) measurement of the impact of health care spending growth targets on diverse communities and populations, including but not limited to those communities and populations adversely affected by health disparities.

(b) The council shall report technical recommendations and a summary of its activities to the board at least annually, and shall submit additional reports on its activities and recommendations to the board, as requested by the board or at the discretion of the council.

Subd. 3. **Terms.** (a) The initial appointed advisory council members shall serve staggered terms of two, three, or four years determined by lot by the secretary of state. Following the initial appointments, advisory council members shall serve four-year terms.

(b) Removal and vacancies of advisory council members shall be governed by section 15.059.

Subd. 4. **Compensation.** Advisory council members may be compensated according to section 15.059.

Subd. 5. **Meetings.** The advisory council shall meet at least quarterly. Meetings of the advisory council are subject to chapter 13D.

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not expire.

Sec. 4. **[62J.89] DUTIES OF THE BOARD.**

Subdivision 1. **General.** (a) The board shall monitor the administration and reform of the health care delivery and payment systems in the state. The board shall:

(1) set health care spending growth targets for the state, as specified under section 62J.90;

(2) enhance the transparency of provider organizations;

(3) monitor the adoption and effectiveness of alternative payment methodologies;

(4) foster innovative health care delivery and payment models that lower health care cost growth while improving the quality of patient care;

(5) monitor and review the impact of changes within the health care marketplace; and

(6) monitor patient access to necessary health care services.

(b) The board shall establish goals to reduce health care disparities in racial and ethnic communities and to ensure access to quality care for persons with disabilities or with chronic or complex health conditions.

Subd. 2. **Market trends.** The board shall monitor efforts to reform the health care delivery and payment system in Minnesota to understand emerging trends in the commercial health insurance market, including large self-insured employers and the state's public health care programs, in order to identify opportunities for state action to achieve:

- (1) improved patient experience of care, including quality and satisfaction;
- (2) improved health of all populations, including a reduction in health disparities; and
- (3) a reduction in the growth of health care costs.

Subd. 3. **Recommendations for reform.** The board shall make recommendations for legislative policy, market, or any other reforms to:

- (1) lower the rate of growth in commercial health care costs and public health care program spending in the state;
- (2) positively impact the state's rankings in the areas listed in this subdivision and subdivision 2; and
- (3) improve the quality and value of care for all Minnesotans, and for specific populations adversely affected by health inequities.

Subd. 4. **Office of Patient Protection.** The board shall establish an Office of Patient Protection, to be operational by January 1, 2025. The office shall assist consumers with issues related to access and quality of health care, and advise the legislature on ways to reduce consumer health care spending and improve consumer experiences by reducing complexity for consumers.

Sec. 5. [62J.90] HEALTH CARE SPENDING GROWTH TARGETS.

Subdivision 1. **Establishment and administration.** The board shall establish and administer the health care spending growth target program to limit health care spending growth in the state, and shall report regularly to the legislature and the public on progress toward these targets.

Subd. 2. **Methodology.** (a) The board shall develop a methodology to establish annual health care spending growth targets and the economic indicators to be used in establishing the initial and subsequent target levels.

(b) The health care spending growth target must:

- (1) use a clear and operational definition of total state health care spending;
- (2) promote a predictable and sustainable rate of growth for total health care spending as measured by an established economic indicator, such as the rate of increase of the state's economy or of the personal income of residents of this state, or a combination;
- (3) define the health care markets and the entities to which the targets apply;
- (4) take into consideration the potential for variability in targets across public and private payers;

(5) account for the health status of patients; and

(6) incorporate specific benchmarks related to health equity.

(c) In developing, implementing, and evaluating the growth target program, the board shall:

(1) consider the incorporation of quality of care and primary care spending goals;

(2) ensure that the program does not place a disproportionate burden on communities most impacted by health disparities, the providers who primarily serve communities most impacted by health disparities, or individuals who reside in rural areas or have high health care needs;

(3) explicitly consider payment models that help ensure financial sustainability of rural health care delivery systems and the ability to provide population health;

(4) allow setting growth targets that encourage an individual health care entity to serve populations with greater health care risks by incorporating:

(i) a risk factor adjustment reflecting the health status of the entity's patient mix; and

(ii) an equity adjustment accounting for the social determinants of health and other factors related to health equity for the entity's patient mix;

(5) ensure that growth targets:

(i) do not constrain the Minnesota health care workforce, including the need to provide competitive wages and benefits;

(ii) do not limit the use of collective bargaining or place a floor or ceiling on health care workforce compensation; and

(iii) promote workforce stability and maintain high-quality health care jobs; and

(6) consult with the advisory council and other stakeholders.

Subd. 3. **Data.** The board shall identify data to be used for tracking performance in meeting the growth target and identify methods of data collection necessary for efficient implementation by the board. In identifying data and methods, the board shall:

(1) consider the availability, timeliness, quality, and usefulness of existing data, including the data collected under section 62U.04;

(2) assess the need for additional investments in data collection, data validation, or data analysis capacity to support the board in performing its duties; and

(3) minimize the reporting burden to the extent possible.

Subd. 4. **Setting growth targets; related duties.** (a) The board, by June 15, 2024, and by June 15 of each succeeding calendar year through June 15, 2028, shall establish annual health care spending growth targets for the next calendar year consistent with the requirements of this section.

The board shall set annual health care spending growth targets for the five-year period from January 1, 2025, through December 31, 2029.

(b) The board shall periodically review all components of the health care spending growth target program methodology, economic indicators, and other factors. The board may revise the annual spending growth targets after a public hearing, as appropriate. If the board revises a spending growth target, the board must provide public notice at least 60 days before the start of the calendar year to which the revised growth target will apply.

(c) The board, based on an analysis of drivers of health care spending and evidence from public testimony, shall evaluate strategies and new policies, including the establishment of accountability mechanisms, that are able to contribute to meeting growth targets and limiting health care spending growth without increasing disparities in access to health care.

Subd. 5. **Hearings.** At least annually, the board shall hold public hearings to present findings from spending growth target monitoring. The board shall also regularly hold public hearings to take testimony from stakeholders on health care spending growth, setting and revising health care spending growth targets, the impact of spending growth and growth targets on health care access and quality, and as needed to perform the duties assigned under section 62J.89, subdivisions 1, 2, and 3.

Sec. 6. [62J.91] NOTICE TO HEALTH CARE ENTITIES.

Subdivision 1. **Notice.** (a) The board shall provide notice to all health care entities that have been identified by the board as exceeding the spending growth target for any given year.

(b) For purposes of this section, "health care entity" shall be defined by the board during the development of the health care spending growth methodology. When developing this methodology, the board shall consider a definition of health care entity that includes clinics, hospitals, ambulatory surgical centers, physician organizations, accountable care organizations, integrated provider and plan systems, and other entities defined by the board, provided that physician organizations with a patient panel of 15,000 or fewer, or which represent providers who collectively receive less than \$25,000,000 in annual net patient service revenue from health plan companies and other payers, shall be exempt.

Subd. 2. **Performance improvement plans.** (a) The board shall establish and implement procedures to assist health care entities to improve efficiency and reduce cost growth by requiring some or all health care entities provided notice under subdivision 1 to file and implement a performance improvement plan. The board shall provide written notice of this requirement to health care entities.

(b) Within 45 days of receiving a notice of the requirement to file a performance improvement plan, a health care entity shall:

(1) file a performance improvement plan with the board; or

(2) file an application with the board to waive the requirement to file a performance improvement plan or extend the timeline for filing a performance improvement plan.

(c) The health care entity may file any documentation or supporting evidence with the board to support the health care entity's application to waive or extend the timeline to file a performance improvement plan. The board shall require the health care entity to submit any other relevant information it deems necessary in considering the waiver or extension application, provided that this information shall be made public at the discretion of the board. The board may waive or delay the requirement for a health care entity to file a performance improvement plan in response to a waiver or extension request in light of all information received from the health care entity, based on a consideration of the following factors:

(1) the costs, price, and utilization trends of the health care entity over time, and any demonstrated improvement in reducing per capita medical expenses adjusted by health status;

(2) any ongoing strategies or investments that the health care entity is implementing to improve future long-term efficiency and reduce cost growth;

(3) whether the factors that led to increased costs for the health care entity can reasonably be considered to be unanticipated and outside of the control of the entity. These factors may include but shall not be limited to age and other health status adjusted factors and other cost inputs such as pharmaceutical expenses and medical device expenses;

(4) the overall financial condition of the health care entity; and

(5) any other factors the board considers relevant. If the board declines to waive or extend the requirement for the health care entity to file a performance improvement plan, the board shall provide written notice to the health care entity that its application for a waiver or extension was denied and the health care entity shall file a performance improvement plan.

(d) A health care entity shall file a performance improvement plan with the board:

(1) within 45 days of receipt of an initial notice;

(2) if the health care entity has requested a waiver or extension, within 45 days of receipt of a notice that such waiver or extension has been denied; or

(3) if the health care entity is granted an extension, on the date given on the extension.

The performance improvement plan shall identify the causes of the entity's cost growth and shall include but not be limited to specific strategies, adjustments, and action steps the entity proposes to implement to improve cost performance. The proposed performance improvement plan shall include specific identifiable and measurable expected outcomes and a timetable for implementation. The timetable for a performance improvement plan must not exceed 18 months.

(e) The board shall approve any performance improvement plan that it determines is reasonably likely to address the underlying cause of the entity's cost growth and has a reasonable expectation for successful implementation. If the board determines that the performance improvement plan is unacceptable or incomplete, the board may provide consultation on the criteria that have not been met and may allow an additional time period of up to 30 calendar days for resubmission. Upon approval of the proposed performance improvement plan, the board shall notify the health care entity to begin immediate implementation of the performance improvement plan. Public notice shall

be provided by the board on its website, identifying that the health care entity is implementing a performance improvement plan. All health care entities implementing an approved performance improvement plan shall be subject to additional reporting requirements and compliance monitoring, as determined by the board. The board shall provide assistance to the health care entity in the successful implementation of the performance improvement plan.

(f) All health care entities shall in good faith work to implement the performance improvement plan. At any point during the implementation of the performance improvement plan, the health care entity may file amendments to the performance improvement plan, subject to approval of the board. At the conclusion of the timetable established in the performance improvement plan, the health care entity shall report to the board regarding the outcome of the performance improvement plan. If the board determines the performance improvement plan was not implemented successfully, the board shall:

- (1) extend the implementation timetable of the existing performance improvement plan;
- (2) approve amendments to the performance improvement plan as proposed by the health care entity;
- (3) require the health care entity to submit a new performance improvement plan; or
- (4) waive or delay the requirement to file any additional performance improvement plans.

Upon the successful completion of the performance improvement plan, the board shall remove the identity of the health care entity from the board's website. The board may assist health care entities with implementing the performance improvement plans or otherwise ensure compliance with this subdivision.

(g) If the board determines that a health care entity has:

- (1) willfully neglected to file a performance improvement plan with the board within 45 days as required;
- (2) failed to file an acceptable performance improvement plan in good faith with the board;
- (3) failed to implement the performance improvement plan in good faith; or
- (4) knowingly failed to provide information required by this subdivision to the board or knowingly provided false information, the board may assess a civil penalty to the health care entity of not more than \$500,000. The board shall only impose a civil penalty as a last resort.

Sec. 7. [62J.92] REPORTING REQUIREMENTS.

Subdivision 1. **General requirement.** (a) The board shall present the reports required by this section to the chairs and ranking members of the legislative committees with primary jurisdiction over health care finance and policy. The board shall also make these reports available to the public on the board's website.

(b) The board may contract with a third-party vendor for technical assistance in preparing the reports.

Subd. 2. **Progress reports.** The board shall submit written progress updates about the development and implementation of the health care spending growth target program by February 15, 2025, and February 15, 2026. The updates must include reporting on board membership and activities, program design decisions, planned timelines for implementation of the program, and the progress of implementation. The reports must include the methodological details underlying program design decisions.

Subd. 3. **Health care spending trends.** By December 15, 2025, and every December 15 thereafter, the board shall submit a report on health care spending trends and the health care spending growth target program that includes:

(1) spending growth in aggregate and for entities subject to health care spending growth targets relative to established target levels;

(2) findings from analyses of drivers of health care spending growth;

(3) estimates of the impact of health care spending growth on Minnesota residents, including for communities most impacted by health disparities, related to their access to insurance and care, value of health care, and the ability to pursue other spending priorities;

(4) the potential and observed impact of the health care growth targets on the financial viability of the rural delivery system;

(5) changes under consideration for revising the methodology to monitor or set growth targets;

(6) recommendations for initiatives to assist health care entities in meeting health care spending growth targets, including broader and more transparent adoption of value-based payment arrangements; and

(7) the number of health care entities whose spending growth exceeded growth targets, information on performance improvement plans and the extent to which the plans were completed, and any civil penalties imposed on health care entities related to noncompliance with performance improvement plans and related requirements.

Sec. 8. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

Subd. 11. Restricted uses of the all-payer claims data. (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; ~~and~~

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers;

(iii) be updated by the commissioner, at least annually, with the most current data available;

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015; and

(6) to provide technical assistance to the Health Care Affordability Board to implement sections 62J.86 to 62J.92.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.

(e) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).

Sec. 9. [62V.12] STATE-FUNDED COST-SHARING REDUCTIONS.

Subdivision 1. Establishment. (a) The board must develop and administer a state-funded cost-sharing reduction program for eligible persons who enroll in a silver level qualified health plan through MNsure. The board must implement the cost-sharing reduction program for plan years beginning on or after January 1, 2024.

(b) For purposes of this section, an "eligible person" is an individual who meets the eligibility criteria to receive a cost-sharing reduction under Code of Federal Regulations, title 45, section 155.305(g).

Subd. 2. **Reduction in cost-sharing.** (a) The cost-sharing reduction program must use state funds to reduce enrollee cost-sharing by increasing the actuarial value of silver level health plans for eligible persons beyond the 73 percent value established in Code of Federal Regulations, title 45, section 156.420(a)(3)(ii), to an actuarial value of 87 percent.

(b) Paragraph (a) applies beginning for plan year 2024 for eligible individuals expected to have a household income above 200 percent of the federal poverty level but that does not exceed 250 percent of the federal poverty level, for the benefit year for which coverage is requested.

(c) Beginning for plan year 2026, the cost-sharing reduction program applies for eligible individuals expected to have a household income above 250 percent of the federal poverty level but that does not exceed 300 percent of the federal poverty level, for the benefit year for which coverage is requested. Under this paragraph, the cost-sharing reduction program applies by increasing the actuarial value of silver level health plans for eligible persons to the 73 percent actuarial value established in Code of Federal Regulations, title 45, section 156.420(a)(3)(ii).

Subd. 3. **Administration.** The board, when administering the program, must:

(1) allow eligible persons to enroll in a silver level health plan with a state-funded cost-sharing reduction;

(2) modify the MNsure shopping tool to display the total cost-sharing reduction benefit available to individuals eligible under this section; and

(3) reimburse health carriers on a quarterly basis for the cost to the health plan providing the state-funded cost-sharing reductions.

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

Sec. 10. Minnesota Statutes 2022, section 256B.0631, is amended by adding a subdivision to read:

Subd. 1a. **Prohibition on cost-sharing and deductibles.** The medical assistance benefit plan must not include cost-sharing or deductibles for any medical assistance recipient or benefit.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to all medical assistance benefit plans offered, issued, or renewed on or after that date.

Sec. 11. **RECOMMENDATIONS; OFFICE OF PATIENT PROTECTION.**

(a) The commissioners of human services, health, and commerce and the MNsure board shall submit to the health care affordability board and the chairs and ranking minority members of the legislative committees with primary jurisdiction over health and human services finance and policy and commerce by January 15, 2024, a report on the organization and duties of the Office of Patient Protection, to be established under Minnesota Statutes, section 62J.89, subdivision 4. The report must include recommendations on how the office shall:

(1) coordinate or consolidate within the office existing state agency patient protection activities, including but not limited to the activities of ombudsman offices and the MNsure board;

(2) enforce standards and procedures under Minnesota Statutes, chapter 62M, for utilization review organizations;

(3) work with private sector and state agency consumer assistance programs to assist consumers with questions or concerns relating to public programs and private insurance coverage;

(4) establish and implement procedures to assist consumers aggrieved by restrictions on patient choice, denials of services, and reductions in quality of care resulting from any final action by a payer or provider; and

(5) make health plan company quality of care and patient satisfaction information and other information collected by the office readily accessible to consumers on the board's website.

(b) The commissioners and the MNsure board shall consult with stakeholders as they develop the recommendations. The stakeholders consulted must include but are not limited to organizations and individuals representing: underserved communities; persons with disabilities; low-income Minnesotans; senior citizens; and public and private sector health plan enrollees, including persons who purchase coverage through MNsure, health plan companies, and public and private sector purchasers of health coverage.

(c) The commissioners and the MNsure board may contract with a third party to develop the report and recommendations.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 256B.0631, subdivisions 1, 2, and 3, are repealed.

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

ARTICLE 3

PUBLIC OPTION

Section 1. Minnesota Statutes 2022, section 256L.04, subdivision 7a, is amended to read:

Subd. 7a. **Ineligibility.** Adults whose income is greater than the limits established under this section may not enroll in the MinnesotaCare program, except as provided in subdivision 15.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, subject to certification under section 7. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2022, section 256L.04, is amended by adding a subdivision to read:

Subd. 15. **Persons eligible for public option.** (a) Families and individuals with income above the maximum income eligibility limit specified in subdivision 1 or 7 but who meet all other MinnesotaCare eligibility requirements are eligible for MinnesotaCare. All other provisions of this chapter apply unless otherwise specified.

(b) Families and individuals may enroll in MinnesotaCare under this subdivision only during an annual open enrollment period or special enrollment period, as designated by MNsure in compliance with Code of Federal Regulations, title 45, parts 155.410 and 155.420.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, subject to certification under section 7. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2022, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines, are no longer eligible for the program and ~~shall~~ must be disenrolled by the commissioner, unless the individuals continue MinnesotaCare enrollment through the public option under section 256L.04, subdivision 15. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month in which the commissioner sends advance notice according to Code of Federal Regulations, title 42, section 431.211, that indicates the income of a family or individual exceeds program income limits.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, subject to certification under section 7. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2022, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly individual or family income.

~~(b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (d).~~

~~(e)~~ (b) Paragraph ~~(b)~~ (a) does not apply to:

~~(1) children 20 years of age or younger; and~~

~~(2) individuals with household incomes below 35 percent of the federal poverty guidelines.~~

~~(d) The following premium scale is established for each individual in the household who is 21 years of age or older and enrolled in MinnesotaCare:~~

Federal Poverty Guideline Greater than or Equal to	Less than	Individual Premium Amount
35%	55%	\$4
55%	80%	\$6
80%	90%	\$8
90%	100%	\$10

100%	110%	\$12
110%	120%	\$14
120%	130%	\$15
130%	140%	\$16
140%	150%	\$25
150%	160%	\$37
160%	170%	\$44
170%	180%	\$52
180%	190%	\$61
190%	200%	\$71
200%		\$80

(c) Beginning January 1, 2024, the commissioner shall continue to charge premiums in accordance with the simplified premium scale established to comply with the American Rescue Plan Act of 2021, in effect from January 1, 2021, through December 31, 2025, for families and individuals eligible under section 256L.04, subdivisions 1 and 7. The commissioner shall adjust the premium scale ~~established under paragraph (d) as needed~~ to ensure that premiums do not exceed the amount that an individual would have been required to pay if the individual was enrolled in an applicable benchmark plan in accordance with the Code of Federal Regulations, title 42, section 600.505 (a)(1).

(d) The commissioner shall establish a sliding premium scale for persons eligible through the public option under section 256L.04, subdivision 15. Beginning January 1, 2027, persons eligible through the public option shall pay premiums according to this premium scale. Persons eligible through the public option who are 20 years of age or younger are exempt from paying premiums.

EFFECTIVE DATE. This section is effective January 1, 2024, and certification under section 7 is not required, except that paragraph (d) is effective January 1, 2027, or upon federal approval, whichever is later, subject to certification under section 7. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. **TRANSITION TO MINNESOTACARE PUBLIC OPTION.**

(a) The commissioner of human services must continue to administer MinnesotaCare as a basic health program in accordance with Minnesota Statutes, section 256L.02, subdivision 5, and must seek federal waivers, approvals, and law changes as required under section 6.

(b) The commissioner must present an implementation plan for the MinnesotaCare public option under Minnesota Statutes, section 256L.04, subdivision 15, to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by December 15, 2024. The plan must include:

(1) recommendations for any changes to the MinnesotaCare public option necessary to continue federal basic health program funding or to receive other federal funding;

(2) recommendations for ensuring sufficient provider participation in MinnesotaCare;

(3) estimates of state costs related to the MinnesotaCare public option;

(4) a description of the proposed premium scale for persons eligible through the public option, including an analysis of the extent to which the proposed premium scale:

(i) ensures affordable premiums for persons across the income spectrum enrolled under the public option; and

(ii) avoids premium cliffs for persons transitioning to and enrolled under the public option; and

(5) draft legislation that includes any additional policy and conforming changes necessary to implement the MinnesotaCare public option and the implementation plan recommendations.

(c) The commissioner shall present to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance, by January 15, 2025, a report comparing service delivery and payment system models for delivering services to MinnesotaCare enrollees eligible under Minnesota Statutes, section 256L.04, subdivisions 1, 7, and 15. The report must compare the current delivery model with at least two alternative models. The alternative models must include a state-based model in which the state holds the plan risk as the insurer and may contract with a third-party administrator for claims processing and plan administration. The alternative models may include but are not limited to:

(1) expanding the use of integrated health partnerships under Minnesota Statutes, section 256B.0755;

(2) delivering care under fee-for-service through a primary care case management system; and

(3) continuing to contract with managed care and county-based purchasing plans for some or all enrollees under modified contracts.

(d) The report must also include:

(1) a description of how each model would address:

(i) racial inequities in the delivery of health care and health care outcomes;

(ii) geographic inequities in the delivery of health care;

(iii) incentives for preventive care and other best practices; and

(iv) reimbursement of providers for high-quality, value-based care at levels sufficient to sustain or increase enrollee access to care;

(2) a comparison of the projected cost of each model; and

(3) an implementation timeline for each model that includes the earliest date by which each model could be implemented if authorized during the 2025 legislative session.

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

Sec. 6. **REQUEST FOR FEDERAL APPROVAL.**

(a) The commissioner of human services must seek all federal waivers, approvals, and law changes necessary to implement article 3, including but not limited to those waivers, approvals, and law changes necessary to allow the state to:

(1) continue receiving federal basic health program payments for basic health program-eligible MinnesotaCare enrollees and to receive other federal funding for the MinnesotaCare public option;

(2) receive federal payments equal to the value of premium tax credits and cost-sharing reductions that MinnesotaCare enrollees with household incomes greater than 200 percent of the federal poverty guidelines would otherwise have received; and

(3) receive federal payments equal to the value of emergency medical assistance that would otherwise have been paid to the state for covered services provided to eligible enrollees.

(b) In implementing this section, the commissioner of human services must contract with one or more independent entities to conduct an actuarial analysis of the implementation, administration, and effects of the provisions of article 3, including but not limited to benefits, costs, impacts on coverage, and affordability to the state and eligible enrollees, impacts on the state's individual market, and compliance with federal law, at a minimum as necessary to obtain any waivers, approvals, and law changes sought under this section.

(c) In implementing this section, the commissioner of human services must consult with the commissioner of commerce and the Board of Directors of MNsure and may contract for technical assistance.

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

Sec. 7. **CONTINGENT EFFECTIVE DATE.**

Sections 1, 2, and 3, and the specified portion of section 4, are effective January 1, 2027, or upon federal approval, whichever is later, but only if the commissioner of human services certifies to the legislature the following:

(1) that implementation of those sections will not result in substantial reduction in federal basic health program funding for MinnesotaCare enrollees with incomes not exceeding 200 percent of the federal poverty guidelines;

(2) premiums necessary to operationalize the program are deemed affordable in accordance with applicable federal law;

(3) the actuarial value of benefit does not fall below 94 percent and the benefit set is equal to or greater than that historically available in MinnesotaCare;

(4) the 1332 waiver was approved consistent, or without substantial deviation, from the implementation plan;

(5) the commissioner of commerce certifies that the public option would expand plan options available for individuals purchasing coverage;

(6) the state receives a substantially similar pass-through funding amount from the federal government that would have otherwise gone to enrollees' advanced premium tax credits;

(7) individuals currently served by the MinnesotaCare program are not disproportionately or substantively negatively impacted in order to make the public option affordable or implementable; and

(8) individuals currently served by the Medical Assistance program are not disproportionately or substantively negatively impacted in order to make the public option affordable or implementable.

The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 4

HEALTH CARE MODEL STUDIES

Section 1. ANALYSIS OF BENEFITS AND COSTS OF A UNIVERSAL HEALTH CARE SYSTEM.

Subdivision 1. **Definitions.** (a) "Total public and private health care spending" means:

(1) spending on all medical care including but not limited to dental, vision and hearing, mental health, chemical dependency treatment, prescription drugs, medical equipment and supplies, long-term care, and home care, whether paid through premiums, co-pays and deductibles, other out-of-pocket payments, or other funding from government, employers, or other sources; and

(2) the costs associated with administering, delivering, and paying for the care. The costs of administering, delivering, and paying for the care includes all expenses by insurers, providers, employers, individuals, and government to select, negotiate, purchase, and administer insurance and care including but not limited to coverage for health care, dental, long-term care, prescription drugs, medical expense portions of workers compensation and automobile insurance, and the cost of administering and paying for all health care products and services that are not covered by insurance.

(b) "All necessary care" means the full range of services listed in the proposed Minnesota Health Plan legislation, including medical, dental, vision and hearing, mental health, chemical dependency treatment, reproductive and sexual health, prescription drugs, medical equipment and supplies, long-term care, home care, and coordination of care.

Subd. 2. **Initial assumptions.** (a) When calculating administrative savings under the universal health proposal, the analysts shall recognize that simple, direct payment of medical services avoids the need for provider networks, eliminates prior authorization requirements, and eliminates administrative complexity of other payment schemes along with the need for creating risk adjustment mechanisms, and measuring, tracking, and paying under those risk adjusted or nonrisk adjusted payment schemes by both providers and payors.

(b) The analysts shall assume that, while gross provider payments may be reduced to reflect reduced administrative costs, net provider income would remain similar to the current system. However, they shall not assume that payment rate negotiations will track current Medicaid, Medicare,

or market payment rates or a combination of those rates, because provider compensation, after adjusting for reduced administrative costs, would not be universally raised or lowered but would be negotiated based on market needs, so provider compensation might be raised in an underserved area such as mental health but lowered in other areas.

Sec. 2. BENEFIT AND COST ANALYSIS OF A UNIVERSAL HEALTH REFORM PROPOSAL.

Subdivision 1. **Contract for analysis of proposal.** The commissioner of health shall contract with one or more independent entities to conduct an analysis of the benefits and costs of a legislative proposal for a universal health care financing system and a similar analysis of the current health care financing system to assist the state in comparing the proposal to the current system. The contract must strive to produce estimates for all elements in subdivision 3.

Subd. 2. **Proposal.** The commissioner of health, with input from the commissioners of human services and commerce, shall submit to the contractor for analysis the legislative proposal known as the Minnesota Health Plan, proposed in 2023 Senate File No. 2740; House File No. 2798, if enacted that would offer a universal health care plan designed to meet a set of principles, including:

(1) ensure all Minnesotans are covered;

(2) cover all necessary care; and

(3) allow patients to choose their doctors, hospitals, and other providers.

Subd. 3. **Proposal analysis.** (a) The analysis must measure the performance of both the proposed Minnesota Health Plan and the current public and private health care financing system over a ten-year period to contrast the impact on:

(1) coverage: the number of people who are uninsured versus the number of people who are insured;

(2) benefit completeness: adequacy of coverage measured by the completeness of the coverage and the number of people lacking coverage for key necessary care elements such as dental, long-term care, medical equipment or supplies, vision and hearing, or other health services that are not covered, if any. The analysis must take into account the vast variety of benefit designs in the commercial market and report the extent of coverage in each area;

(3) underinsurance: whether people with coverage can afford the care they need or whether cost prevents them from accessing care. This includes affordability in terms of premiums, deductibles, and out-of-pocket expenses;

(4) system capacity: the timeliness and appropriateness of the care received and whether people turn to inappropriate care such as emergency rooms because of a lack of proper care in accordance with clinical guidelines; and

(5) health care spending: total public and private health care spending in Minnesota under the current system versus under the Minnesota Health Plan legislative proposal, including all spending by individuals, businesses, and government. Where relevant, the analysis shall be broken out by

key necessary care areas, such as medical, dental, and mental health. The analysis of total health care spending shall examine whether there are savings or additional costs under the legislative proposal compared to the existing system due to:

(i) changes in cost of insurance, billing, underwriting, marketing, evaluation, and other administrative functions for all entities involved in the health care system, including savings from global budgeting for hospitals and institutional care instead of billing for individual services provided;

(ii) changed prices on medical services and products, including pharmaceuticals, due to price negotiations under the proposal;

(iii) impact on utilization, health outcomes, and workplace absenteeism due to prevention, early intervention, and health-promoting activities;

(iv) shortages or excess capacity of medical facilities, equipment, and personnel, including caregivers and staff, under either the current system or the proposal, including capacity of clinics, hospitals, and other appropriate care sites versus inappropriate emergency room usage. The analysis shall break down capacity by geographic differences such as rural versus metro, and disparate access by population group;

(v) the impact on state, local, and federal government non-health-care expenditures. This may include areas such as reduced crime and out-of-home placement costs due to mental health or chemical dependency coverage. Additional definition may further develop hypotheses for other impacts that warrant analysis;

(vi) job losses or gains within the health care system; specifically, in health care delivery, health billing, and insurance administration;

(vii) job losses or gains elsewhere in the economy under the proposal due to implementation of the resulting reduction of insurance and administrative burdens on businesses; and

(viii) impact on disparities in health care access and outcomes.

(b) The contractor or contractors shall propose an iterative process for designing and conducting the analysis. Steps shall be reviewed with and approved by the commissioner of health and lead house and senate authors of the legislative proposal, and shall include but not be limited to:

(1) clarification of the specifics of the proposal. The analysis shall assume that the provisions in the proposal are not preempted by federal law or that the federal government gives a waiver to the preemptions;

(2) additional data elements needed to accomplish goals of the analysis;

(3) assumptions analysts are using in their analysis and the quality of the evidence behind those assumptions;

(4) timing of each stage of the project with agreed upon decision points;

(5) approaches to address any services currently provided in the existing health care system that may not be provided for within the Minnesota Health Plan as proposed; and

(6) optional scenarios provided by contractor or contractors with minor alterations in the proposed plan related to services covered or cost-sharing if those scenarios might be helpful to the legislature.

(c) The commissioner shall issue a final report by January 15, 2026, and may provide interim reports and status updates to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance aligned with the iterative process defined above.

(d) The contractor may offer a modeling tool as deliverable with a line-item cost provided.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 5

APPROPRIATIONS

Section 1. **COMMISSIONER OF HUMAN SERVICES.**

(a) \$505,000 in fiscal year 2024 and \$579,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for easy enrollment.

(b) \$5,293,000 in fiscal year 2024 and \$25,574,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for medical assistance.

(c) \$72,000 in fiscal year 2024 and \$84,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for responsibilities under the health care affordability board.

(d) \$9,255,000 in fiscal year 2024 and \$8,167,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for the MinnesotaCare public option. The base for this appropriation is \$3,417,000 in fiscal year 2026 and \$7,960,000 in fiscal year 2027.

(e) \$15,000 in fiscal year 2024 and \$3,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of human services for system costs.

(f) \$1,470,000 in fiscal year 2024 and \$1,470,000 in fiscal year 2025 are appropriated from the health care access fund to the commissioner of human services for incentive payments to navigators.

(g) \$1,077,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for MinnesotaCare.

Sec. 2. **BOARD OF DIRECTORS OF MNSURE.**

(a) \$15,000,000 in fiscal year 2024 and \$30,000,000 in fiscal year 2025 are appropriated from the general fund to the Board of Directors of MNSure to implement the cost-sharing reduction program under Minnesota Statutes, section 62V.12. The base for this appropriation is \$32,500,000 in fiscal year 2026 and \$35,000,000 in fiscal year 2027.

(b) \$3,000,000 in fiscal year 2024 is appropriated from the general fund to the Board of Directors of MNsure to modernize MNsure's information technology infrastructure and expand service capacities to implement the cost-sharing reduction program under Minnesota Statutes, section 62V.12. This is a onetime appropriation.

(c) \$313,000 in fiscal year 2024 and \$514,000 in fiscal year 2025 are appropriated from the general fund to the Board of Directors of MNsure for administrative costs for the cost-sharing reduction program under Minnesota Statutes, section 62V.12.

(d) \$70,000 in fiscal year 2024 and \$70,000 in fiscal year 2025 are appropriated from the general fund to the Board of Directors of MNsure for easy enrollment.

(e) \$39,000 in fiscal year 2024 and \$16,000 in fiscal year 2025 are appropriated from the general fund to the Board of Directors of MNsure for responsibilities under the health care affordability board.

(f) \$4,200,000 in fiscal year 2025 is appropriated from the general fund to the Board of Directors of MNsure to implement the MinnesotaCare public option. This is a onetime appropriation.

Sec. 3. COMMISSIONER OF HEALTH.

(a) \$2,795,000 in fiscal year 2024 and \$3,046,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of health to fund activities of the health economics division necessary to implement article 2, sections 1 to 8. The general fund base for this appropriation is \$2,994,000 in fiscal year 2026 and \$2,994,000 in fiscal year 2027.

(b) \$1,200,000 is appropriated in fiscal year 2024 from the general fund to the commissioner of health to conduct an economic analysis of benefits and costs of the health care system proposal in section 1 and to contract as necessary to complete the analysis. This is a onetime appropriation and is available until June 30, 2026.

Sec. 4. COMMISSIONER OF REVENUE.

\$40,000 in fiscal year 2024 and \$4,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of revenue for easy enrollment.

Sec. 5. COMMISSIONER OF COMMERCE.

\$42,000 in fiscal year 2024 and \$17,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of commerce for responsibilities under the health care affordability board.

Sec. 6. HEALTH CARE AFFORDABILITY BOARD.

\$1,336,000 in fiscal year 2024 and \$1,727,000 in fiscal year 2025 are appropriated from the general fund to the Health Care Affordability Board to implement article 2, sections 1 to 8. The general fund base for this appropriation is \$1,793,000 in fiscal year 2026 and \$1,790,000 in fiscal year 2027."

Delete the title and insert:

"A bill for an act relating to health; establishing an easy enrollment health insurance outreach program; providing for a state-funded cost-sharing reduction program for enrollees of certain health plans through MNsure; establishing the Health Care Affordability Board and Health Care Affordability Advisory Council; requiring monitoring of and recommendations related to health care market trends; requiring reports; providing for civil penalties; modifying premium scale; establishing requirements for a transition to a public option; requiring recommendations for and studies of alternative payment models; appropriating money; amending Minnesota Statutes 2022, sections 62K.15; 62U.04, subdivision 11; 256.962, subdivision 5; 256B.04, by adding a subdivision; 256B.056, subdivision 7; 256B.0631, by adding a subdivision; 256L.04, subdivisions 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 270B.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62J; 62V; 290; repealing Minnesota Statutes 2022, section 256B.0631, subdivisions 1, 2, 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Murphy from the Committee on State and Local Government and Veterans, to which was referred

S.F. No. 2247: A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivisions 1, 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MILITARY AFFAIRS AND VETERANS AFFAIRS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

APPROPRIATIONS
Available for the Year
Ending June 30

	<u>2024</u>	<u>2025</u>
Sec. 2. <u>MILITARY AFFAIRS</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 56,230,000</u>	<u>\$ 28,812,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$27,017,000 in fiscal year 2026 and each fiscal year thereafter.</u>		
Subd. 2. <u>Maintenance of Training Facilities</u>	<u>9,951,000</u>	<u>10,064,000</u>
Subd. 3. <u>General Support</u>	<u>31,970,000</u>	<u>4,539,000</u>
<u>(a) MN Cyber Coordination Cell (C3). \$582,000 the first year and \$590,000 the second year are for administrative and payroll costs to create and operate a Cyber Coordination Cell in the Minnesota National Guard.</u>		
<u>(b) \$17,600,000 the first year is for predesign, design, construction, furnishing and equipping costs for an Army Combat Fitness Test Field House.</u>		
<u>(c) Minnesota Military Museum at Camp Ripley. \$10,000,000 the first year is for the design and construction of the Minnesota military museum at Camp Ripley. This appropriation is in addition to the appropriation made in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 6, for the same purposes. This is a onetime appropriation and is available until June 30, 2027.</u>		
Subd. 4. <u>Enlistment Incentives</u>	<u>13,709,000</u>	<u>13,709,000</u>
<u>The appropriations in this subdivision are available until June 30, 2027. The base for this appropriation is \$12,114,000 in fiscal year 2026 and each fiscal year thereafter.</u>		
<u>If the amount for fiscal year 2024 is insufficient, the amount for 2025 is available in fiscal year 2024. Any unencumbered</u>		

balance does not cancel at the end of the first year and is available for the second year.

Subd. 5. <u>Emergency Services</u>	<u>600,000</u>	<u>500,000</u>
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Sustain Domestic Operations
Communication Capabilities. For ongoing replacement of communications systems to support domestic operations when ordered into state service by the governor. The base for this appropriation is \$300,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$ 149,448,000</u>	<u>\$ 133,702,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$123,346,000 in fiscal year 2026 and \$124,394,000 in fiscal year 2027 and each fiscal year thereafter.

Subd. 2. <u>Veterans Programs and Services</u>	<u>60,184,000</u>	<u>31,634,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$30,109,000 in fiscal year 2026 and each fiscal year thereafter.

(a) State's Veterans Cemeteries. \$4,282,000 each year is for the operation of the state's veterans cemeteries. The base for this appropriation is \$3,782,000 in fiscal year 2026 and each fiscal year thereafter.

(b) Veterans Service Organizations. \$500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** \$1,550,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss.** \$150,000 each year is for a grant to Camp Bliss for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(h) **Grants for ADA Compliance.** \$2,000,000 the first year is for the commissioner to make grants to congressionally chartered veterans service organizations for the purpose of making veterans service organization buildings comply with the Americans with Disabilities Act. The commissioner must not award a grantee more than \$100,000 under this appropriation. A grantee must use funds received under this appropriation for a building owned by the grantee.

(i) **Veterans on the Lake.** \$50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(j) **Veteran Resilience Project.** \$300,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(k) **CORE Program.** \$1,475,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program. These amounts are available until June 30, 2027. The base for this appropriation is \$975,000 in fiscal year 2026 and each fiscal year thereafter.

(l) **LinkVet Call Center.** \$499,000 each year is for the operation of the state's LinkVet Call Center.

(m) **Recently Separated Veterans Program.** \$350,000 the first year and \$300,000 the second year are for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts.

(n) **Homeless Veterans and SOAR Program.** \$1,450,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and their dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. These amounts are available until June 30, 2027. The base for this appropriation is \$975,000 in fiscal year 2026 and each fiscal year thereafter.

(o) **Minnesota Assistance Council for Veterans.** \$9,325,000 the first year and \$1,075,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with:

- (1) supportive services to maintain housing;
- (2) employment;
- (3) legal issues;
- (4) housing and housing-related costs;
- (5) transportation;
- (6) the acquisition and creation of permanent supportive housing; and
- (7) property management of permanent supportive housing.

Of these amounts, \$8,000,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. \$250,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this

subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. The base is \$1,075,000 in fiscal year 2026 and each fiscal year thereafter. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(p) **Veterans Bonus Program.** \$15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(q) **Metro Meals on Wheels.** \$540,000 each year is for a grant to Metro Meals on Wheels to provide: (1) home-delivered meals to veterans; and (2) technical, enrollment, outreach, and volunteer recruitment assistance to member programs. Metro Meals on Wheels must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by September 1 each year with a detailed explanation of how the grant money was used and the number of veterans and service members served by the program.

(r) **Vietnam War Anniversary.** \$250,000 the first year is to prepare and host a commemoration program for the fiftieth anniversary of the Vietnam War.

(s) **Veteran Homelessness Initiative.** \$4,311,000 the first year and \$1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

Subd. 3. Veterans Health Care89,264,000102,068,000

(a) The base for this appropriation in fiscal year 2026 is \$93,237,000 and \$94,285,000 in fiscal year 2027 and each year thereafter.

(b) \$87,964,000 the first year and \$100,768,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is \$92,437,000 in fiscal year 2026 and \$93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) \$750,000 each year are for the department to staff Veteran Community Health Navigators in community-based hospitals. These amounts are available until June 30, 2027. The base for this appropriation is \$250,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 4. CANCELLATION; FISCAL YEAR 2023.

\$3,000,000 of the fiscal year 2023 general fund appropriation under Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, paragraph (i), is canceled to the general fund by June 30, 2023.

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

ARTICLE 2**VETERANS AFFAIRS STATUTORY CHANGES**

Section 1. Minnesota Statutes 2022, section 197.79, subdivision 1, is amended to read:

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

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

(1) the surviving spouse, if not remarried;

(2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;

(3) the veteran's surviving parent or parents;

(4) the veteran's surviving sibling or siblings; or

(5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or veteran, the chief officer of a hospital or institution in which the incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or incapacitated veteran, the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

(3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

(j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces, ~~and whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota and who~~ resides in Minnesota at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) has Minnesota listed as the veteran's home of record in the veteran's official military personnel file.

(k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

(l) "Veteran" has the meaning given in section 197.447 and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged.

Sec. 2. Minnesota Statutes 2022, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) \$600, if the veteran did not receive the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus;

(2) \$1200, if the veteran received the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus; or

(3) \$2,000, if the veteran was eligible for the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

Sec. 3. Minnesota Statutes 2022, section 197.79, is amended by adding a subdivision to read:

Subd. 11. **Reapplication allowed.** Notwithstanding any law to the contrary, an eligible veteran who previously applied for a bonus under this section may reapply if the veteran either was denied a bonus or is entitled to receive a larger bonus than was originally awarded based on the amendments to this section contained in this act.

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

Sec. 4. Minnesota Statutes 2022, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Affairs.

(c) The amount of educational assistance for any eligible person who is a ~~full-time~~ student must not exceed the following:

(1) ~~\$3,000~~ \$5,000 per state fiscal year; and

(2) ~~\$10,000~~ \$15,000 in a lifetime.

~~(d) For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part-time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.~~

Sec. 5. Minnesota Statutes 2022, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) \$3,000 per fiscal year for apprenticeship expenses;

(2) \$3,000 per fiscal year for on-the-job training;

(3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) \$1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than \$5,000 in aggregate benefits under this subdivision may be paid to or on behalf of an individual in one fiscal year.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5b must not exceed ~~\$10,000~~ \$15,000 in the eligible person's lifetime.

(g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

- (1) the training must be with an eligible employer;
- (2) the training must be documented and reported;
- (3) the training must reasonably be expected to lead to an entry-level position; and
- (4) the position must require at least six months of training to become fully trained.

Sec. 6. Minnesota Statutes 2022, section 197.791, subdivision 7, is amended to read:

Subd. 7. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

- (1) \$3,000 per state fiscal year; and
- (2) ~~\$10,000~~ \$15,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5a must not exceed ~~\$10,000~~ \$15,000 in the eligible person's lifetime.

(e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

Sec. 7. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. Veterans Programs and Services	27,073,000	22,153,000
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(a) **CORE Program.** \$750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** \$353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** \$750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** \$6,172,000 the first year and \$1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, \$4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** \$1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** \$3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to

alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is \$1,311,000.

(j) **Camp Bliss.** \$75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** \$50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** \$400,000 each year is for a grant to the veterans resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans and, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is \$200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** \$500,000 the first year is for the Advisory Task Force on 9/11 and

Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

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

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 2566: A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; providing for childhood housing stability; establishing a community stabilization program; establishing a supportive housing program; establishing a first-generation homebuyers down payment assistance fund; appropriating money; amending Minnesota Statutes 2022, sections 462A.201, subdivision 2; 462A.204, subdivision 8; 462A.21, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HOUSING APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. **HOUSING FINANCE AGENCY**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>811,048,000</u>	<u>\$</u>	<u>254,548,000</u>
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(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. <u>Challenge Program</u>		<u>62,925,000</u>		<u>62,925,000</u>
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(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, \$6,292,500 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, \$10,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, and construction of homes to be sold to households with incomes of 50 to 60 percent of the area median income. This is a onetime appropriation, and is available until expended.

(d) The base for this program in fiscal year 2026 and beyond is \$12,925,000.

Subd. 3. Workforce Housing Development

22,000,000

22,000,000

(a) This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.

(b) The base for this program in fiscal year 2026 and beyond is \$2,000,000.

Subd. 4. Manufactured Home Park Infrastructure Grants

13,500,000

13,500,000

(a) This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

(b) The base for this program in fiscal year 2026 and beyond is \$1,000,000.

(c) By January 15 each year, the commissioner must submit a report on the use of funds in this subdivision to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the following information:

(1) grants requested and grants funded during the prior fiscal year, organized by ownership type of the manufactured home park, such as private, cooperative, and municipal ownership, and by county;

(2) the average amount of grants awarded;

(3) loans requested and loans funded during the prior fiscal year, organized by ownership type of the manufactured home park, such as private, cooperative, and municipal ownership, and by county;

(4) the average amount of loans issued;

(5) information regarding the terms of the loans; and

(6) information about how repaid loan funds were used.

Subd. 5. <u>Workforce Homeownership Program</u>	<u>17,750,000</u>	<u>17,750,000</u>
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(a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

(b) The base for this program in fiscal year 2026 and beyond is \$250,000.

Subd. 6. <u>Housing Trust Fund</u>	<u>26,646,000</u>	<u>16,646,000</u>
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(a) This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

(b) \$10,000,000 in the first year is for grants to low-income persons eligible under Minnesota Statutes, section 462A.201, subdivision 2, to purchase shares in limited-equity cooperative housing units. Grants are limited to \$20,000 or 25 percent of the cost of a share, whichever is less. This paragraph expires on June 30, 2027, and any money remaining on June 30, 2027, shall be returned to the housing trust fund account.

(c) The base for this program for fiscal year 2026 and beyond is \$11,646,000.

Subd. 7. <u>Homework Starts with Home</u>	<u>4,250,000</u>	<u>4,250,000</u>
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(a) This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless families, those at risk of homelessness, or highly mobile families.

(b) The base for this program in fiscal year 2026 and beyond is \$1,750,000.

Subd. 8. Rental Assistance for Mentally Ill

9,338,000

9,338,000

(a) This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

(b) Notwithstanding any law to the contrary, this appropriation may be used for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness, as determined by the agency.

(c) The base for this program in fiscal year 2026 and beyond is \$4,338,000.

Subd. 9. Family Homeless Prevention

60,269,000

10,269,000

(a) This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204.

(b) Up to \$5,000,000 in fiscal year 2024 is for grants to eligible applicants to create or expand risk mitigation programs to reduce landlord financial risks for renting to persons eligible under Minnesota Statutes, section 462A.204. Eligible programs may use funds for administrative costs, outreach and coordination staff, and to reimburse landlords for costs including but not limited to nonpayment of rent, or damage costs above those costs covered by security deposits. This appropriation may be used for staffing costs necessary to implement the program. The agency may give priority to applicants that demonstrate a matching amount of money by a local unit of government, business, or nonprofit organization. Grantees must establish a procedure to review and validate

claims and reimbursements under this program. This is a onetime appropriation.

(c) For fiscal year 2024 and fiscal year 2025, qualified families may receive more than 24 months of rental assistance.

(d) If the agency determines that the metropolitan area needs additional support to serve homeless households or those at risk of homelessness, the agency is authorized to grant funds to entities other than counties in the metropolitan area, including but not limited to nonprofit organizations.

(e) When a new grantee works with a current or former grantee in a given geographic area, a new grantee may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local continuum of care and is not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

(f) Notwithstanding any law to the contrary, \$10,000,000 of this appropriation is allocated to federally recognized American Indian Tribes located in Minnesota. The funds shall be divided proportionally among the Tribes and shall be used for the purposes allowed under this section.

(g) \$2,400,000 in fiscal year 2024 is for a grant to Neighborhood House, a Ramsey County-based nonprofit organization, to provide administrative costs for families facing eviction, rental assistance, delinquent utility fees, mortgage assistance, and damage deposit assistance. This is a onetime appropriation.

(h) The base for this program in fiscal year 2026 and beyond is \$10,269,000.

Subd. 10. Home Ownership Assistance Fund

13,385,000

13,385,000

(a) This appropriation is for the home ownership assistance program under

Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

(b) The base for this program in fiscal year 2026 and beyond is \$885,000.

<u>Subd. 11. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
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(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

<u>Subd. 12. Owner-Occupied Housing Rehabilitation</u>	<u>2,772,000</u>	<u>2,772,000</u>
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(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 13. Rental Housing Rehabilitation

3,743,000

3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. Homeownership Education, Counseling, and Training

2,357,000

2,357,000

(a) This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

(b) The base for this program in fiscal year 2026 and beyond is \$857,000.

Subd. 15. Capacity-Building Grants

5,230,000

5,230,000

(a) This appropriation is for capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, up to \$125,000 each year is for support of the

Homeless Management Information System (HMIS), and \$85,000 in fiscal year 2024 and \$85,000 in fiscal year 2025 are for Open Access Connections. The appropriations for Open Access Connections are onetime.

(b) \$445,000 in fiscal year 2024 is for a grant to the Community Stabilization Project to: (1) deliver services and curriculum to renters and property owners in order to preserve deeply affordable rental units in underrepresented communities; (2) help create entry-level employment opportunities for renters; and (3) construct a secure space for documents and identification for those experiencing homelessness. This is a onetime appropriation.

(c) The base for this program in fiscal year 2026 and beyond is \$645,000.

Subd. 16. Build Wealth Minnesota

5,500,000

500,000

(a) \$500,000 each year is for a grant to Build Wealth Minnesota to provide a family stabilization plan program.

(b) \$5,000,000 the first year is for a grant to Build Wealth Minnesota for the 9,000 Equities Fund, a targeted loan pool, to provide affordable first mortgages or equivalent financing opportunities to households struggling to access mortgages in underserved communities of color. Of this amount, up to \$1,000,000 may be used for a grant to Stairstep Foundation to support completion of the Family Stabilization Plan program developed by Build Wealth Minnesota. This is a onetime appropriation.

Subd. 17. Housing Infrastructure

100,000,000

0

This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

Subd. 18. Community Stabilization

100,000,000

-0-

This appropriation is for the community stabilization program under Minnesota Statutes, section 462A.43. Of this amount, \$30,000,000 is for a grant to the Minneapolis Public Housing Authority for the city of Minneapolis and its affiliated entities, including but not limited to its wholly controlled nonprofit corporation, Community Housing Resources, to rehabilitate, preserve, equip, and repair its deeply affordable family housing units. This a onetime appropriation.

Subd. 19. Supportive Housing

40,000,000

0

This appropriation is for the supportive housing program under Minnesota Statutes, section 462A.42. This is a onetime appropriation.

Subd. 20. First Generation Homebuyer

100,000,000

0

This appropriation is for the first generation homebuyer program down payment assistance fund. This is a onetime appropriation.

Subd. 21. Local Housing Trust Fund Grants

10,000,000

0

(a) \$8,000,000 in fiscal year 2024 is for deposit in the housing development fund for grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding. This is a onetime appropriation.

(b) A grantee is eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than \$150,000 but not more than \$300,000.

(c) \$100,000 of the amount appropriated in paragraph (a) is for technical assistance grants to local and regional housing trust funds. A housing trust fund may apply for a

technical assistance grant at the time and in the manner and form required by the agency. The agency shall make grants on a first-come, first-served basis. A technical assistance grant must not exceed \$5,000.

(d) A grantee must use grant funds within eight years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency for deposit into the housing development fund.

(e) \$2,000,000 in fiscal year 2024 is for a grant to Northland Foundation. Northland Foundation may use the funds on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3, and on assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This is a onetime appropriation and is available until June 30, 2025.

Subd. 22. Greater Minnesota Housing Infrastructure Grant Program

5,000,000

0

This appropriation is for a pilot program to provide grants to municipalities for up to 50 percent of the costs of infrastructure that would otherwise be required to be paid by the developer for new housing developments. The grants shall be limited to 16 housing units in the municipality and a maximum of \$12,000 per housing unit. This is a onetime appropriation.

Subd. 23. Stable Rental Housing Mediation

4,000,000

0

This appropriation is for housing mediation grants under Minnesota Statutes, section 462A.2098. This is a onetime appropriation.

Of this amount, up to \$300,000 may be used for administrative costs under Minnesota Statutes, section 462A.2098, subdivision 3.

Subd. 24. Manufactured Home Park Cooperative Purchase Program

10,000,000

0

(a) This appropriation is for grants under this subdivision.

(b) The funding under this subdivision may be used for grants to nonprofit organizations to assist manufactured home park residents in organizing and purchasing manufactured home parks, and for grants to provide down payment assistance to residents to purchase manufactured home parks.

(c) The agency may develop criteria for grant requests under this subdivision. Within 90 days of final enactment, the commissioner shall develop the forms, applications, and reporting requirements for use by eligible organizations. In developing these materials, the commissioner shall consult with manufactured housing cooperatives, resident-owned manufactured home communities, and nonprofit organizations working with manufactured housing cooperatives and resident-owned communities.

(d) Grantees must use funds to assist in the creation and preservation of housing that is affordable to households with incomes at or below 80 percent of the greater of state or area median income.

(e) A deed purchased with a grant under this section must contain a covenant running with the land requiring that the land be used as a manufactured home park for 30 years from the date of purchase.

(f) For the purposes of this subdivision, the terms "manufactured home," "manufactured home park," and "resident" have the meanings given in Minnesota Statutes, section 327C.015.

<u>Subd. 25. Manufactured Home Lending Grants</u>	<u>25,000,000</u>	<u>0</u>
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This appropriation is for the manufactured home lending grant program. This is a onetime appropriation.

<u>Subd. 26. Lead Safe Homes Grant Program</u>	<u>5,000,000</u>	<u>0</u>
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This appropriation is for the lead safe homes grant program under Minnesota Statutes, section 462A.2096. This is a onetime appropriation.

<u>Subd. 27. High-Rise Sprinkler System Grant Program</u>	<u>10,000,000</u>	<u>0</u>
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This appropriation is for the high-rise sprinkler system grant program. Of this amount, up to \$4,000,000 must be for a grant to CommonBond Communities for installation of sprinkler systems at two buildings known as Seward Tower West located at 2515 South 9th Street in Minneapolis and Seward Tower East located at 2910 East Franklin Avenue in Minneapolis. This is a onetime appropriation.

<u>Subd. 28. Rent Assistance Program</u>	<u>65,665,000</u>	<u>65,665,000</u>
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(a) This appropriation is for the rent assistance program under Minnesota Statutes, section 462A.2095. This appropriation is available until June 30, 2027. Up to five percent of the amount may be used in the first year to set up the program.

(b) The base for this program in fiscal year 2026 and beyond is \$10,000,000.

<u>Subd. 29. Homeownership Investment Grants Program</u>	<u>80,000,000</u>	<u>0</u>
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This appropriation is for the homeownership investment grants program. This is a onetime appropriation.

<u>Subd. 30. Housing Cost Reduction Incentive Program</u>	<u>2,500,000</u>	<u>0</u>
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This appropriation is for the housing cost reduction incentive program under Minnesota

Statutes, section 462A.41. This is a onetime appropriation.

Subd. 31. Availability and Transfer of Funds

Money appropriated in the first year in this article is available the second year. The commissioner may shift or transfer money in the second year in subdivisions 2, 3, 4, 5, 11, 12, and 13 to address high-priority housing needs.

Subd. 32. Report to Legislature

Each entity that receives funding in this act must submit a report by January 15 each year to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include information about grant awards, geographic distribution of projects, recipients of funds, and the housing units that were provided.

ARTICLE 2

HOUSING POLICY

Section 1. Minnesota Statutes 2022, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the

owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or ~~less~~ fewer dwelling units, one of which is occupied by the owner.

Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 42. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

Sec. 3. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 43. **Rent assistance program.** The agency may administer the rent assistance program established in section 462A.2095.

Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 44. **Housing disparities.** The agency must prioritize its use of appropriations for any program under this chapter to serve households most affected by housing disparities.

Sec. 5. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 45. **Special purpose credit program.** The agency may establish special purpose credit programs to assist one or more economically disadvantaged classes of persons in order to address the effects of historic and current discrimination which resulted in limiting access to housing credit by persons on the basis of race, color, ethnicity, or national origin. A special purpose credit program may include a wide variety of remedies, including but not limited to loans or other financial assistance, based on current, documented need as determined by the agency.

Sec. 6. Minnesota Statutes 2022, section 462A.2035, subdivision 1b, is amended to read:

Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible recipients may use manufactured home park infrastructure grants and loans under this program for:

- (1) acquisition of and improvements in manufactured home parks; and
- (2) infrastructure, including storm shelters and community facilities.

Sec. 7. Minnesota Statutes 2022, section 462A.204, subdivision 3, is amended to read:

Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe, a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction~~ may apply for and receive grants ~~for areas located outside the metropolitan area.~~

Sec. 8. **[462A.2095] RENT ASSISTANCE PROGRAM.**

Subdivision 1. **Program established.** The state rent assistance account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for grants to program administrators for the purposes specified in this section.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible household" means a household with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying more than 30 percent of the household's annual income on rent. Eligibility is determined at the time a household first receives rent assistance under this section. Eligibility shall be recertified every year thereafter. Eligible household does not include a household receiving federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended.

(c) "Program administrator" means:

(1) a housing and redevelopment authority or other local government agency or authority that administers federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended;

(2) a Tribal government or Tribally designated housing entity; or

(3) if the local housing authority, Tribal government, or Tribally designated housing entity declines to administer the program established in this section, a nongovernmental organization determined by the agency to have the capacity to administer the program.

Subd. 3. **Grants to program administrators.** (a) The agency may make grants to program administrators to provide rental assistance for eligible households. For both tenant-based and project-based assistance, program administrators shall pay assistance directly to housing providers. Rental assistance may be provided in the form of tenant-based assistance or project-based assistance. To the extent practicable, the agency must make grants statewide in proportion to the number of households eligible for assistance in each county according to the most recent American Community Survey of the United States Census Bureau.

(b) The program administrator may use its existing procedures to administer the rent assistance program or may develop alternative procedures with the goals of reaching households most in need and incentivizing landlord participation. The agency must approve a program administrator's alternative procedures. Priority for rental assistance shall be given to households with children 18 years of age and under, and annual incomes of up to 30 percent of the area median income.

Subd. 4. **Amount of rent assistance.** A program administrator may provide tenant-based or project-based vouchers in amounts equal to the difference between 30 percent of household income and the rent charged, plus an allowance for utilities if not included in rent. A program administrator may not provide assistance that is more than the difference between 30 percent of the tenant's gross income and 120 percent of the payment standard, plus utilities, as established by the local public housing authority, unless otherwise authorized by the agency.

Subd. 5. **Administrative fees.** The agency shall consult with public housing authorities to determine the amount of administrative fees to pay to program administrators.

Subd. 6. **Rent assistance not income.** (a) Rent assistance grant money under this section is excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

(b) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for state public assistance, including but not limited to:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under chapter 256D;

(3) housing support under chapter 256I;

(4) Minnesota family investment program and diversionary work program under chapter 256J; and

(5) economic assistance programs under chapter 256P.

(c) The commissioner of human services must not consider rent assistance grant money under this section as income or assets under section 256B.056, subdivision 1a, paragraph (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section 256B.057, subdivision 3, 3a, or 3b.

Subd. 7. **Oversight.** The agency may direct program administrators to comply with applicable sections of Code of Federal Regulations, title 24, part 982.

Sec. 9. **[462A.2096] LEAD SAFE HOMES GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support making homes safer through lead testing and hazard reduction.

Subd. 2. **Eligible projects.** (a) The commissioner may award a grant under this section for any project that will:

(1) provide lead risk assessments completed by a lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to section 144.9505 for properties built before 1978 to determine the presence of lead hazards;

(2) provide interim controls to reduce lead health hazards; and

(3) serve low-income residents. For multifamily rental properties, at least 50 percent of the tenants must have an income below 60 percent of the area median income.

(b) The commissioner must give priority to funding projects that serve areas where there are high concentrations of lead poisoning in children based on information provided by the commissioner of health.

(c) The commissioner must not award a grant unless all other available state and federal funding sources related to lead testing and hazard reduction for which an applicant is eligible are used.

(d) The commissioner must balance grant awards so that projects occur within and outside metropolitan counties as defined in section 473.121, subdivision 4.

(e) Up to ten percent of a grant award may be used to administer the grant and provide education and outreach about lead health hazards.

Subd. 3. **Grant eligibility.** A nonprofit organization or local unit of government may apply for a grant under this section.

Subd. 4. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

Sec. 10. **[462A.2098] MINNESOTA HOUSING MEDIATION GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The agency shall establish a housing mediation program to reduce negative consequences to renters, rental property owners, families, schools, employers, neighborhoods, and communities by providing support to renters and residential rental property owners.

Subd. 2. **Selection criteria.** The agency shall award grants to community dispute resolution programs certified under section 494.015. The agency shall develop forms and procedures for soliciting and reviewing applications for grants under this section.

Subd. 3. **Administration.** The agency shall award a grant to Community Mediation Minnesota to administrate the housing mediation program to ensure effective statewide management, program design, and outreach among the grantees.

Subd. 4. **Authorized uses of grant.** The grant funding must be used to:

(1) provide housing dispute resolution services;

(2) increase awareness of and access to housing dispute resolution services statewide;

(3) provide alternative dispute resolution services, including but not limited to eviction prevention, mediation, and navigation services;

(4) partner with culturally specific dispute resolution programs to provide training and assistance with virtual and in-person mediation services;

(5) increase mediation services for seniors and renters with disabilities and illnesses that face housing instability;

(6) increase the diversity and cultural competency of the housing mediator roster;

(7) integrate housing mediation services with navigation and resource connection services, legal assistance, and court services programs; and

(8) develop and administer evaluation tools to design, modify, and replicate effective program outcomes.

Sec. 11. Minnesota Statutes 2022, section 462A.201, subdivision 2, is amended to read:

Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust fund account to provide loans or grants for:

(1) projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units, including temporary and transitional housing;

(2) the costs of operating rental housing, as determined by the agency, that are unique to the operation of low-income rental housing or supportive housing;

(3) rental assistance, either project-based or tenant-based; and

(4) programs to secure stable housing for families with minor children or with children eligible for enrollment in a prekindergarten through grade 12 academic program.

For purposes of this section, "transitional housing" has the meaning given by the United States Department of Housing and Urban Development. Loans or grants for residential housing for migrant farmworkers may be made under this section.

(b) The housing trust fund account must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 60 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area. At least 75 percent of the funds in the housing trust fund account must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. For purposes of this section, a household with a housing assistance voucher under Section 8 of the United States Housing Act of 1937, as amended, is deemed to meet the income requirements of this section.

The median family income may be adjusted for families of five or more.

(c) Rental assistance under this section must be provided by governmental units which administer housing assistance supplements or by for-profit or nonprofit organizations experienced in housing management. Rental assistance shall be limited to households whose income at the time of initial receipt of rental assistance does not exceed 60 percent of median income, as determined by the United States Department of Housing and Urban Development for the metropolitan area. Priority among comparable applications for tenant-based rental assistance will be given to proposals that will serve households whose income at the time of initial application for rental assistance does not exceed 30 percent of median income, as determined by the United States Department of Housing and Urban Development for the metropolitan area. Rental assistance must be terminated when it is determined that 30 percent of a household's monthly income for four consecutive months equals or exceeds the market rent for the unit in which the household resides plus utilities for which the tenant is responsible. Rental assistance may only be used for rental housing units that meet the housing maintenance code of the local unit of government in which the unit is located, if such a code has been adopted, or the housing quality standards adopted by the United States Department of Housing and Urban Development, if no local housing maintenance code has been adopted.

(d) In making the loans or grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt rules for awarding grants and loans under this subdivision.

Sec. 12. Minnesota Statutes 2022, section 462A.204, subdivision 8, is amended to read:

Subd. 8. **School Childhood housing stability.** (a) The agency in consultation with the Interagency Council on Homelessness may establish a ~~school~~ childhood housing stability project under the family homeless prevention and assistance program. The purpose of the project is to secure stable housing for families with ~~school-age minor children~~ or with children eligible for enrollment in a prekindergarten through grade 12 academic program who have moved frequently and for unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors who are leaving foster care or juvenile correctional facilities, or minors who meet the definition of a child in need of services or protection under section 260C.007, subdivision 6, but for whom no court finding has been made pursuant to that statute.

(b) The agency shall make grants to family homeless prevention and assistance projects in communities with: (1) a school or schools that have a significant degree of student mobility; (2) a significant degree of homelessness among families with minor children; or (3) children eligible for enrollment in a prekindergarten through grade 12 academic program.

(c) Each project must be designed to reduce school absenteeism; stabilize children in one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each project must include plans for the following:

(1) targeting of families with minor children or with children who are eligible for enrollment in a prekindergarten through grade 12 academic program ~~and who~~ are living in overcrowded conditions in their current housing; are paying more than 50 percent of their income for rent; or ~~who~~ lack a fixed, regular, and adequate nighttime residence;

(2) targeting of unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the families' stability in their home, including but not limited to housing navigation, legal representation, and family outreach; and

(4) one or more of the following:

(i) provision of rental assistance for a specified period of time, which may exceed 24 months; or

(ii) provision of support and case management services to improve housing stability, including but not limited to housing navigation and family outreach.

(d) In selecting projects for funding under this subdivision, preference shall be given to organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause (4).

(e) No grantee under this subdivision is required to have an advisory committee as described in subdivision 6.

Sec. 13. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including but not limited to the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency shall adopt rules, policies, and procedures specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those applicants that include low-income persons in their membership, have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions. ~~Grants under this subdivision may be made only with specific appropriations by the legislature.~~

Sec. 14. Minnesota Statutes 2022, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes that are general obligations of the agency and secured by its full faith and credit, as described in section 462A.08, subdivision 3, and which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of \$5,000,000,000.

Sec. 15. Minnesota Statutes 2022, section 462A.36, is amended by adding a subdivision to read:

Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit housing bonds that may be issued from time to time will not be subject to the dollar limitation contained in subdivision 2 nor will those bonds be included in computing the amount of bonds that may be issued within that dollar limitation.

(b) In the refunding of nonprofit housing bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all nonprofit housing bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 16. Minnesota Statutes 2022, section 462A.36, subdivision 4, is amended to read:

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 17. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

(e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

(f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that:

(1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal Revenue Code;

(2) finance qualified residential rental projects within the meaning of section 142(d) of the Internal Revenue Code; or

~~(3) finance the construction or rehabilitation of single-family houses that qualify for mortgage financing within the meaning of section 143 of the Internal Revenue Code; or~~

~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

(g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(h) "Senior" means a person 55 years of age or older ~~with an annual income not greater than 50 percent of:~~

~~(1) the metropolitan area median income for persons in the metropolitan area; or~~

~~(2) the statewide median income for persons outside the metropolitan area.~~

(i) "Senior household" means a household with one or more senior members and with an annual combined income not greater than 50 percent of:

(1) the metropolitan area median income for persons in the metropolitan area; or

(2) the statewide median income for persons outside the metropolitan area.

~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at least one senior per unit~~ senior households, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors. Senior housing may be developed in conjunction with and as a distinct portion of mixed-income senior housing developments that use a variety of public or private financing sources.

~~(k)~~ (k) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 18. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of ~~clause~~ clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income home buyers;

(4) to finance the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;

(6) to finance the costs of acquisition ~~and~~, rehabilitation, and replacement of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs; ~~and~~

(7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing-; and

(8) to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to ~~seniors~~ senior households;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and

~~(4) provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and~~

~~(5) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.~~

(d) To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of the area median income.

(f) If a loan recipient uses the loan for any of the purposes in paragraph (a) on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph will relieve a project funded by the agency from meeting other applicable accessibility requirements.

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

Sec. 19. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2i. **Additional authorization.** In addition to the amounts authorized in subdivisions 2 to 2h, the agency may issue up to \$250,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

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

Sec. 20. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in one or more series to refund bonds authorized in this section. The amount of refunding housing infrastructure bonds that may be issued from time to time will not be subject to the dollar limitation contained in any of the authorizations in this section nor will those bonds be included in computing the amount of bonds that may be issued within those dollar limitations.

(b) In the refunding of housing infrastructure bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all housing infrastructure bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 21. Minnesota Statutes 2022, section 462A.37, subdivision 4, is amended to read:

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the ~~affordable~~ housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 22. Minnesota Statutes 2022, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph

(a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure

bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) Each July 15, beginning in 2024 and through 2045, if any housing infrastructure bonds issued under subdivision 2i remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(k) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 23. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants to cities, counties, Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Sec. 24. Minnesota Statutes 2022, section 462A.39, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of ~~the~~ a metropolitan area ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside ~~the~~ a metropolitan area ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4; federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 25. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed ~~25~~ 50 percent of the rental housing development project cost. The commissioner shall not award a grant or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible project area that the amount of the grant or deferred loans shall be matched by a local unit of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe, with \$1 for every \$2 provided in grant or deferred loans funds.

Sec. 26. **[462A.41] HOUSING COST REDUCTION INCENTIVE PROGRAM.**

Subdivision 1. **Grant program established.** The agency must establish and administer the housing cost reduction incentive program for the purpose of reimbursing cities for fee waivers or reductions provided to qualified multifamily housing developments and single-family, owner-occupied housing developments through local fee waiver and inclusionary housing programs.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Applicant" means any statutory or home rule charter city or county.

(c) "Inclusionary housing program" means a program that requires at least 25 percent of new construction to be affordable to households with incomes at or below 80 percent of the area median income for multifamily housing developments or 115 percent of the area median income for single-family, owner-occupied housing developments.

(d) "Local fee waiver program" means a program established by a statutory or home rule charter city that waives or reduces fees for developers of qualified multifamily housing developments and single-family, owner-occupied housing developments.

(e) "Multifamily housing development" has the meaning given in section 462C.02, subdivision 5, except that only new construction qualifies.

(f) "Program" means the housing cost reduction incentive program established in this section.

(g) "Single-family housing" has the meaning given in section 462C.02, subdivision 4, except that only manufactured or modular homes and new construction qualify.

Subd. 3. **Application.** (a) The agency must develop forms and procedures for soliciting and reviewing applications for grants under this section. An application of a city must include, at a minimum, information about the local fee waiver and inclusionary housing programs under which the city issued fee waivers or reductions.

(b) The agency must evaluate complete applications for funding for reimbursement for eligible fee waivers or reductions to determine whether the fee waiver or reduction is necessary to increase the number of multifamily housing developments and single-family, owner-occupied housing developments within the applicant's boundaries.

(c) The determination of whether to award a grant for reimbursement of fee waivers or reductions is within the discretion of the agency, subject to this section. The agency's decision and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 4. **Grant amount.** The commissioner may award grants to applicants in an amount up to 50 percent of the amount of the development impact fee waived or reduced by a city for a qualified rental housing development. A city may receive no more than \$250,000 per multifamily housing development or single-family housing project.

Sec. 27. [462A.42] SUPPORTIVE HOUSING PROGRAM.

Subdivision 1. **Establishment.** The agency shall establish a supportive housing program to provide funding to support the operations of supportive housing for individuals and families who are at risk of homelessness or have experienced homelessness.

Subd. 2. **Definition.** For the purposes of this section, "supportive housing" means housing that is not time-limited and provides or coordinates with services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 3. **Eligible recipients.** Funding may be made to a local unit of government, a federally recognized American Indian Tribe or its Tribally Designated Housing Entity located in Minnesota, a private developer, or a nonprofit organization.

Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive housing to operate effectively. Costs may include but are not limited to building operating expenses such as front desk, tenant service coordination, revenue shortfall, and security costs. These funds may be capitalized as part of development costs. Funds may be provided to support existing permanent supportive housing units or to cover costs associated with new permanent supportive housing units.

(b) Funds may be used to create partnerships with the health care sector and other sectors to demonstrate sustainable ways to provide services for supportive housing residents, improve access to health care, and reduce the use of expensive emergency and institutional care. This may be done in partnership with other state agencies, including the Department of Health and the Department of Human Services.

Subd. 5. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing applications for funding under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program.

Sec. 28. [462A.43] COMMUNITY STABILIZATION PROGRAM.

Subdivision 1. **Establishment.** The agency shall establish a community stabilization program to provide grants or loans to preserve naturally occurring affordable housing through acquisition, acquisition and rehabilitation, or rehabilitation.

Subd. 2. **Definitions.** For the purposes of this section, "naturally occurring affordable housing" means:

(1) multiunit rental housing that:

(i) is at least 20 years old; and

(ii) has rents in a majority of units that are affordable to households at or below 60 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; or

(2) owner-occupied housing located in communities where market pressures or significant deferred rehabilitation needs, as defined by the agency, are creating opportunities for displacement or the loss of owner-occupied housing affordable to households at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to a local unit of government; federally recognized American Indian Tribe located in Minnesota or its Tribally Designated Housing Entity; private developer; limited equity cooperative; cooperative created under chapter 308A or 308B; community land trust created for the purposes outlined in section 462A.31, subdivision 1; or nonprofit organization.

(b) The agency may make a grant to a statewide intermediary to facilitate the acquisition and associated rehabilitation of existing multiunit rental housing and may use an intermediary or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

Subd. 4. **Eligible uses.** The program shall provide grants or loans for the purpose of acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support the preservation of naturally occurring affordable housing. Priority in funding shall be given to proposals that serve lower incomes and maintain longer periods of affordability.

Subd. 5. **Owner-occupied housing income limits.** Households served through grants or loans related to owner-occupied housing must have, at initial occupancy, income that is at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 6. **Multifamily housing rent limits.** Multifamily housing financed through grants or loans under this section must remain affordable to low-income or moderate-income households as defined by the agency.

Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting and reviewing applications for loans or grants under this section. The agency shall consult with interested stakeholders when developing the guidelines and procedures for the program.

(b) Notwithstanding any other applicable law, the agency may accept applications on a noncompetitive, rolling basis in order to provide funds for eligible properties as they become available.

Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that receive funds must accept rental subsidies, including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 29. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11, is amended to read:

Subd. 11. Affordable Rental Investment Fund	4,218,000	4,218,000
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(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, replacement, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2021.

Sec. 30. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE FUND.**

Subdivision 1. Establishment. A first-generation homebuyers down payment assistance fund is established as a pilot project under the administration of the Midwest Minnesota Community Development Corporation, a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible first-generation homebuyers.

Subd. 2. Eligible homebuyer. For purposes of this section, "eligible homebuyer" means a borrower:

(1) whose income is at or below 100 percent of the area median income at the time of purchase;

(2) who either never owned a home or who owned a home but lost it due to foreclosure;

(3) who is preapproved for a first mortgage loan; and

(4) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

For joint borrowers, the combined income of all borrowers must be at or below 100 percent of the area median income at the time of purchase. One borrower must be an eligible homebuyer. An eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a one or two unit home, not to exceed \$32,000. Funds are reserved at the issuance of preapproval. Reservation of funds is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. Funds may be used for closing costs, down payment, or principal reduction. The eligible homebuyer may select any first mortgage lender or broker. The funds must be used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible homebuyer may qualify for and the loan placed in any priority position.

Subd. 4. **Administration.** The first-generation homebuyers down payment assistance fund is available statewide and shall be administered by Midwest Minnesota Community Development Corporation, the designated central CDFI. Midwest Minnesota Community Development Corporation may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible homebuyers. Administrative costs must not exceed \$3,200 per loan. Any funds recaptured prior to June 30, 2026, are deposited in the fund established in subdivision 1 and are to be redistributed to eligible homebuyers. Any unused funds, or funds recaptured on or after June 30, 2026, shall be remitted to the agency to be returned to the general fund.

Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, Midwest Minnesota Community Development Corporation, must report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy the following information:

(1) the number and amount of loans closed;

(2) the median loan amount;

(3) the number and amount of loans issued by race or ethnic categories;

(4) the median home purchase price;

- (5) the interest rates and types of mortgages;
- (6) the total amount returned to the fund; and
- (7) the number and amount of loans issued by county.

Sec. 31. **GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency may make grants to cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only after determining that nonstate resources are committed to complete the project. The nonstate contribution may be either cash or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may be a single-family or multifamily housing development, and either owner-occupied or rental.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city must include in its application a resolution of the city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A city may receive no more than \$30,000 per lot for single-family, duplex, triplex, or fourplex housing developed and no more than \$60,000 per lot for multifamily housing with more than four units per building. A city may receive no more than \$500,000 in two years for one or more housing developments.

Subd. 6. **Cancellation of grant; return of grant money.** If, after five years, the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project.

Sec. 32. HIGH-RISE SPRINKLER SYSTEM GRANT PROGRAM.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible building" means an existing residential building in which:

(1) at least one story used for human occupancy is 75 feet or more above the lowest level of fire department vehicle access; and

(2) at least two-thirds of its units are rented to an individual or family with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent.

(c) "Sprinkler system" means the same as the term "fire protection system" as defined in Minnesota Statutes, section 299M.01.

Subd. 2. **Grant program.** The commissioner of the Housing Finance Agency must make grants to owners of eligible buildings for installation of sprinkler systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible building shall be \$2,000,000. Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization shall require a 50 percent match.

Sec. 33. REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE SPRINKLER SYSTEMS.

(a) A city of the first or second class shall provide to the state fire marshal a list by June 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential building in the city that:

(1) has at least one story used for human occupancy that is 75 feet or more above the lowest level of fire department vehicle access;

(2) was not subject to a requirement to include a sprinkler system at the time the building was constructed; and

(3) has not been retrofitted with a sprinkler system.

(b) The state fire marshal shall submit the lists within 60 days of the due dates under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over the State Building Code, State Fire Code, and Minnesota Housing Finance Agency.

Sec. 34. EXPEDITING RENTAL ASSISTANCE ADVISORY GROUP.

The commissioner shall convene stakeholders to evaluate methods of processing applications for rental assistance and emergency rental assistance, methods of distributing rental assistance funds, and ways to expedite these processes. The advisory group shall have a range of stakeholder representation as determined by the commissioner. By January 31, 2024, the commissioner must report to the legislative committees with jurisdiction over housing finance and policy with the findings of the advisory group, including recommendations to improve rental assistance procedures.

Sec. 35. HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a program to support projects that encourage affordable homeownership in accordance with this section.

Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for a project that invests in the following:

- (1) housing development to increase the supply of affordable owner-occupied homes;
- (2) financing programs for affordable owner-occupied new home construction;
- (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes to be converted to owner-occupied homes;
- (4) financing programs for affordable owner-occupied manufactured housing; or
- (5) services to increase access to stable, affordable, owner-occupied housing in low-income communities, American Indian communities, and communities of color.

The commissioner must ensure grant awards are distributed throughout the state based on population.

Subd. 3. **Eligible organization.** To be eligible for a grant under this section, a nonprofit organization must:

- (1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);
- (2) have primary operations located in Minnesota;
- (3) be certified as a community development financial institution by the United States Department of the Treasury; and
- (4) provide affordable housing lending or financing programs.

Subd. 4. **Application.** An organization applying for a grant must include as part of their application a plan to create new affordable home ownership and home preservation opportunities for targeted areas.

Subd. 5. **Report.** By January 15, 2024, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy detailing the use of funds under this section.

Sec. 36. **MANUFACTURED HOME REVOLVING LOAN PROGRAM.**

Subdivision 1. Revolving loan program established. The commissioner of the Minnesota Housing Finance Agency must award a grant to an organization to establish and administer a revolving loan fund that can be used to offer interest-free loans for residents of manufactured home parks to purchase the manufactured home park in which they reside for the purpose of conversion of the manufactured home park to cooperative ownership.

Subd. 2. Eligible services. The commissioner may award a grant under this section to an organization providing lending funds for the following services:

- (1) new manufactured home financing programs;
- (2) manufactured home down payment assistance; or
- (3) manufactured home repair, renovation, removal, and site preparation financing programs.

Subd. 3. Eligible organization. To be eligible for a grant under this section, a nonprofit organization must:

- (1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);
- (2) have primary operations located in Minnesota;
- (3) be a qualified nonprofit lender or certified as a community development financial institution by the United States Department of the Treasury;
- (4) provide affordable housing lending or financing programs; and
- (5) serve low-income populations in manufactured home communities owned by residents, cooperatives, nonprofits, or municipalities.

Subd. 4. Application. Within 90 days of final enactment, the commissioner shall develop the forms, applications, and reporting requirements for use by eligible organizations. In developing these materials, the commissioner shall consult with manufactured housing cooperatives, resident-owned manufactured home communities, and nonprofit organizations working with manufactured housing cooperatives and resident-owned communities.

Subd. 5. Loan payments and interest. Interest earned and repayments of principal from loans issued under this section must be used for the purposes of this section.

Subd. 6. Report. By January 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy detailing the use of funds under this section. The report must include the following information:

- (1) the number and amount of loans issued;
- (2) the amount of loans that have been repaid;

(3) the amount of interest earned within the fund and the remaining balance of the revolving loan fund;

(4) the number of residents included in each project; and

(5) the location of each project."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; making policy and technical changes to housing provisions; establishing housing programs; appropriating money; requiring reports; authorizing the sale and issuance of housing infrastructure bonds; amending Minnesota Statutes 2022, sections 462A.05, subdivision 14, by adding subdivisions; 462A.201, subdivision 2; 462A.2035, subdivision 1b; 462A.204, subdivisions 3, 8; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 462A."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 2566, be recommended to pass as amended and be re-referred.

There were yeas 6 and nays 2, as follows:

Those who voted in the affirmative were:

Senators Boldon, Housley, Mohamed, Pha, Port, and Rest.

Those who voted in the negative were:

Senators Draheim and Lucero.

The motion prevailed.

Senator McEwen from the Committee on Labor, to which was referred

S.F. No. 2782: A bill for an act relating to state government; establishing the governor's biennial budget for the Department of Labor and Industry, Workers' Compensation Court of Appeals, and Bureau of Mediation Services; providing earned sick and safe time; protecting agricultural and food processing workers; establishing nursing home workforce standards; protecting petroleum refinery workers; modifying combative sports; modifying other miscellaneous policy provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 175.16, subdivision 1; 177.26, subdivisions 1, 2; 177.27, subdivisions 2, 4, 7; 178.01; 178.011, subdivision 7; 178.03, subdivision 1; 178.11; 179.86, subdivisions 1, 3, by adding subdivisions; 179A.041, by adding a subdivision; 181.14, subdivision 1; 181.635, subdivisions 1, 2, 3, 4, 6; 181.85,

subdivisions 2, 4; 181.86, subdivision 1; 181.87, subdivisions 2, 3, 7; 181.88; 181.89, subdivision 2, by adding a subdivision; 181.942, subdivision 1; 181.9435, subdivision 1; 181.9436; 181.944; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 326B.092, subdivision 6; 326B.096; 326B.103, subdivision 13, by adding subdivisions; 326B.106, subdivision 1, by adding a subdivision; 341.21, subdivisions 2a, 2b, 2c, 4f, 7, by adding a subdivision; 341.221; 341.25; 341.27; 341.28, subdivisions 2, 3, by adding subdivisions; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; 341.33; 341.355; proposing coding for new law in Minnesota Statutes, chapters 13; 177; 181; 341; repealing Minnesota Statutes 2022, sections 177.26, subdivision 3; 181.9413.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

(b) If an appropriation in this article is enacted more than once in the 2023 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. **DEPARTMENT OF LABOR AND INDUSTRY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>46,561,000</u>	<u>\$</u>	<u>43,504,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>6,911,000</u>	<u>5,227,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>29,739,000</u>	<u>31,512,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>9,911,000</u>	<u>6,765,000</u>

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

Subd. 2. General Support

8,765,000

9,106,000

This appropriation is from the workers' compensation fund.

Subd. 3. Labor Standards

6,972,000

6,608,000

Appropriations by Fund

<u>General</u>	<u>5,409,000</u>	<u>4,973,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>1,563,000</u>	<u>1,635,000</u>

(a) \$2,046,000 each year is for wage theft prevention.

(b) \$1,563,000 the first year and \$1,635,000 the second year are from the workforce development fund for prevailing wage enforcement.

(c) \$268,000 the first year and \$276,000 the second year are for outreach and enforcement efforts related to changes to the nursing mothers, lactating employees, and pregnancy accommodations law.

(d) \$184,000 the first year and \$142,000 the second year are to strengthen workplace protections for agricultural and food processing workers.

(e) \$661,000 the first year and \$357,000 the second year are to perform work for the Nursing Home Workforce Standards Board. The base is \$404,000 in fiscal year 2026 and \$357,000 in fiscal year 2027.

(f) \$225,000 the first year and \$169,000 the second year are for the purposes of article 6.

(g) \$245,000 the first year and \$138,000 the second year are to the Attorney General's Office for the purposes of article 6.

(h) \$59,000 the first year and \$25,000 the second year are to the Department of

Revenue to implement and administer the change to the state income tax subtraction for the purposes of article 7.

(i) \$175,000 the first year and \$175,000 the second year are to the Attorney General's Office to enforce construction workers wage protections.

<u>Subd. 4. Workers' Compensation</u>	<u>15,190,000</u>	<u>15,725,000</u>
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This appropriation is from the workers' compensation fund.

<u>Subd. 5. Workplace Safety</u>	<u>7,043,000</u>	<u>6,681,000</u>
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Appropriations by Fund

<u>General</u>	<u>1,259,000</u>	<u>-0-</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>5,784,000</u>	<u>6,681,000</u>

(a) \$477,000 the first year and \$1,128,000 the second year are from the workers' compensation fund for education and outreach, staffing, and technology development of the ergonomics program under Minnesota Statutes, section 182.677. The base appropriation is \$1,487,000 in fiscal year 2026 and \$1,196,000 in fiscal year 2027.

(b) \$1,259,000 the first year for the ergonomics safety grant program. This amount is available until June 30, 2026. This is a onetime appropriation.

<u>Subd. 6. Workforce Development Initiatives</u>	<u>2,659,000</u>	<u>2,371,000</u>
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(a) This appropriation is from the workforce development fund.

(b) \$300,000 each year is from the workforce development fund for the pipeline program.

(c) \$200,000 each year is from the workforce development fund for identification of competency standards under Minnesota Statutes, section 175.45.

(d) \$1,500,000 each year is from the workforce development fund for youth skills

training grants under Minnesota Statutes, section 175.46.

(e) \$359,000 the first year and \$371,000 the second year are from the workforce development fund for administration of the youth skills training grants under Minnesota Statutes, section 175.46.

(f) \$300,000 the first year is for a grant to Independent School District No. 294, Houston, for the Minnesota Virtual Academy's career pathways program with Operating Engineers Local 49. The program may include up to five semesters of courses and must lead to eligibility into the Operating Engineers Local 49 apprenticeship program.

(1) The grant may be used to encourage and support student participation in the career pathways program through additional academic, counseling, and other support services provided by the student's enrolling school district. The Minnesota Virtual Academy may contract with a student's enrolling school district to provide these services.

(2) The career pathways program must provide outreach to and encourage participation in its programming by students of color, Indigenous students, students from families with low income, students located throughout Minnesota, and underserved students. This appropriation does not cancel and is available until June 30, 2025.

Subd. 7. **Combative Sports**

243,000

254,000

Subd. 8. **Apprenticeship**

5,689,000

2,759,000

(a) This appropriation is from the workforce development fund.

(b) \$1,330,000 the first year and \$1,392,000 the second year are from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(c) \$1,134,000 the first year and \$1,142,000 the second year are from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11.

(d) \$3,000,000 onetime in the first year is from the workforce development fund for grants to registered apprenticeship programs for clean economy occupations. Of this amount, up to five percent is for administration and monitoring of the program. This appropriation is available until June 30, 2026. Grant funds may be used to:

(1) purchase equipment or training materials in clean technologies;

(2) fund instructor professional development in clean technologies;

(3) design and refine curriculum in clean technologies; and

(4) train apprentices and upskill incumbent workers in clean technologies.

(e) \$225,000 the first year and \$225,000 the second year are from the workforce development fund for grants to Building Strong Communities for the Helmets to Hardhats Minnesota initiative. Grant money must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation in apprenticeship programs registered with the Department of Labor and Industry and connect service members and veterans with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age.

**Sec. 3. WORKERS' COMPENSATION COURT
OF APPEALS****\$ 2,583,000 \$ 2,563,000**

This appropriation is from the workers'
compensation fund.

Sec. 4. BUREAU OF MEDIATION SERVICES**\$ 2,957,000 \$ 3,039,000**

(a) \$68,000 each year is for grants to area
labor management committees. Grants may
be awarded for a 12-month period beginning
July 1 each year. Any unencumbered balance
remaining at the end of the first year does
not cancel but is available for the second
year.

(b) \$47,000 each year is for rulemaking,
staffing, and other costs associated with
peace officer grievance procedures.

ARTICLE 2**AGRICULTURE AND FOOD PROCESSING WORKERS**

Section 1. Minnesota Statutes 2022, section 179.86, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purpose of this section, "employer" means an employer in the meatpacking or poultry processing industry.

Sec. 2. Minnesota Statutes 2022, section 179.86, subdivision 3, is amended to read:

Subd. 3. **Information provided to employee by employer.** (a) At the start of employment, an employer must provide an explanation in an employee's native language of the employee's rights and duties as an employee ~~either both~~ person to person ~~or~~ and through written materials that, at a minimum, include:

(1) a complete description of the salary and benefits plans as they relate to the employee;

(2) a job description for the employee's position;

(3) a description of leave policies;

(4) a description of the work hours and work hours policy; ~~and~~

(5) a description of the occupational hazards known to exist for the position; and

(6) when workers' compensation insurance coverage is required by chapter 176, the name of the employer's workers' compensation insurance carrier, the carrier's phone number, and the insurance policy number.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

(1) the right to organize and bargain collectively and refrain from organizing and bargaining collectively;

(2) the right to a safe workplace; ~~and~~

(3) the right to be free from discrimination; and

(4) the right to workers' compensation insurance coverage.

(c) The Department of Labor and Industry shall provide a standard explanation form for use at the employer's option for providing the information required in this subdivision. The form shall be available in English and Spanish and additional languages upon request.

(d) The requirements under this subdivision are in addition to the requirements under section 181.032.

Sec. 3. Minnesota Statutes 2022, section 179.86, is amended by adding a subdivision to read:

Subd. 5. **Civil action.** An employee injured by a violation of this section has a cause of action for damages for the greater of \$1,000 per violation or twice the employee's actual damages, plus costs and reasonable attorney fees. A damage award shall be the greater of \$1,400 or three times actual damages for an employee injured by an intentional violation of this section. Damages awarded under this subdivision shall be reduced by the amount of any fine paid to the employee under subdivision 6.

Sec. 4. Minnesota Statutes 2022, section 179.86, is amended by adding a subdivision to read:

Subd. 6. **Fine.** The commissioner of labor and industry shall fine an employer not less than \$400 or more than \$1,000 for each violation of subdivision 3. The fine shall be payable to the employee aggrieved, except the amount payable to the employee shall be reduced by any damages awarded under subdivision 5.

Sec. 5. Minnesota Statutes 2022, section 181.14, subdivision 1, is amended to read:

Subdivision 1. **Prompt payment required.** (a) When any such employee quits or resigns employment, the wages or commissions earned and unpaid at the time the employee quits or resigns shall be paid in full not later than the first regularly scheduled payday following the employee's final day of employment, unless an employee is subject to a collective bargaining agreement with a different provision. Wages are earned and unpaid if the employee was not paid for all time worked at the employee's regular rate of pay or at the rate required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater. If the first regularly scheduled payday is less than five calendar days following the employee's final day of employment, full payment may be delayed until the second regularly scheduled payday but shall not exceed a total of 20 calendar days following the employee's final day of employment.

(b) Notwithstanding the provisions of paragraph (a), in the case of migrant workers, as defined in section 181.85, the wages or commissions earned and unpaid at the time the employee quits or resigns shall become due and payable within ~~five~~ three days thereafter.

Sec. 6. Minnesota Statutes 2022, section 181.635, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Employer" means a person who employs another to perform a service for hire. Employer includes any agent or attorney of an employer who, for money or other valuable consideration paid or promised to be paid, performs any recruiting.

(b) "Person" means a corporation, partnership, limited liability company, limited liability partnership, association, individual, or group of persons.

(c) "Recruits" means to induce an individual, directly or through an agent, to relocate to Minnesota or within Minnesota to work in food processing by an offer of employment or of the possibility of employment.

(d) "Food processing" means canning, packing, or otherwise processing poultry or meat for consumption.

(e) "Terms and conditions of employment" means the following:

- (1) nature of the work to be performed;
- (2) wage rate, nature and amount of deductions for tools, clothing, supplies, or other items;
- (3) anticipated hours of work per week, including overtime;
- (4) anticipated slowdown or shutdown or if hours of work per week vary more than 25 percent from clause (3);
- (5) duration of the work;
- (6) workers' compensation coverage and name, address, and telephone number of insurer and Department of Labor and Industry;
- (7) employee benefits available, including any health plans, sick leave, or paid vacation;
- (8) transportation and relocation arrangements with allocation of costs between employer and employee;
- (9) availability and description of housing and any costs to employee associated with housing; and
- (10) any other item of value offered, and allocation of costs of item between employer and employee.

Sec. 7. Minnesota Statutes 2022, section 181.635, subdivision 2, is amended to read:

Subd. 2. **Recruiting; required disclosure.** (a) An employer shall provide written disclosure of the terms and conditions of employment to a person at the time it recruits the person to relocate to work in the food processing industry. The disclosure requirement does not apply to an exempt employee as defined in United States Code, title 29, section 213(a)(1). The disclosure must be written in English and Spanish, or English and another language if the person's preferred language is not English or Spanish, dated and signed by the employer and the person recruited, and maintained by the employer for ~~two~~ three years. A copy of the signed and completed disclosure must be delivered immediately to the recruited person. The disclosure may not be construed as an employment contract.

(b) The requirements under this subdivision are in addition to the requirements under section 181.032.

Sec. 8. Minnesota Statutes 2022, section 181.635, subdivision 3, is amended to read:

Subd. 3. **Civil action.** A person injured by a violation of this section has a cause of action for damages for the greater of ~~\$500~~ \$1,000 per violation or twice their actual damages, plus costs and reasonable attorney's fees. A damage award shall be the greater of ~~\$750~~ \$1,400 or three times actual damages for a person injured by an intentional violation of this section. Damages awarded under this subdivision shall be reduced by the amount of any fine paid to the employee under subdivision 4.

Sec. 9. Minnesota Statutes 2022, section 181.635, subdivision 4, is amended to read:

Subd. 4. **Fine.** The Department of Labor and Industry shall fine an employer not less than ~~\$200~~ \$400 or more than ~~\$500~~ \$1,000 for each violation of this section. The fine shall be payable to the employee aggrieved, except the amount payable to the employee shall be reduced by any damages awarded under subdivision 3.

Sec. 10. Minnesota Statutes 2022, section 181.635, subdivision 6, is amended to read:

Subd. 6. **Standard disclosure form.** The Department of Labor and Industry shall provide a standard form for use at the employer's option in making the disclosure required in subdivision 2. The form shall be available in English and Spanish and additional languages upon request.

Sec. 11. Minnesota Statutes 2022, section 181.85, subdivision 2, is amended to read:

Subd. 2. **Agricultural labor.** "Agricultural labor" means field labor associated with the cultivation and harvest of fruits and vegetables and work performed in processing fruits and vegetables for market, as well as labor performed in agriculture as defined in Minnesota Rules, part 5200.0260.

Sec. 12. Minnesota Statutes 2022, section 181.85, subdivision 4, is amended to read:

Subd. 4. **Employer.** "Employer" means ~~a processor of fruits or vegetables~~ an individual, partnership, association, corporation, business trust, or any person or group of persons that employs, either directly or indirectly through a recruiter, more than 30 one or more migrant workers per day for more than seven days in any calendar year.

Sec. 13. Minnesota Statutes 2022, section 181.86, subdivision 1, is amended to read:

Subdivision 1. **Terms.** (a) An employer that recruits a migrant worker shall provide the migrant worker, at the time the worker is recruited, with a written employment statement which shall state clearly and plainly, in English and Spanish, or English and another language if the worker's preferred language is not English or Spanish:

(1) the date on which and the place at which the statement was completed and provided to the migrant worker;

(2) the name and permanent address of the migrant worker, of the employer, and of the recruiter who recruited the migrant worker;

(3) the date on which the migrant worker is to arrive at the place of employment, the date on which employment is to begin, the approximate hours of employment, and the minimum period of employment;

(4) the crops and the operations on which the migrant worker will be employed;

(5) the wage rates to be paid;

(6) the payment terms, as provided in section 181.87;

(7) any deduction to be made from wages; ~~and~~

(8) whether housing will be provided; and

(9) when workers' compensation insurance coverage is required by chapter 176, the name of the employer's workers' compensation insurance carrier, the carrier's phone number, and the insurance policy number.

(b) The Department of Labor and Industry shall provide a standard employment statement form for use at the employer's option for providing the information required in subdivision 1. The form shall be available in English and Spanish and additional languages upon request.

(c) The requirements under this subdivision are in addition to the requirements under section 181.032.

Sec. 14. Minnesota Statutes 2022, section 181.87, subdivision 2, is amended to read:

Subd. 2. **Biweekly pay.** The employer shall pay wages due to the migrant worker at least every two weeks, except on termination, when the employer shall pay within three days unless payment is required sooner pursuant to section 181.13.

Sec. 15. Minnesota Statutes 2022, section 181.87, subdivision 3, is amended to read:

Subd. 3. **Guaranteed hours.** The employer shall guarantee to each recruited migrant worker a minimum of 70 hours pay for work in any two successive weeks and, should the pay for hours actually offered by the employer and worked by the migrant worker provide a sum of pay less than the minimum guarantee, the employer shall pay the migrant worker the difference within three days after the scheduled payday for the pay period involved. Payment for the guaranteed hours shall be at the hourly wage rate, if any, specified in the employment statement, or the federal, state, or local

minimum wage, whichever is ~~higher~~ highest. Any pay in addition to the hourly wage rate specified in the employment statement shall be applied against the guarantee. This guarantee applies for the minimum period of employment specified in the employment statement beginning with the date on which employment is to begin as specified in the employment statement. The date on which employment is to begin may be changed by the employer by written, telephonic, or telegraphic notice to the migrant worker, at the worker's last known physical address or email address, no later than ten days prior to the previously stated beginning date. The migrant worker shall contact the recruiter to obtain the latest information regarding the date upon which employment is to begin no later than five days prior to the previously stated beginning date. This guarantee shall be reduced, when there is no work available for a period of seven or more consecutive days during any two-week period subsequent to the commencement of work, by five hours pay for each such day, when the unavailability of work is caused by climatic conditions or an act of God, provided that the employer pays the migrant worker, on the normal payday, the sum of ~~\$5~~ \$50 for each such day.

Sec. 16. Minnesota Statutes 2022, section 181.87, subdivision 7, is amended to read:

Subd. 7. **Statement itemizing deductions from wages.** The employer shall provide a written statement at the time wages are paid clearly itemizing each deduction from wages. The written statement shall also comply with all other requirements for an earnings statement in section 181.032.

Sec. 17. Minnesota Statutes 2022, section 181.88, is amended to read:

181.88 RECORD KEEPING.

Every employer subject to the provisions of sections 181.85 to 181.90 shall maintain complete and accurate records ~~of the names of, the daily hours worked by, the rate of pay for and the wages paid each pay period to~~ for every individual migrant worker recruited by that employer, as required by section 177.30 and shall preserve the records also maintain the employment statements required under section 181.86 for a period of at least three years.

Sec. 18. Minnesota Statutes 2022, section 181.89, subdivision 2, is amended to read:

Subd. 2. **Judgment; damages.** If the court finds that any defendant has violated the provisions of sections 181.86 to 181.88, the court shall enter judgment for the actual damages incurred by the plaintiff or the appropriate penalty as provided by this subdivision, whichever is greater. The court may also award court costs and a reasonable attorney's fee. The penalties shall be as follows:

(1) whenever the court finds that an employer has violated the record-keeping requirements of section 181.88, ~~\$50~~ \$200;

(2) whenever the court finds that an employer has recruited a migrant worker without providing a written employment statement as provided in section 181.86, subdivision 1, ~~\$250~~ \$800;

(3) whenever the court finds that an employer has recruited a migrant worker after having provided a written employment statement, but finds that the employment statement fails to comply with the requirement of section 181.86, subdivision 1 or section 181.87, ~~\$250~~ \$800;

(4) whenever the court finds that an employer has failed to comply with the terms of an employment statement which the employer has provided to a migrant worker or has failed to comply with any payment term required by section 181.87, ~~\$500~~ \$1,600;

(5) whenever the court finds that an employer has failed to pay wages to a migrant worker within a time period set forth in section 181.87, subdivision 2 or 3, ~~\$500~~ \$1,600; and

(6) whenever penalties are awarded, they shall be awarded severally in favor of each migrant worker plaintiff and against each defendant found liable.

Sec. 19. Minnesota Statutes 2022, section 181.89, is amended by adding a subdivision to read:

Subd. 3. **Enforcement.** In addition to any other remedies available, the commissioner may assess the penalties in subdivision 2 and provide the penalty to the migrant worker aggrieved by the employer's noncompliance.

ARTICLE 3

NURSING HOME WORKFORCE STANDARDS

Section 1. **TITLE.**

Minnesota Statutes, sections 181.211 to 181.217, shall be known as the "Minnesota Nursing Home Workforce Standards Board Act."

Sec. 2. Minnesota Statutes 2022, section 177.27, subdivision 7, is amended to read:

Subd. 7. **Employer liability.** If an employer is found by the commissioner to have violated a section identified in subdivision 4, or any rule adopted under section 177.28, 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take such affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. The commissioner shall order the employer to pay to the aggrieved parties back pay, gratuities, and compensatory damages, less any amount actually paid to the employee by the employer, and for an additional equal amount as liquidated damages. Any employer who is found by the commissioner to have repeatedly or willfully violated a section or sections identified in subdivision 4 shall be subject to a civil penalty of up to \$1,000 for each violation for each employee. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered. In addition, the commissioner may order the employer to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparation for and in conducting the contested case proceeding, unless payment of costs would impose extreme financial hardship on the employer. If the employer is able to establish extreme financial hardship, then the commissioner may order the employer to pay a percentage of the total costs that will not cause extreme financial hardship. Costs include but are not limited to the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's order from the date the order is signed by the commissioner until it is

paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow accounts for purposes of distributing damages.

Sec. 3. **[181.211] DEFINITIONS.**

Subdivision 1. **Application.** The terms defined in this section apply to sections 181.211 to 181.217.

Subd. 2. **Board.** "Board" means the Minnesota Nursing Home Workforce Standards Board established under section 181.212.

Subd. 3. **Certified worker organization.** "Certified worker organization" means a worker organization that is certified by the board to conduct nursing home worker trainings under section 181.214.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of labor and industry.

Subd. 5. **Compensation.** "Compensation" means all income and benefits paid by a nursing home employer to a nursing home worker or on behalf of a nursing home worker, including but not limited to wages, bonuses, differentials, paid leave, pay for scheduling changes, and pay for training or occupational certification.

Subd. 6. **Employer organization.** "Employer organization" means:

(1) an organization that is exempt from federal income taxation under section 501(c)(6) of the Internal Revenue Code and that represents nursing home employers; or

(2) an entity that employers, who together employ a majority of nursing home workers in Minnesota, have selected as a representative.

Subd. 7. **Nursing home.** "Nursing home" means a nursing home licensed under chapter 144A, or a boarding care home licensed under sections 144.50 to 144.56.

Subd. 8. **Nursing home employer.** "Nursing home employer" means an employer of nursing home workers in a licensed, Medicaid-certified facility that is reimbursed under chapter 256R.

Subd. 9. **Nursing home worker.** "Nursing home worker" means any worker who provides services in a nursing home in Minnesota, including direct care staff, non-direct care staff, and contractors, but excluding administrative staff, medical directors, nursing directors, physicians, and individuals employed by a supplemental nursing services agency.

Subd. 10. **Worker organization.** "Worker organization" means an organization that is exempt from federal income taxation under section 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code, that is not dominated or interfered with by any nursing home employer within the meaning of United States Code, title 29, section 158a(2), and that has at least five years of demonstrated experience engaging with and advocating for nursing home workers.

Sec. 4. **[181.212] MINNESOTA NURSING HOME WORKFORCE STANDARDS BOARD; ESTABLISHMENT.**

Subdivision 1. **Board established; membership.** (a) The Minnesota Nursing Home Workforce Standards Board is created with the powers and duties established by law. The board is composed of the following voting members:

(1) the commissioner of human services or a designee;

(2) the commissioner of health or a designee;

(3) the commissioner of labor and industry or a designee;

(4) three members who represent nursing home employers or employer organizations, appointed by the governor in accordance with section 15.066; and

(5) three members who represent nursing home workers or worker organizations, appointed by the governor in accordance with section 15.066.

(b) In making appointments under clause (4), the governor shall consider the geographic distribution of nursing homes within the state.

Subd. 2. **Terms; vacancies.** (a) Board members appointed under subdivision 1, clause (4) or (5), shall serve four-year terms following the initial staggered-lot determination.

(b) For members appointed under subdivision 1, clause (4) or (5), the governor shall fill vacancies occurring prior to the expiration of a member's term by appointment for the unexpired term. A member appointed under subdivision 1, clause (4) or (5), must not be appointed to more than two consecutive terms.

(c) A member serves until a successor is appointed.

Subd. 3. **Chairperson.** The board shall elect a member by majority vote to serve as its chairperson and shall determine the term to be served by the chairperson.

Subd. 4. **Staffing.** The commissioner may employ an executive director for the board and other personnel to carry out duties of the board under sections 181.211 to 181.217.

Subd. 5. **Board compensation.** Compensation of board members is governed by section 15.0575.

Subd. 6. **Application of other laws.** Meetings of the board are subject to chapter 13D. The board is subject to chapter 13. The board shall comply with section 15.0597.

Subd. 7. **Voting.** The affirmative vote of five board members is required for the board to take any action, including actions necessary to establish minimum nursing home employment standards under section 181.213.

Subd. 8. **Hearings and investigations.** To carry out its duties, the board shall hold public hearings on, and conduct investigations into, working conditions in the nursing home industry in accordance with section 181.213.

Subd. 9. **Department support.** The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking

and other duties assigned to the board. The commissioner shall supply necessary office space and supplies to assist the board in its duties.

Subd. 10. **Antitrust compliance.** The board shall establish operating procedures that meet all state and federal antitrust requirements and may prohibit board member access to data to meet the requirements of this subdivision.

Subd. 11. **Annual report.** By December 1, 2023, and each December 1 thereafter, the executive director of the board shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over labor and human services on any actions taken and any standards adopted by the board.

Sec. 5. **[181.213] DUTIES OF THE BOARD; MINIMUM NURSING HOME EMPLOYMENT STANDARDS.**

Subdivision 1. **Authority to establish minimum nursing home employment standards.** (a) The board must adopt rules establishing minimum nursing home employment standards that are reasonably necessary and appropriate to protect the health and welfare of nursing home workers, to ensure that nursing home workers are properly trained about and fully informed of their rights under sections 181.211 to 181.217, and to otherwise satisfy the purposes of sections 181.211 to 181.217. Standards established by the board must include standards on compensation for nursing home workers, and may include recommendations under paragraph (c). The board may not adopt standards that are less protective of or beneficial to nursing home workers as any other applicable statute or rule or any standard previously established by the board unless there is a determination by the board under subdivision 2 that existing standards exceed the operating payment rate and external fixed costs payment rates included in the most recent budget and economic forecast completed under section 16A.103. In establishing standards under this section, the board must establish statewide standards, and may adopt standards that apply to specific nursing home occupations.

(b) The board must adopt rules establishing initial standards for wages for nursing home workers no later than August 1, 2024. The board may use the authority in section 14.389 to adopt rules under this paragraph. The board shall consult with the department in the development of these standards prior to beginning the rule adoption process.

(c) To the extent that any minimum standards that the board finds are reasonably necessary and appropriate to protect the health and welfare of nursing home workers fall within the jurisdiction of chapter 182, the board shall not adopt rules establishing the standards but shall instead recommend the occupational health and safety standards to the commissioner. The commissioner shall adopt nursing home health and safety standards under section 182.655 as recommended by the board, unless the commissioner determines that the recommended standard is outside the statutory authority of the commissioner, presents enforceability challenges, is infeasible to implement, or is otherwise unlawful and issues a written explanation of this determination.

Subd. 2. **Investigation of market conditions.** (a) The board must investigate market conditions and the existing wages, benefits, and working conditions of nursing home workers for specific geographic areas of the state and specific nursing home occupations. Based on this information, the board must seek to adopt minimum nursing home employment standards that meet or exceed existing industry conditions for a majority of nursing home workers in the relevant geographic area and

nursing home occupation. Except for standards exceeding the threshold determined in paragraph (d), initial employment standards established by the board are effective beginning January 1, 2025, and shall remain in effect until any subsequent standards are adopted by rules.

(b) The board must consider the following types of information in making determinations that employment standards are reasonably necessary to protect the health and welfare of nursing home workers:

(1) wage rate and benefit data collected by or submitted to the board for nursing home workers in the relevant geographic area and nursing home occupations;

(2) statements showing wage rates and benefits paid to nursing home workers in the relevant geographic area and nursing home occupations;

(3) signed collective bargaining agreements applicable to nursing home workers in the relevant geographic area and nursing home occupations;

(4) testimony and information from current and former nursing home workers, worker organizations, nursing home employers, and employer organizations;

(5) local minimum nursing home employment standards;

(6) information submitted by or obtained from state and local government entities; and

(7) any other information pertinent to establishing minimum nursing home employment standards.

(c) In considering wage and benefit increases, the board must determine the impact of nursing home operating payment rates determined pursuant to section 256R.21, subdivision 3, and the employee benefits portion of the external fixed costs payment rate determined pursuant to section 256R.25. If the board, in consultation with the commissioner of human services, determines the operating payment rate and employee benefits portion of the external fixed costs payment rate will increase to comply with the new employment standards, the board shall report to the legislature the increase in funding needed to increase payment rates to comply with the new employment standards and must make implementation of any new nursing home employment standards contingent upon an appropriation, as determined by sections 256R.21 and 256R.25, to fund the rate increase necessary to comply with the new employment standards.

(d) In evaluating the impact of the employment standards on payment rates determined by sections 256R.21 and 256R.25, the board, in consultation with the commissioner of human services, must consider the following:

(1) the statewide average wage rates for employees pursuant to section 256R.10, subdivision 5, and benefit rates pursuant to section 256R.02, subdivisions 18 and 22, as determined by the annual Medicaid cost report used to determine the operating payment rate and the employee benefits portion of the external fixed costs payment rate for the first day of the calendar year immediately following the date the board has established minimum wage and benefit levels;

(2) compare the results of clause (1) to the operating payment rate and employee benefits portion of the external fixed costs payment rate increase for the first day of the second calendar year after

the adoption of any nursing home employment standards included in the most recent budget and economic forecast completed under section 16A.103; and

(3) if the established nursing home employment standards result in an increase in costs that exceed the operating payment rate and external fixed costs payment rate increase included in the most recent budget and economic forecast completed under section 16A.103, effective on the proposed implementation date of the new nursing home employment standards, the board must determine if the rates will need to be increased to meet the new employment standards and the standards must not be effective until an appropriation sufficient to cover the rate increase and federal approval of the rate increase is obtained.

(e) The budget and economic forecasts completed under section 16A.103 shall not assume an increase in payment rates determined under chapter 256R resulting from the new employment standards until the board certifies the rates will need to be increased and the legislature appropriates funding for the increase in payment rates.

Subd. 3. **Review of standards.** At least once every two years, the board shall:

(1) conduct a full review of the adequacy of the minimum nursing home employment standards previously established by the board; and

(2) following that review, adopt new rules, amend or repeal existing rules, or make recommendations to adopt new rules or amend or repeal existing rules for minimum nursing home employment standards using the expedited rulemaking process in section 14.389, as appropriate to meet the purposes of sections 181.211 to 181.217.

Subd. 4. **Variance and waiver.** The board shall adopt procedures for considering temporary variances and waivers of the established standards for individual nursing homes based on the board's evaluation of the risk of closure due to compliance with all or part of an applicable standard.

Subd. 5. **Conflict.** (a) In the event of a conflict between a standard established by the board in rule and a rule adopted by another state agency, the rule adopted by the board shall apply to nursing home workers and nursing home employers.

(b) Notwithstanding paragraph (a), in the event of a conflict between a standard established by the board in rule and a rule adopted by another state agency, the rule adopted by the other state agency shall apply to nursing home workers and nursing home employers if the rule adopted by the other state agency is adopted after the board's standard and the rule adopted by the other state agency is more protective or beneficial than the board's standard.

(c) Notwithstanding paragraph (a), if the commissioner of health determines that a standard established by the board in rule or recommended by the board conflicts with requirements in federal regulations for nursing home certification or with state statutes or rules governing licensure of nursing homes, the federal regulations or state nursing home licensure statutes or rules shall take precedence, and the conflicting board standard or rule shall not apply to nursing home workers or nursing home employers.

Subd. 6. **Effect on other agreements.** Nothing in sections 181.211 to 181.217 shall be construed to:

(1) limit the rights of parties to a collective bargaining agreement to bargain and agree with respect to nursing home employment standards; or

(2) diminish the obligation of a nursing home employer to comply with any contract, collective bargaining agreement, or employment benefit program or plan that meets or exceeds, and does not conflict with, the minimum standards and requirements in sections 181.211 to 181.217 or established by the board.

Sec. 6. [181.214] DUTIES OF THE BOARD; TRAINING FOR NURSING HOME WORKERS.

Subdivision 1. **Certification of worker organizations.** The board shall certify worker organizations that it finds are qualified to provide training to nursing home workers according to this section. The board shall by rule establish certification criteria that a worker organization must meet in order to be certified and provide a process for renewal of certification upon the board's review of the worker organization's compliance with this section. In adopting rules to establish certification criteria under this subdivision, the board may use the authority in section 14.389. The criteria must ensure that a worker organization, if certified, is able to provide:

(1) effective, interactive training on the information required by this section; and

(2) follow-up written materials and responses to inquiries from nursing home workers in the languages in which nursing home workers are proficient.

Subd. 2. **Curriculum.** (a) The board shall establish requirements for the curriculum for the nursing home worker training required by this section. A curriculum must at least provide the following information to nursing home workers:

(1) the applicable compensation and working conditions in the minimum standards or local minimum standards established by the board;

(2) the antiretaliation protections established in section 181.216;

(3) information on how to enforce sections 181.211 to 181.217 and on how to report violations of sections 181.211 to 181.217 or of standards established by the board, including contact information for the Department of Labor and Industry, the board, and any local enforcement agencies, and information on the remedies available for violations;

(4) the purposes and functions of the board and information on upcoming hearings, investigations, or other opportunities for nursing home workers to become involved in board proceedings;

(5) other rights, duties, and obligations under sections 181.211 to 181.217;

(6) any updates or changes to the information provided according to clauses (1) to (5) since the most recent training session;

(7) any other information the board deems appropriate to facilitate compliance with sections 181.211 to 181.217; and

(8) information on labor standards in other applicable local, state, and federal laws, rules, and ordinances regarding nursing home working conditions or nursing home worker health and safety.

(b) Before establishing initial curriculum requirements, the board must hold at least one public hearing to solicit input on the requirements.

Subd. 3. **Topics covered in training session.** A certified worker organization is not required to cover all of the topics listed in subdivision 2 in a single training session. A curriculum used by a certified worker organization may provide instruction on each topic listed in subdivision 2 over the course of up to three training sessions.

Subd. 4. **Annual review of curriculum requirements.** The board must review the adequacy of its curriculum requirements at least annually and must revise the requirements as appropriate to meet the purposes of sections 181.211 to 181.217. As part of each annual review of the curriculum requirements, the board must hold at least one public hearing to solicit input on the requirements.

Subd. 5. **Duties of certified worker organizations.** A certified worker organization:

(1) must use a curriculum for its training sessions that meets requirements established by the board;

(2) must provide trainings that are interactive and conducted in the languages in which the attending nursing home workers are proficient;

(3) must, at the end of each training session, provide attending nursing home workers with follow-up written or electronic materials on the topics covered in the training session, in order to fully inform nursing home workers of their rights and opportunities under sections 181.211 to 181.217;

(4) must make itself reasonably available to respond to inquiries from nursing home workers during and after training sessions; and

(5) may conduct surveys of nursing home workers who attend a training session to assess the effectiveness of the training session and industry compliance with sections 181.211 to 181.217 and other applicable laws, rules, and ordinances governing nursing home working conditions or worker health and safety.

Subd. 6. **Nursing home employer duties regarding training.** (a) A nursing home employer must submit written documentation to the board to certify that every two years each of its nursing home workers completes one hour of training that meets the requirements of this section and is provided by a certified worker organization. A nursing home employer may, but is not required to, host training sessions on the premises of the nursing home.

(b) If requested by a certified worker organization, a nursing home employer must, after a training session provided by the certified worker organization, provide the certified worker organization with the names and contact information of the nursing home workers who attended the training session, unless a nursing home worker opts out according to paragraph (c).

(c) A nursing home worker may opt out of having the worker's nursing home employer provide the worker's name and contact information to a certified worker organization that provided a training session attended by the worker by submitting a written statement to that effect to the nursing home employer.

Subd. 7. **Training compensation.** A nursing home employer must compensate its nursing home workers at their regular hourly rate of wages and benefits for each hour of training completed as required by this section and reimburse any reasonable travel expenses associated with attending training sessions not held on the premises of the nursing home.

Sec. 7. [181.215] REQUIRED NOTICES.

Subdivision 1. **Provision of notice.** (a) Nursing home employers must provide notices informing nursing home workers of the rights and obligations provided under sections 181.211 to 181.217 of applicable minimum nursing home employment standards and local minimum standards and that for assistance and information, nursing home workers should contact the Department of Labor and Industry. A nursing home employer must provide notice using the same means that the nursing home employer uses to provide other work-related notices to nursing home workers. Provision of notice must be at least as conspicuous as:

(1) posting a copy of the notice at each work site where nursing home workers work and where the notice may be readily seen and reviewed by all nursing home workers working at the site; or

(2) providing a paper or electronic copy of the notice to all nursing home workers and applicants for employment as a nursing home worker.

(b) The notice required by this subdivision must include text provided by the board that informs nursing home workers that they may request the notice to be provided in a particular language. The nursing home employer must provide the notice in the language requested by the nursing home worker. The board must assist nursing home employers in translating the notice in the languages requested by their nursing home workers.

Subd. 2. **Minimum content and posting requirements.** The board must adopt rules under section 14.389 specifying the minimum content and posting requirements for the notices required in subdivision 1. The board must make available to nursing home employers a template or sample notice that satisfies the requirements of this section and rules adopted under this section.

Sec. 8. [181.216] RETALIATION PROHIBITED.

(a) A nursing home employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against a nursing home worker because the person has exercised or attempted to exercise rights protected under this act, including but not limited to:

(1) exercising any right afforded to the nursing home worker under sections 181.211 to 181.217;

(2) participating in any process or proceeding under sections 181.211 to 181.217, including but not limited to board hearings, board or department investigations, or other related proceedings; or

(3) attending or participating in the training required by section 181.214.

(b) It shall be unlawful for an employer to:

(1) inform another employer that a nursing home worker or former nursing home worker has engaged in activities protected under sections 181.211 to 181.217; or

(2) report or threaten to report the actual or suspected citizenship or immigration status of a nursing home worker, former nursing home worker, or family member of a nursing home worker to a federal, state, or local agency for exercising or attempting to exercise any right protected under this act.

(c) A person found to have experienced retaliation in violation of this section shall be entitled to back pay and reinstatement to the person's previous position, wages, benefits, hours, and other conditions of employment.

Sec. 9. [181.217] ENFORCEMENT.

Subdivision 1. **Minimum nursing home employment standards.** Except as provided in section 181.213, subdivision 4, paragraph (b) or (c), the minimum wages and other compensation established by the board in rule as minimum nursing home employment standards shall be the minimum wages and other compensation for nursing home workers or a subgroup of nursing home workers as a matter of state law. Except as provided in section 181.213, subdivision 4, paragraph (b) or (c), it shall be unlawful for a nursing home employer to employ a nursing home worker for lower wages or other compensation than that established as the minimum nursing home employment standards.

Subd. 2. **Investigations.** The commissioner may investigate possible violations of sections 181.214 to 181.217 or of the minimum nursing home employment standards established by the board whenever it has cause to believe that a violation has occurred, either on the basis of a report of a suspected violation or on the basis of any other credible information, including violations found during the course of an investigation.

Subd. 3. **Civil action by nursing home worker.** (a) One or more nursing home workers may bring a civil action in district court seeking redress for violations of sections 181.211 to 181.217 or of any applicable minimum nursing home employment standards or local minimum nursing home employment standards. Such an action may be filed in the district court of the county where a violation or violations are alleged to have been committed or where the nursing home employer resides, or in any other court of competent jurisdiction, and may represent a class of similarly situated nursing home workers.

(b) Upon a finding of one or more violations, a nursing home employer shall be liable to each nursing home worker for the full amount of the wages, benefits, and overtime compensation, less any amount the nursing home employer is able to establish was actually paid to each nursing home worker, and for an additional equal amount as liquidated damages. In an action under this subdivision, nursing home workers may seek damages and other appropriate relief provided by section 177.27, subdivision 7, or otherwise provided by law, including reasonable costs, disbursements, witness fees, and attorney fees. A court may also issue an order requiring compliance with sections 181.211 to 181.217 or with the applicable minimum nursing home employment standards or local minimum nursing home employment standards. A nursing home worker found to have experienced retaliation

in violation of section 181.216 shall be entitled to back pay and reinstatement to the worker's previous position, wages, benefits, hours, and other conditions of employment.

(c) An agreement between a nursing home employer and nursing home worker or labor union that fails to meet the minimum standards and requirements in sections 181.211 to 181.217 or established by the board is not a defense to an action brought under this subdivision.

Sec. 10. **INITIAL APPOINTMENTS.**

The governor shall make initial appointments to the Minnesota Nursing Home Workforce Standards Board under Minnesota Statutes, section 181.212, no later than August 1, 2023. Notwithstanding Minnesota Statutes, section 181.212, subdivision 2, the initial terms of members appointed under Minnesota Statutes, section 181.212, subdivision 1, clauses (4) and (5), shall be determined by lot by the secretary of state and shall be as follows:

(1) one member appointed under each of Minnesota Statutes, section 181.212, subdivision 1, clauses (4) and (5), shall serve a two-year term;

(2) one member appointed under each of Minnesota Statutes, section 181.212, subdivision 1, clauses (4) and (5), shall serve a three-year term; and

(3) one member appointed under each of Minnesota Statutes, section 181.212, subdivision 1, clauses (4) and (5), shall serve a four-year term.

The commissioner of labor and industry must convene the first meeting within 30 days after the governor completes appointments to the board. The board must elect a chair at its first meeting.

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

ARTICLE 4

COMBATIVE SPORTS

Section 1. Minnesota Statutes 2022, section 341.21, subdivision 2a, is amended to read:

Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack and defense as a professional boxer, professional or amateur tough person, ~~martial artist~~ professional or amateur kickboxer, or professional or amateur mixed martial artist while engaged in a combative sport.

Sec. 2. Minnesota Statutes 2022, section 341.21, subdivision 2b, is amended to read:

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing ~~and~~ professional and amateur tough person, professional or amateur kickboxing, and professional and amateur mixed martial arts contests.

Sec. 3. Minnesota Statutes 2022, section 341.21, subdivision 2c, is amended to read:

Subd. 2c. **Combative sports contest.** "Combative sports contest" means a professional boxing, a professional or amateur tough person, a professional or amateur kickboxing, or a professional or amateur ~~martial art contest or mixed martial arts contest~~, bout, competition, match, or exhibition.

Sec. 4. Minnesota Statutes 2022, section 341.21, subdivision 4f, is amended to read:

Subd. 4f. **Martial art.** "Martial art" means a variety of weaponless disciplines of combat or self-defense that utilize physical skill and coordination, and are practiced as combat sports. The disciplines include, but are not limited to, Wing Chun, ~~kickboxing~~, Tae kwon do, savate, karate, ~~Muay Thai~~, sanshou, Jiu Jitsu, judo, ninjitsu, kung fu, Brazilian Jiu Jitsu, wrestling, grappling, tai chi, and other weaponless martial arts disciplines.

Sec. 5. Minnesota Statutes 2022, section 341.21, is amended by adding a subdivision to read:

Subd. 4i. **Kickboxing.** "Kickboxing" means the act of attack and defense with the fists using padded gloves and bare feet.

Sec. 6. Minnesota Statutes 2022, section 341.21, subdivision 7, is amended to read:

Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed as tough man or tough woman contests, means ~~a contest of two-minute rounds consisting of not more than four rounds between two or more individuals who use their hands, or their feet, or both in any manner. Tough person contest includes kickboxing and other recognized martial art contest boxing match or similar contest where each combatant wears headgear and gloves that weigh at least 12 ounces.~~

Sec. 7. Minnesota Statutes 2022, section 341.221, is amended to read:

341.221 ADVISORY COUNCIL.

(a) The commissioner must appoint a Combative Sports Advisory Council to advise the commissioner on the administration of duties under this chapter.

(b) The council shall have ~~nine~~ five members appointed by the commissioner. ~~One member must be a retired judge of the Minnesota District Court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals. At least four~~ All five members must have knowledge of ~~the boxing industry. At least four members must have knowledge of the mixed martial arts industry~~ combative sports. The commissioner shall make serious efforts to appoint qualified women to serve on the council.

~~(e) Council members shall serve terms of four years with the terms ending on the first Monday in January.~~

~~(d)~~ (c) The council shall annually elect from its membership a chair.

~~(e)~~ (d) Meetings shall be convened by the commissioner, or by the chair with the approval of the commissioner.

~~(f) The commissioner shall designate two of the members to serve until the first Monday in January 2013; two members to serve until the first Monday in January 2014; two members to serve~~

until the first Monday in January 2015; and three members to serve until the first Monday in January 2016.

(e) Appointments to the council and the terms of council members are governed by sections 15.059 and 15.0597.

~~(g)~~ (f) Removal of members, filling of vacancies, and compensation of members shall be as provided in section 15.059.

(g) Meetings convened for the purpose of advising the commissioner on issues related to a challenge filed under section 341.345 are exempt from the open meeting requirements of chapter 13D.

Sec. 8. Minnesota Statutes 2022, section 341.25, is amended to read:

341.25 RULES.

(a) The commissioner may adopt rules that include standards for the physical examination and condition of combatants and referees.

(b) The commissioner may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of all combative sport contests and their manner, supervision, time, and place.

~~(c) The commissioner must adopt unified rules for mixed martial arts contests.~~

~~(d) The commissioner may adopt the rules of the Association of Boxing Commissions, with amendments.~~

~~(e)~~ (c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated by the Association of Boxing Commissions and amended August 2, 2016, are, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(d) The most recent version of the Unified Rules of Boxing, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

(e) The most recent version of the Unified Rules of Kickboxing, as promulgated by the Association of Boxing Commissions, is incorporated by reference and made a part of this chapter except as qualified by this chapter and any applicable Minnesota Rules. In the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

Sec. 9. Minnesota Statutes 2022, section 341.27, is amended to read:

341.27 COMMISSIONER DUTIES.

The commissioner shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the council open to inspection at all reasonable times;
- (4) develop rules to be implemented under this chapter;
- (5) conform to the rules adopted under this chapter;
- (6) develop policies and procedures for regulating boxing, kickboxing, and mixed martial arts;
- (7) approve regulatory bodies to oversee martial arts and amateur boxing contests under section 341.28, subdivision 5;

~~(7)~~ (8) immediately suspend an individual license for a medical condition, including but not limited to a medical condition resulting from an injury sustained during a match, bout, or contest that has been confirmed by the ringside physician. The medical suspension must be lifted after the commissioner receives written information from a physician licensed in the home state of the licensee indicating that the combatant may resume competition, and any other information that the commissioner may by rule require. Medical suspensions are not subject to section 326B.082 or the contested case procedures provided in sections 14.57 to 14.69; and

~~(8)~~ (9) immediately suspend an individual combatant license for a mandatory rest period, which must commence at the conclusion of every combative sports contest in which the license holder competes and does not receive a medical suspension. A rest suspension must automatically lift after 14 calendar days from the date the combative sports contest passed without notice or additional proceedings. Rest suspensions are not subject to section 326B.082 or the contested case procedures provided in sections 14.57 to 14.69.

Sec. 10. Minnesota Statutes 2022, section 341.28, subdivision 2, is amended to read:

Subd. 2. **Regulatory authority; tough person contests.** All professional and amateur tough person contests are subject to this chapter. All tough person contests are subject to the most recent version of the Unified Rules of Boxing, as promulgated by the Association of Boxing Commissions rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear headgear and padded gloves that weigh at least 12 ounces. ~~All tough person bouts are limited to two-minute rounds and a maximum of four total rounds.~~ Officials at all tough person contests shall be licensed under this chapter.

Sec. 11. Minnesota Statutes 2022, section 341.28, subdivision 3, is amended to read:

Subd. 3. **Regulatory authority; mixed martial arts contests; ~~similar sporting events~~.** All professional and amateur mixed martial arts contests, ~~martial arts contests except amateur contests regulated by the Minnesota State High School League (MSHSL), recognized martial arts studios and schools in Minnesota, and recognized national martial arts organizations holding contests between students, ultimate fight contests, and similar sporting events~~ are subject to this chapter and all officials at these events must be licensed under this chapter.

Sec. 12. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to read:

Subd. 4. **Regulatory authority; kickboxing contests.** All professional and amateur kickboxing contests are subject to this chapter and all officials at these events must be licensed under this chapter.

Sec. 13. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to read:

Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this chapter specifically states otherwise, contests or exhibitions for martial arts and amateur boxing are exempt from the requirements of this chapter and officials at these events are not required to be licensed under this chapter.

(b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth in subdivision 7, must be regulated by a nationally recognized organization approved by the commissioner. The organization must have a set of written standards, procedures, or rules used to sanction the combative sports it oversees.

(c) Any regulatory body overseeing a martial arts or amateur boxing event must submit bout results to the commissioner within 72 hours after the event. If the regulatory body issues suspensions, the regulatory body must submit to the commissioner a list of any suspensions resulting from the event within 72 hours after the event. Regulatory bodies that oversee combative sports or martial arts contests under subdivision 6 are not subject to this paragraph.

Sec. 14. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to read:

Subd. 6. **Regulatory authority; certain students.** Combative sports or martial arts contests regulated by the Minnesota State High School League, National Collegiate Athletic Association, National Junior Collegiate Athletic Association, National Association of Intercollegiate Athletics, or any similar organization that governs interscholastic athletics are not subject to this chapter and officials at these events are not required to be licensed under this chapter.

Sec. 15. Minnesota Statutes 2022, section 341.30, subdivision 4, is amended to read:

Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's license to an individual, corporation, or other business entity, the applicant shall, ~~a minimum of six weeks before the combative sport contest is scheduled to occur,~~ complete a licensing application on the Office of Combative Sports website or on forms ~~furnished or approved~~ prescribed by the commissioner and shall:

~~(1) provide the commissioner with a copy of any agreement between a combatant and the applicant that binds the applicant to pay the combatant a certain fixed fee or percentage of the gate receipts;~~

~~(2)~~ (1) show on the licensing application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

~~(3)~~ (2) provide the commissioner with a copy of the latest financial statement of the applicant;

~~(4) provide the commissioner with a copy or other proof acceptable to the commissioner of the insurance contract or policy required by this chapter;~~

~~(5)~~ (3) provide proof, where applicable, of authorization to do business in the state of Minnesota; and

~~(6)~~ (4) deposit with the commissioner a ~~cash bond or~~ surety bond in an amount set by the commissioner, which must not be less than \$10,000. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it.

(b) Before the commissioner issues a license to a combatant, the applicant shall:

(1) submit to the commissioner the results of a current medical ~~examination~~ examinations on forms furnished or approved prescribed by the commissioner that state that the combatant is cleared to participate in a combative sport contest. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commissioner by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by combative sports. The neurological examination must include an electroencephalogram or medically superior test if the combatant has been knocked unconscious in a previous contest. The commissioner may also order an electroencephalogram or other appropriate neurological or physical examination before any contest if it determines that the examination is desirable to protect the health of the combatant. The commissioner shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV; The applicant must undergo and submit the results of the following medical examinations, which do not exempt a combatant from the requirements in section 341.33:

(i) a physical examination performed by a licensed medical doctor, doctor of osteopathic medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations are valid for one year from the date of the exam;

(ii) an ophthalmological examination performed by an ophthalmologist or optometrist that includes dilation designed to detect any retinal defects or other damage or a condition of the eye that could be aggravated by combative sports. Ophthalmological examinations are valid for one year from the date of the exam;

(iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C antibody), and HIV. Blood work results are good for one year from the date blood was drawn. The commissioner shall not issue a license to an applicant submitting positive test results for HBsAg, HCV, or HIV; and

(iv) other appropriate neurological or physical examinations before any contest, if the commissioner determines that the examination is desirable to protect the health of the combatant;

(2) complete a licensing application on the Office of Combative Sports website or on forms ~~furnished or approved~~ prescribed by the commissioner; and

(3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's license, state photo identification card, passport, or birth certificate combined with additional photo identification.

(c) Before the commissioner issues a license to a referee, judge, or timekeeper, the applicant must submit proof of qualifications that may include certified training from the Association of Boxing Commissions, licensure with other regulatory bodies, professional references, or a log of bouts worked.

(d) Before the commissioner issues a license to a ringside physician, the applicant must submit proof that they are licensed to practice medicine in the state of Minnesota and in good standing.

Sec. 16. Minnesota Statutes 2022, section 341.32, subdivision 2, is amended to read:

Subd. 2. **Expiration and application.** Licenses issued on or after January 1, 2023, shall expire ~~annually on December 31~~ one year after the date of issuance. A license may be applied for each year by filing an application for licensure and satisfying all licensure requirements established in section 341.30, and submitting payment of the license fees established in section 341.321. An application for a license and renewal of a license must be on a form provided by the commissioner.

Sec. 17. Minnesota Statutes 2022, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional and amateur licenses issued by the commissioner is as follows:

- (1) referees, \$25;
- (2) promoters, \$700;
- (3) judges and knockdown judges, \$25;
- (4) trainers and seconds, \$80;
- (5) timekeepers, \$25;
- (6) professional combatants, \$70;
- (7) amateur combatants, \$50; and
- (8) ringside physicians, \$25.

~~License fees for promoters are due at least six weeks prior to the combative sport contest. All other license fees shall be paid no later than the weigh-in prior to the contest. No license may be issued until all precensure requirements in section 341.30 are satisfied and fees are paid.~~

~~(b) The commissioner shall establish a contest fee for each combative sport contest and shall consider the size and type of venue when establishing a contest fee. The A promoter or event organizer of an event regulated by the Department of Labor and Industry must pay, per event, a combative sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commissioner when the combative sport contest is scheduled. The fee must be paid as follows:~~

~~(e) A professional or amateur combative sport contest fee is nonrefundable and shall be paid as follows:~~

~~(1) \$500 at the time the combative sport contest is scheduled; and~~

~~(2) \$1,000 at the weigh-in prior to the contest;~~

~~(3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to the commissioner within 14 days of the completed contest; and~~

~~(4) the value of all complimentary tickets distributed for an event, to the extent they exceed five percent of total event attendance, counts toward gross tickets sales for the purposes of determining a combative sports contest fee. For purposes of this clause, the lowest advertised ticket price shall be used to calculate the value of complimentary tickets.~~

~~If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the commissioner within seven days of the completed contest.~~

~~(d) The commissioner may establish the maximum number of complimentary tickets allowed for each event by rule.~~

~~(e)~~ (c) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 18. **[341.322] PAYMENT SCHEDULE.**

The commissioner may establish a schedule of payments to be paid by a promoter to referees, judges and knockdown judges, timekeepers, and ringside physicians.

Sec. 19. **[341.323] EVENT APPROVAL.**

Subdivision 1. **Preapproval documentation.** Before the commissioner approves a combative sports contest, the promoter shall provide the commissioner, at least six weeks before the combative sport contest is scheduled to occur, information about the time, date, and location of the contest and at least 72 hours before the combative sport contest is scheduled to occur:

(1) a copy of any agreement between a combatant and the promoter that binds the promoter to pay the combatant a certain fixed fee or percentage of the gate receipts;

(2) a copy or other proof acceptable to the commissioner of the insurance contract or policy required by this chapter;

(3) proof acceptable to the commissioner that the promoter will provide, at the cost of the promoter, at least one uniformed security guard or uniformed off-duty member of law enforcement to provide security at any event regulated by the Department of Labor and Industry. The commissioner may require a promoter to take additional security measures to ensure the safety of participants and spectators at an event; and

(4) proof acceptable to the commissioner that the promoter will provide an ambulance service as required by section 341.324.

Subd. 2. **Proper licensure.** Before the commissioner approves a combative sport contest, the commissioner must ensure that the promoter is properly licensed under this chapter. The promoter must maintain proper licensure from the time it schedules a combative sports contest through the date of the contest.

Subd. 3. **Discretion.** Nothing in this section limits the commissioner's discretion in deciding whether to approve a combative sport contest or event.

Sec. 20. **[341.324] AMBULANCE.**

A promoter must ensure, at the cost of the promoter, that a licensed ambulance service with two emergency medical technicians is on the premises during a combative sports contest.

Sec. 21. Minnesota Statutes 2022, section 341.33, is amended to read:

341.33 PHYSICAL EXAMINATION REQUIRED; FEES.

Subdivision 1. **Examination by physician.** All combatants must be examined by a physician licensed by this state within 36 hours before entering the ring, and the examining physician shall immediately file with the commissioner a written report of the examination. The physician's examination may report on the condition of the combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the combatant's nervous system and brain as required by the commissioner. The physician may prohibit the combatant from entering the ring if, in the physician's professional opinion, it is in the best interest of the combatant's health. The cost of the examination is payable by the promoter conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** A promoter holding or sponsoring a combative sport contest shall have in attendance a physician licensed by this state Minnesota. ~~The commissioner may establish a schedule of fees to be paid to each attending physician by the promoter holding or sponsoring the contest.~~

Sec. 22. **[341.331] PROHIBITED PERFORMANCE ENHANCING SUBSTANCES AND TESTING.**

Subdivision 1. **Performance enhancing substances and masking agents prohibited.** All combatants are prohibited from using the substances listed in the following classes contained in the World Anti-Doping Code published by the World Anti-Doping Agency, unless a combatant meets an applicable exception set forth therein:

- (1) S0, nonapproved substances;
- (2) S1, anabolic agents;
- (3) S2, peptide hormones, growth factors, and related substances and mimetics;
- (4) S3, beta-2 agonists;
- (5) S4, hormone and metabolic modulators; and
- (6) S5, diuretics and masking agents.

Subd. 2. **Testing.** The commissioner may administer drug testing to discover violations of subdivision 1 as follows:

(a) The commissioner may require a combatant to submit to a drug test to determine if substances are present in the combatant's system in violation of subdivision 1. This testing may occur at any time after the official weigh-in, on the day of the contest in which the combatant is participating, or within 24 hours of competing in a combative sports contest in a manner prescribed by the commissioner. The commissioner may require testing based on reasonable cause or random selection. Grounds for reasonable cause includes observing or receiving credible information that a combatant has used prohibited performance enhancing drugs. If testing is based on random selection, both combatants competing in a selected bout shall submit to a drug test.

(b) Specimens may include urine, hair samples, or blood. Specimens shall be tested at a facility acceptable to the commissioner. Results of all drug tests shall be submitted directly to the commissioner.

(c) The promoter shall pay the costs relating to drug testing combatants. Any requests for follow-up or additional testing must be paid by the combatant.

Subd. 3. **Discipline.** (a) If a combatant fails to provide a sample for drug testing when required, and the request is made before a bout, the combatant shall not be allowed to compete in the bout. If the request is made after a bout, and the combatant fails to provide a sample for drug testing, the combatant shall be subject to disciplinary action under section 341.29.

(b) If a combatant's specimen tests positive for any prohibited substances, the combatant shall be subject to disciplinary action under section 341.29.

(c) A combatant who is disciplined and was the winner of a bout shall be disqualified and the decision shall be changed to no contest. The results of a bout shall remain unchanged if a combatant who is disciplined was the loser of the bout.

Sec. 23. **[341.345] CHALLENGING THE OUTCOME OF A COMBATIVE SPORT CONTEST.**

Subdivision 1. **Challenge.** (a) If a combatant disagrees with the outcome of a combative sport contest regulated by the Department of Labor and Industry in which the combatant participated, the combatant may challenge the outcome.

(b) If a third party makes a challenge on behalf of a combatant, the third party must provide written confirmation that they are authorized to make the challenge on behalf of the combatant. The written confirmation must contain the combatant's signature and must be submitted with the challenge.

Subd. 2. **Form.** A challenge must be submitted on a form prescribed by the commissioner, set forth all relevant facts and the basis for the challenge, and state what remedy is being sought. A combatant may submit photos, videos, documents, or any other evidence the combatant would like the commissioner to consider in connection to the challenge. A combatant may challenge the outcome of a contest only if it is alleged that:

(1) the referee made an incorrect call or missed a rule violation that directly affected the outcome of the contest;

(2) there was collusion amongst officials to affect the outcome of the contest; or

(3) scores were miscalculated.

Subd. 3. **Timing.** A challenge must be submitted within ten days of the contest.

(a) For purposes of this subdivision, the day of the contest shall not count toward the ten-day period. If the tenth day falls on a Saturday, Sunday, or legal holiday, then a combatant shall have until the next day that is not a Saturday, Sunday, or legal holiday to submit a challenge.

(b) The challenge must be submitted to the commissioner at the address, fax number, or email address designated on the commissioner's website. The date on which a challenge is submitted by mail shall be the postmark date on the envelope in which the challenge is mailed. If the challenge is faxed or emailed, it must be received by the commissioner by 4:30 p.m. Central Time on the day the challenge is due.

Subd. 4. **Opponent's response.** If the requirements of subdivisions 1 to 3 are met, the commissioner shall send a complete copy of the challenge documents, along with any supporting materials submitted, to the opposing combatant by mail, fax, or email. The opposing combatant has 14 days from the date the commissioner sends the challenge and supporting materials to submit a response to the commissioner. Additional response time is not added when the commissioner sends the challenge to the opposing combatant by mail. The opposing combatant may submit photos, videos, documents, or any other evidence the opposing combatant would like the commissioner to consider in connection to the challenge. The response must be submitted to the commissioner at the address, fax number, or email address designated on the commissioner's website. The date on which a response is submitted by mail is the postmark date on the envelope in which the response is mailed. If the response is faxed or emailed, it must be received by the commissioner by 4:30 p.m. Central Time on the day the response is due.

Subd. 5. **Licensed official review.** The commissioner may, if the commissioner determines it would be helpful in resolving the issues raised in the challenge, send a complete copy of the challenge or response, along with any supporting materials submitted, to any licensed official involved in the combative sport contest at issue by mail, fax, or email and request the official's views on the issues raised in the challenge.

Subd. 6. **Order.** The commissioner shall issue an order on the challenge within 60 days after receiving the opposing combatant's response. If the opposing combatant does not submit a response, the commissioner shall issue an order on the challenge within 75 days after receiving the challenge.

Subd. 7. **Nonacceptance.** If the requirements of subdivisions 1 through 3 are not met, the commissioner must not accept the challenge and may send correspondence to the person who submitted the challenge stating the reasons for nonacceptance of the challenge. A combatant has no further appeal rights if the combatant's challenge is not accepted by the commissioner.

Subd. 8. **Administrative hearing.** After the commissioner issues an order under subdivision 6, each combatant under section 326B.082, subdivision 8, has 30 days after service of the order to submit a request for hearing before an administrative law judge.

Sec. 24. Minnesota Statutes 2022, section 341.355, is amended to read:

341.355 CIVIL PENALTIES.

When the commissioner finds that a person has violated one or more provisions of any statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both. The commissioner may also impose these penalties against a person who has violated section 341.28, subdivision 5, paragraph (b) or (c).

ARTICLE 5

MISCELLANEOUS POLICY

Section 1. Minnesota Statutes 2022, section 116J.871, subdivision 2, is amended to read:

Subd. 2. **Prevailing wage required.** (a) A state agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6. The person receiving or benefiting from the financial assistance is also subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

(b) For purposes of complying with section 177.30, paragraph (a), clauses (6) and (7), the state agency awarding the financial assistance is considered the contracting authority and the project is considered a public works project. The person receiving or benefiting from the financial assistance shall notify all employers on the project of the record keeping and reporting requirements in section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to the contracting authority.

Sec. 2. Minnesota Statutes 2022, section 175.16, subdivision 1, is amended to read:

Subdivision 1. **Established.** The Department of Labor and Industry shall consist of the following divisions: Division of Workers' Compensation, Division of Construction Codes and Licensing, Division of Occupational Safety and Health, Division of Statistics, Division of Labor Standards, and Division of Apprenticeship, and such other divisions as the commissioner of the Department of Labor and Industry may deem necessary and establish. Each division of the department and persons in charge thereof shall be subject to the supervision of the commissioner of the Department of Labor and Industry and, in addition to such duties as are or may be imposed on them by statute, shall perform such other duties as may be assigned to them by the commissioner. Notwithstanding any other law to the contrary, the commissioner is the administrator and supervisor of all of the department's dispute resolution functions and personnel and may delegate authority to compensation

judges and others to make determinations under sections 176.106, 176.238, and 176.239 and to approve settlement of claims under section 176.521.

Sec. 3. Minnesota Statutes 2022, section 177.26, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The Division of Labor Standards and Apprenticeship in the Department of Labor and Industry is supervised and controlled by the commissioner of labor and industry.

Sec. 4. Minnesota Statutes 2022, section 177.26, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** The Division of Labor Standards and Apprenticeship shall administer this chapter and chapters ~~178~~, 181, 181A, and 184.

Sec. 5. Minnesota Statutes 2022, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.79, and 181.939 to 181.943, or with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 6. Minnesota Statutes 2022, section 178.01, is amended to read:

178.01 PURPOSES.

The purposes of this chapter are: to open to all people regardless of race, sex, creed, color or national origin, the opportunity to obtain training and on-the-job learning that will equip them for profitable employment and citizenship; to establish as a means to this end, a program of voluntary apprenticeship under approved apprenticeship agreements providing facilities for their training and guidance in the arts, skills, and crafts of industry and trade or occupation, with concurrent, supplementary instruction in related subjects; to promote apprenticeship opportunities under conditions providing adequate training and on-the-job learning and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an Apprenticeship Board and apprenticeship committees to assist in effectuating the purposes of this chapter; to provide for a Division of Labor Standards and Apprenticeship within the Department of Labor and Industry; to provide for reports to the legislature regarding the status

of apprentice training in the state; to establish a procedure for the determination of apprenticeship agreement controversies; and to accomplish related ends.

Sec. 7. Minnesota Statutes 2022, section 178.011, subdivision 7, is amended to read:

Subd. 7. **Division.** "Division" means the department's ~~Labor Standards and~~ Apprenticeship Division, established under sections 175.16 and 178.03, and the State Apprenticeship Agency as defined in Code of Federal Regulations, title 29, part 29, section 29.2.

Sec. 8. Minnesota Statutes 2022, section 178.03, subdivision 1, is amended to read:

Subdivision 1. **Establishment of division.** There is established a Division of ~~Labor Standards and~~ Apprenticeship in the Department of Labor and Industry. This division shall be administered by a director, and be under the supervision of the commissioner.

Sec. 9. Minnesota Statutes 2022, section 178.11, is amended to read:

178.11 LABOR EDUCATION ADVANCEMENT GRANT PROGRAM.

The commissioner shall establish the labor education advancement grant program for the purpose of facilitating the participation or retention of minorities people of color, Indigenous people, and women in ~~apprenticeable trades and occupations~~ registered apprenticeship programs. The commissioner shall award grants to community-based and nonprofit organizations and Minnesota Tribal governments as defined in section 10.65, serving the targeted populations on a competitive request-for-proposal basis. Interested organizations shall apply for the grants in a form prescribed by the commissioner. As part of the application process, applicants must provide a statement of need for the grant, a description of the targeted population and apprenticeship opportunities, a description of activities to be funded by the grant, evidence supporting the ability to deliver services, information related to coordinating grant activities with other employment and learning programs, identification of matching funds, a budget, and performance objectives. Each submitted application shall be evaluated for completeness and effectiveness of the proposed grant activity.

Sec. 10. Minnesota Statutes 2022, section 181.9435, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** The Division of Labor Standards ~~and Apprenticeship~~ shall receive complaints of employees against employers relating to sections 181.172, paragraph (a) or (d), and 181.939 to 181.9436 and investigate informally whether an employer may be in violation of sections 181.172, paragraph (a) or (d), and 181.939 to 181.9436. The division shall attempt to resolve employee complaints by informing employees and employers of the provisions of the law and directing employers to comply with the law. For complaints related to section 181.939, the division must contact the employer within two business days and investigate the complaint within ten days of receipt of the complaint.

Sec. 11. Minnesota Statutes 2022, section 181.9436, is amended to read:

181.9436 POSTING OF LAW.

The Division of Labor Standards ~~and Apprenticeship~~ shall develop, with the assistance of interested business and community organizations, an educational poster stating employees' rights

under sections 181.940 to 181.9436. The department shall make the poster available, upon request, to employers for posting on the employer's premises.

Sec. 12. Minnesota Statutes 2022, section 182.666, subdivision 1, is amended to read:

Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly violates the requirements of section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, may be assessed a fine not to exceed ~~\$70,000~~ \$156,259 for each violation. The minimum fine for a willful violation is ~~\$5,000~~ \$11,162.

Sec. 13. Minnesota Statutes 2022, section 182.666, subdivision 2, is amended to read:

Subd. 2. **Serious violations.** Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed ~~\$7,000~~ \$15,625 for each violation. If a serious violation under section 182.653, subdivision 2, causes or contributes to the death of an employee, the employer shall be assessed a fine of up to \$25,000 for each violation.

Sec. 14. Minnesota Statutes 2022, section 182.666, subdivision 3, is amended to read:

Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically determined not to be of a serious nature as provided in section 182.651, subdivision 12, may be assessed a fine of up to ~~\$7,000~~ \$15,625 for each violation.

Sec. 15. Minnesota Statutes 2022, section 182.666, subdivision 4, is amended to read:

Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation for which a citation has been issued under section 182.66 within the period permitted for its correction, which period shall not begin to run until the date of the final order of the commissioner in the case of any review proceedings under this chapter initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a fine of not more than ~~\$7,000~~ \$15,625 for each day during which the failure or violation continues.

Sec. 16. Minnesota Statutes 2022, section 182.666, subdivision 5, is amended to read:

Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements, as prescribed under this chapter, except those prescribed under section 182.661, subdivision 3a, shall be assessed a fine of up to ~~\$7,000~~ \$15,625 for each violation.

Sec. 17. Minnesota Statutes 2022, section 182.666, is amended by adding a subdivision to read:

Subd. 6a. **Increases for inflation.** (a) Each year, beginning in 2023, the commissioner shall determine the percentage change in the Minneapolis-St. Paul-Bloomington, MN-WI, Consumer Price Index for All Urban Consumers (CPI-U) from the month of October in the preceding calendar year to the month of October in the current calendar year.

(b) The commissioner shall increase the fines in subdivisions 1 to 5, except for the fine for a serious violation under section 182.653, subdivision 2, that causes or contributes to the death of an

employee, by the percentage change determined by the commissioner under paragraph (a), if the percentage change is greater than zero. The fines shall be increased to the nearest one dollar.

(c) If the percentage change determined by the commissioner under paragraph (a) is not greater than zero, the commissioner shall not change any of the fines in subdivisions 1 to 5.

(d) A fine increased under this subdivision takes effect on the next January 15 after the commissioner determines the percentage change under paragraph (a) and applies to all fines assessed on or after the next January 15.

(e) No later than December 1 of each year, the commissioner shall give notice in the State Register of any increase to the fines in subdivisions 1 to 5.

Sec. 18. [182.677] ERGONOMICS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this subdivision apply unless otherwise specified.

(b) "Health care facility" means a hospital with a North American Industrial Classification system code of 622110, 622210, or 622310; an outpatient surgical center with a North American Industrial Classification system code of 621493; and a nursing home with a North American Industrial Classification system code of 623110.

(c) "Warehouse distribution center" means an employer with 100 or more employees in Minnesota and a North American Industrial Classification system code of 493110, 423110 to 423990, 424110 to 424990, 454110, or 492110.

(d) "Meatpacking site" means a meatpacking or poultry processing site with 100 or more employees in Minnesota and a North American Industrial Classification system code of 311611 to 311615, except 311613.

(e) "Musculoskeletal disorder" or "MSD" means a disorder of the muscles, nerves, tendons, ligaments, joints, cartilage, blood vessels, or spinal discs.

Subd. 2. **Ergonomics program required.** (a) Every licensed health care facility, warehouse distribution center, or meatpacking site in the state shall create and implement an effective written ergonomics program establishing the employer's plan to minimize the risk of its employees developing or aggravating musculoskeletal disorders by utilizing an ergonomics process. The ergonomics program shall focus on eliminating the risk. To the extent risk exists, the ergonomics program must include feasible administrative or engineering controls to reduce the risk.

(b) The program shall include:

(1) an assessment of hazards with regard to prevention of musculoskeletal disorders;

(2) an initial and ongoing training of employees on ergonomics and its benefits, including the importance of reporting early symptoms of musculoskeletal disorders;

(3) a procedure to ensure early reporting of musculoskeletal disorders to prevent or reduce the progression of symptoms, the development of serious injuries, and lost-time claims;

(4) a process for employees to provide possible solutions that may be implemented to reduce, control, or eliminate workplace musculoskeletal disorders;

(5) procedures to ensure that physical plant modifications and major construction projects are consistent with program goals; and

(6) annual evaluations of the ergonomics program and whenever a change to the work process occurs.

Subd. 3. **Annual evaluation of program required.** There must be an established procedure to annually assess the effectiveness of the ergonomics program, including evaluation of corrective actions taken in response to reporting of symptoms by employees. The annual assessment shall determine the success of the implemented ergonomic solutions and whether goals set by the ergonomics program have been met.

Subd. 4. **Employee training.** (a) An employer subject to this section must train all new and existing employees on the following:

(1) the name of each individual on the employer's safety committee;

(2) the facility's hazard prevention and control plan;

(3) the early signs and symptoms of musculoskeletal injuries and the procedures for reporting them;

(4) the procedures for reporting injuries and other hazards;

(5) any administrative or engineering controls related to ergonomic hazards that are in place or will be implemented at the facility;

(6) how to use personal protective equipment, whether it is available, and where it is located; and

(7) the requirements of subdivision 9.

(b) New and current employees must be trained according to paragraph (a) prior to starting work. The employer must provide the training during working hours and compensate the employee for attending the training at the employee's standard rate of pay. All training must be in a language and with vocabulary that the employee can understand.

(c) Updates to the information conveyed in the training shall be communicated to employees as soon as practicable.

Subd. 5. **Involvement of employees.** Employers subject to this section must solicit feedback for its ergonomics program through its safety committee required by section 182.676, in addition to any other opportunities for employee participation the employer may provide. The safety committee must be directly involved in ergonomics worksite assessments and participate in the annual evaluation required by subdivision 3.

Subd. 6. **Workplace program or AWAIR.** An employer subject to this section must reference its ergonomics program in a written Workplace Accident and Injury Reduction (AWAIR) program required by section 182.653, subdivision 8.

Subd. 7. **Recordkeeping.** An employer subject to this section must maintain:

(1) a written certification dated and signed by each person who provides training and each employee who receives training pursuant to this section. The certification completed by the training providers must state that the employer has provided training consistent with the requirements of this section;

(2) a record of all worker visits to on-site medical or first aid personnel for the last five years, regardless of severity or type of illness or injury; and

(3) a record of all ergonomic injuries suffered by employees for the last five years.

Subd. 8. **Availability of records.** (a) The employer must ensure that the certification records required by subdivision 7, clause (1), are up to date and available to the commissioner, employees, and authorized employee representatives, if any, upon request.

(b) Upon the request of the commissioner, an employee, or an authorized employee representative, the employer must provide the requestor a redacted version of the medical or first aid records and records of all ergonomic injuries. The name, contact information, and occupation of an employee, and any other information that would reveal the identity of an employee, must be removed in the redacted version. The redacted version must only include, to the extent it would not reveal the identity of an employee, the location where the employee worked, the date of the injury or visit, a description of the medical treatment or first aid provided, and a description of the injury suffered.

(c) The employer must also make available to the commissioner the unredacted medical or first aid records and unredacted records of ergonomic injuries required by subdivision 7, clause (2), upon request.

Subd. 9. **Reporting encouraged.** Any employer subject to this section must not institute or maintain any program, policy, or practice that discourages employees from reporting injuries, hazards, or safety and health standard violations, including ergonomic-related hazards and symptoms of musculoskeletal disorders.

Subd. 10. **Training materials.** The commissioner shall make training materials on implementation of this section available to all employers, upon request, at no cost as part of the duties of the commissioner under section 182.673.

Subd. 11. **Enforcement.** This section shall be enforced by the commissioner under sections 182.66 and 182.661. A violation of this section is subject to the penalties provided under section 182.666.

Subd. 12. **Grant program.** (a) The commissioner shall establish an ergonomics grant program to provide matching funding for employers who are subject to this section to make ergonomic improvements recommended by an on-site safety survey. Minnesota Rules, chapter 5203, applies to the administration of the grant program.

(b) To be eligible for a grant under this section, an employer must:

(1) be a licensed health care facility, warehouse distribution center, or meatpacking site as defined by subdivision 1;

(2) have current workers' compensation insurance provided through the assigned risk plan, provided by an insurer subject to penalties under chapter 176, or as an approved self-insured employer; and

(3) have an on-site safety survey with results that recommend specific equipment or practices that will reduce the risk of injury or illness to employees and prevent musculoskeletal disorders. This survey must have been conducted by a Minnesota occupational safety and health compliance investigator or workplace safety consultant, an in-house safety and health committee, a workers' compensation insurance underwriter, a private consultant, or a person under contract with the assigned risk plan.

(c) Grant funds may be used for all or part of the cost of the following:

(1) purchasing and installing recommended equipment intended to prevent musculoskeletal disorders;

(2) operating or maintaining recommended equipment intended to prevent musculoskeletal disorders;

(3) property, if the property is necessary to meet the recommendations of the on-site safety survey that are related to prevention of musculoskeletal disorders;

(4) training required to operate recommended safety equipment to prevent musculoskeletal disorders; and

(5) tuition reimbursement for educational costs related to identifying ergonomic-related issues that are related to the recommendations of the on-site safety survey.

(d) The commissioner shall evaluate applications, submitted on forms developed by the commissioner, based on whether the proposed project:

(1) is technically and economically feasible;

(2) is consistent with the recommendations of the on-site safety survey and the objective of reducing risk of injury or illness to employees and preventing musculoskeletal disorders;

(3) was submitted by an applicant with sufficient experience, knowledge, and commitment for the project to be implemented in a timely manner;

(4) has the necessary financial commitments to cover all project costs;

(5) has the support of all public entities necessary for its completion; and

(6) complies with federal, state, and local regulations.

(e) Grants under this section shall provide a match of up to \$10,000 for private funds committed by the employer to implement the recommended ergonomics-related equipment or practices.

(f) Grants will be awarded to all applicants that meet the eligibility and evaluation criteria under paragraphs (b), (c), and (d) until funding is depleted. If there are more eligible requests than funding, awards will be prorated.

(g) Grant recipients are not eligible to apply for another grant under chapter 176 until two years after the date of the award.

Subd. 13. **Standard development.** The commissioner may propose an ergonomics standard using the authority provided in section 182.655.

Sec. 19. Minnesota Statutes 2022, section 326B.092, subdivision 6, is amended to read:

Subd. 6. **Fees nonrefundable.** Application and examination fees, license fees, license renewal fees, and late fees are nonrefundable except for:

(1) license renewal fees received more than two years after expiration of the license, as described in section 326B.094, subdivision 2;

(2) any overpayment of fees; and

(3) if the license is not issued or renewed, the contractor recovery fund fee and any additional assessment paid under subdivision 7, paragraph (e).

Sec. 20. Minnesota Statutes 2022, section 326B.096, is amended to read:

326B.096 REINSTATEMENT OF LICENSES.

Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under this chapter and if an applicant for a license needs to pass an examination administered by the commissioner before becoming licensed, then, in order to have the license reinstated, the person who holds the revoked license must:

(1) retake the examination and achieve a passing score; and

(2) meet all other requirements for an initial license, including payment of the application and examination fee and the license fee. The person holding the revoked license is not eligible for Minnesota licensure without examination based on reciprocity.

(b) If a license is revoked under a chapter other than this chapter, then, in order to have the license reinstated, the person who holds the revoked license must:

(1) apply for reinstatement to the commissioner no later than two years after the effective date of the revocation;

(2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that, unless required by the order revoking the license, the applicant does not need to retake any examination and does not need to repay a license fee that was paid before the revocation.

Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order to have the license reinstated, the person who holds the suspended license must:

(1) apply for reinstatement to the commissioner no later than two years after the completion of the suspension period;

(2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that, unless required by the order suspending the license, the applicant does not need to retake any examination and does not need to repay a license fee that was paid before the suspension.

Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an individual may voluntarily terminate a license issued to the person under this chapter. If a licensee has voluntarily terminated a license under this subdivision, then, in order to have the license reinstated, the person who holds the terminated license must:

(1) apply for reinstatement to the commissioner no later than the date that the license would have expired if it had not been terminated;

(2) pay a ~~\$100~~ \$25 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that the applicant does not need to repay a license fee that was paid before the termination.

Sec. 21. Minnesota Statutes 2022, section 326B.103, is amended by adding a subdivision to read:

Subd. 6a. **Electric vehicle capable space.** "Electric vehicle capable space" means a designated automobile parking space that has electrical infrastructure, including but not limited to raceways, cables, electrical capacity, and panelboard or other electrical distribution space necessary for the future installation of an electric vehicle charging station.

Sec. 22. Minnesota Statutes 2022, section 326B.103, is amended by adding a subdivision to read:

Subd. 6b. **Electric vehicle charging station.** "Electric vehicle charging station" means a designated automobile parking space that has a dedicated connection for charging an electric vehicle.

Sec. 23. Minnesota Statutes 2022, section 326B.103, is amended by adding a subdivision to read:

Subd. 6c. **Electric vehicle ready space.** "Electric vehicle ready space" means a designated automobile parking space that has a branch circuit capable of supporting the installation of an electric vehicle charging station.

Sec. 24. Minnesota Statutes 2022, section 326B.103, is amended by adding a subdivision to read:

Subd. 10a. **Parking facilities.** "Parking facilities" includes parking lots, garages, ramps, or decks.

Sec. 25. Minnesota Statutes 2022, section 326B.103, subdivision 13, is amended to read:

Subd. 13. **State licensed facility.** "State licensed facility" means a building and its grounds that are licensed by the state as a hospital, nursing home, supervised living facility, assisted living facility, including assisted living facility with dementia care, free-standing outpatient surgical center, correctional facility, boarding care home, or residential hospice.

Sec. 26. Minnesota Statutes 2022, section 326B.106, subdivision 1, is amended to read:

Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the Construction Codes Advisory Council establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must also include duties and responsibilities for code administration, including procedures for administrative action, penalties, and suspension and revocation of certification. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the provisions of those sections.

(b) The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 326B.194. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

(c) Beginning with the 2018 edition of the model building codes and every six years thereafter, the commissioner shall review the new model building codes and adopt the model codes as amended for use in Minnesota, within two years of the published edition date. The commissioner may adopt amendments to the building codes prior to the adoption of the new building codes to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or the use of a building.

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with

United States Code, title 42, section 6833. The commissioner may adopt amendments prior to adoption of the new energy codes, as amended for use in Minnesota, to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building.

(e) Beginning in 2024, the commissioner shall act on the new model commercial energy code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard. The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that incrementally move toward achieving the 80 percent reduction in annual net energy consumption. By January 15 of the year following each new code adoption, the commissioner shall make a report on progress under this section to the legislative committees with jurisdiction over the energy code. The commissioner may adjust the standard as necessary upon consideration of the impact to building affordability, energy reliability, and other factors deemed appropriate. Nothing in this paragraph shall be construed to limit the installation, operation, or use of a system, appliance, or other equipment based on the energy source used to power the system, appliance, or other equipment.

(f) Nothing in this section shall be interpreted to limit the ability of a public utility to offer code support programs, or to claim energy savings resulting from such programs, through its energy conservation and optimization plans approved by the commissioner of commerce under section 216B.241 or an energy conservation and optimization plan filed by a consumer-owned utility under section 216B.2403.

Sec. 27. Minnesota Statutes 2022, section 326B.106, subdivision 4, is amended to read:

Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) **Smoke detection devices.** The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) **Doors in nursing homes and hospitals.** The State Building Code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) **Child care facilities in churches; ground level exit.** A licensed day care center serving fewer than 30 preschool age persons and which is located in a belowground space in a church building is exempt from the State Building Code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) **Family and group family day care.** Until the legislature enacts legislation specifying appropriate standards, the definition of dwellings constructed in accordance with the International Residential Code as adopted as part of the State Building Code applies to family and group family

day care homes licensed by the Department of Human Services under Minnesota Rules, chapter 9502.

(f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(h) **Relocated residential buildings.** A residential building relocated within or into a political subdivision of the state need not comply with the State Energy Code or section 326B.439 provided that, where available, an energy audit is conducted on the relocated building.

(i) **Automatic garage door opening systems.** The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(j) **Exterior wood decks, patios, and balconies.** The code must permit the decking surface and upper portions of exterior wood decks, patios, and balconies to be constructed of (1) heartwood from species of wood having natural resistance to decay or termites, including redwood and cedars, (2) grades of lumber which contain sapwood from species of wood having natural resistance to decay or termites, including redwood and cedars, or (3) treated wood. The species and grades of wood products used to construct the decking surface and upper portions of exterior decks, patios, and balconies must be made available to the building official on request before final construction approval.

(k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be imposed by municipalities under the State Building Code, except as required under section 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92 administered by the Department of Labor and Industry. All data regarding the material production processes, including the bioprocess system's structural design and layout, are nonpublic data as provided by section 13.7911.

(l) **Use of ungraded lumber.** The code must allow the use of ungraded lumber in geographic areas of the state where the code did not generally apply as of April 1, 2008, to the same extent that ungraded lumber could be used in that area before April 1, 2008.

(m) **Window cleaning safety.** ~~The code must require the installation of dedicated anchorages for the purpose of suspended window cleaning on (1) new buildings four stories or greater; and (2) buildings four stories or greater, only on those areas undergoing reconstruction, alteration, or repair that includes the exposure of primary structural components of the roof.~~ The commissioner shall adopt rules, using the expedited rulemaking process in section 14.389, requiring window cleaning safety features that comply with a nationally recognized standard as part of the State Building Code. Window cleaning safety features shall be provided for all windows on:

(1) new buildings where determined by the code; and

(2) existing buildings undergoing alterations where both of the following conditions are met:

- (i) the windows do not currently have safe window cleaning features; and
- (ii) the proposed work area being altered can include provisions for safe window cleaning.

~~The commissioner may waive all or a portion of the requirements of this paragraph related to reconstruction, alteration, or repair, if the installation of dedicated anchorages would not result in significant safety improvements due to limits on the size of the project, or other factors as determined by the commissioner.~~

(n) **Adult-size changing facilities.** The commissioner shall adopt rules requiring adult-size changing facilities as part of the State Building Code.

Sec. 28. Minnesota Statutes 2022, section 326B.106, is amended by adding a subdivision to read:

Subd. 16. **Electric vehicle charging.** The code shall require a minimum number of electric vehicle ready spaces, electric vehicle capable spaces, and electric vehicle charging stations either within or adjacent to new commercial and multifamily structures that provide on-site parking facilities. Residential structures with fewer than four dwelling units are exempt from this subdivision.

Sec. 29. Minnesota Statutes 2022, section 326B.802, subdivision 15, is amended to read:

Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

(a) **Excavation.** Excavation includes work in any of the following areas:

- (1) excavation;
- (2) trenching;
- (3) grading; and
- (4) site grading.

(b) **Masonry and concrete.** Masonry and concrete includes work in any of the following areas:

- (1) drain systems;
- (2) poured walls;
- (3) slabs and poured-in-place footings;
- (4) masonry walls;
- (5) masonry fireplaces;
- (6) masonry veneer; and
- (7) water resistance and waterproofing.

(c) **Carpentry.** Carpentry includes work in any of the following areas:

- (1) rough framing;
- (2) finish carpentry;
- (3) doors, windows, and skylights;
- (4) porches and decks, excluding footings;
- (5) wood foundations; and
- (6) drywall installation, excluding taping and finishing.

(d) **Interior finishing.** Interior finishing includes work in any of the following areas:

- (1) floor covering;
- (2) wood floors;
- (3) cabinet and counter top installation;
- (4) insulation and vapor barriers;
- (5) interior or exterior painting;
- (6) ceramic, marble, and quarry tile;
- (7) ornamental guardrail and installation of prefabricated stairs; and
- (8) wallpapering.

(e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:

- (1) siding;
- (2) soffit, fascia, and trim;
- (3) exterior plaster and stucco;
- (4) painting; and
- (5) rain carrying systems, including gutters and down spouts.

(f) **Drywall and plaster.** Drywall and plaster includes work in any of the following areas:

- (1) installation;
- (2) taping;
- (3) finishing;
- (4) interior plaster;

(5) painting; and

(6) wallpapering.

(g) **Residential roofing.** Residential roofing includes work in any of the following areas:

(1) roof coverings;

(2) roof sheathing;

(3) roof weatherproofing and insulation; ~~and~~

(4) repair of roof support system, but not construction of new roof support system; and

(5) penetration of roof coverings for purposes of attaching a solar photovoltaic system.

(h) **General installation specialties.** Installation includes work in any of the following areas:

(1) garage doors and openers;

(2) pools, spas, and hot tubs;

(3) fireplaces and wood stoves;

(4) asphalt paving and seal coating; ~~and~~

(5) ornamental guardrail and prefabricated stairs; and

(6) assembly of the support system for a solar photovoltaic system.

Sec. 30. **RULEMAKING AUTHORITY.**

The commissioner of labor and industry shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, that set forth adult-size changing facilities to conform with the addition of Minnesota Statutes, section 326B.106, subdivision 4, paragraph (n), under this act.

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

Sec. 31. **REPEALER.**

Minnesota Statutes 2022, section 177.26, subdivision 3, is repealed.

ARTICLE 6

SAFE WORKPLACES FOR MEAT AND POULTRY PROCESSING WORKERS

Section 1. **[179.87] TITLE.**

Sections 179.87 to 179.8757 may be titled the "Safe Workplaces for Meat and Poultry Processing Workers Act."

Sec. 2. **[179.871] DEFINITIONS.**

Subdivision 1. **Definitions.** For purposes of sections 179.87 to 179.8757, the terms in this section have the meanings given.

Subd. 2. **Authorized employee representative.** "Authorized employee representative" has the meaning given in section 182.651, subdivision 22.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of labor and industry or the commissioner's designee.

Subd. 4. **Coordinator.** "Coordinator" means the meatpacking industry worker rights coordinator or the coordinator's designee.

Subd. 5. **Meat-processing worker.** "Meat-processing worker" or "worker" means any individual who a meat-processing employer suffers or permits to work directly in contact with raw meatpacking products in a meatpacking operation, including independent contractors and persons performing work for an employer through a temporary service or staffing agency. Workers in a meatpacking operation who inspect or package meatpacking products and workers who clean, maintain, or sanitize equipment or surfaces are included in the definition of a meat-processing worker. Meat-processing worker does not include a federal, state, or local government inspector.

Subd. 6. **Meatpacking operation.** "Meatpacking operation" or "meat-processing employer" means a meatpacking or poultry processing site with 100 or more employees in Minnesota and a North American Industrial Classification system (NAICS) code of 311611 to 311615, excluding NAICS code 311613. Meatpacking operation or meat-processing employer does not mean a grocery store, butcher shop, meat market, deli, restaurant, or other business preparing meatpacking products for immediate consumption or for sale in a retail establishment or otherwise directly to an end-consumer.

Subd. 7. **Meatpacking products.** "Meatpacking products" means meat food products and poultry food products as defined in section 31A.02, subdivision 10.

Sec. 3. **[179.8715] WORKER RIGHTS COORDINATOR.**

(a) The commissioner must appoint a meatpacking industry worker rights coordinator in the Department of Labor and Industry and provide the coordinator with necessary office space, furniture, equipment, supplies, and assistance.

(b) The commissioner must enforce sections 179.87 to 179.8757, including inspecting, reviewing, and recommending improvements to the practices and procedures of meatpacking operations in Minnesota. A meat-processing employer must grant the commissioner full access to all meatpacking operations in this state at any time that meatpacking products are being processed or meat-processing workers are on the job.

(c) No later than December 1 each year, beginning December 1, 2024, the coordinator must submit a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over labor. The report must include recommendations to promote better treatment of meat-processing workers. The coordinator shall also post the report on the Department of Labor and Industry's website.

Sec. 4. **[179.872] REFUSAL TO WORK UNDER DANGEROUS CONDITIONS.**

A meat-processing worker has the right to refuse to work under dangerous conditions in accordance with section 182.654, subdivision 11. Pursuant to section 182.654, subdivision 11, the worker shall continue to receive pay and shall not be subject to discrimination.

Sec. 5. **[179.875] ENFORCEMENT AND COMPLIANCE.**

Subdivision 1. **Administrative enforcement.** The commissioner, either on the commissioner's initiative or in response to a complaint, may inspect a meatpacking operation and subpoena records and witnesses as provided in sections 175.20, 177.27, and 182.659. If a meat-processing employer does not comply with the commissioner's inspection, the commissioner may seek relief as provided in this section or chapter 175 or 182.

Subd. 2. **Compliance authority.** The commissioner may issue a compliance order under section 177.27, subdivision 4, requiring an employer to comply with sections 179.8755, paragraphs (b) and (c); 179.8756, subdivisions 1 to 3 and 4, paragraphs (f) and (g); and 179.8757. The commissioner also has authority, pursuant to section 182.662, subdivision 1, to issue a stop work or business closure order when there is a condition or practice that could result in death or serious physical harm.

Subd. 3. **Private civil action.** If a meat-processing employer does not comply with a provision in sections 179.87 to 179.8757, an aggrieved worker, authorized employee representative, or other person may bring a civil action in a court of competent jurisdiction within three years of an alleged violation and, upon prevailing, must be awarded the relief provided in this section. Pursuing administrative relief is not a prerequisite for bringing a civil action.

Subd. 4. **Other government enforcement.** The attorney general may enforce sections 179.87 to 179.8757 under section 8.31. A city or county attorney may also enforce these sections. Such law enforcement agencies may inspect meatpacking operations and subpoena records and witnesses and, where such agencies determine that a violation has occurred, may bring a civil action as provided in this section.

Subd. 5. **Relief.** (a) In a civil action or administrative proceeding brought to enforce sections 179.87 to 179.8757, the court or commissioner must order relief as provided in this subdivision.

(b) For any violation of sections 179.87 to 179.8757:

(1) an injunction to order compliance and restrain continued violations;

(2) payment to a prevailing worker by a meat-processing employer of reasonable costs, disbursements, and attorney fees; and

(3) a civil penalty payable to the state of not less than \$100 per day per worker affected by the meat-processing employer's noncompliance with sections 179.87 to 179.8757.

(c) Any worker who brings a complaint under sections 179.87 to 179.8757 and suffers retaliation is entitled to treble damages in addition to lost pay and recovery of attorney fees and costs.

(d) Any company who is found to have retaliated against a meat-processing worker must pay a fine of up to \$10,000 to the commissioner, in addition to other penalties available under law.

Subd. 6. **Whistleblower enforcement; penalty distribution.** (a) The relief provided in this section may be recovered through a private civil action brought on behalf of the commissioner in a court of competent jurisdiction by another individual, including an authorized employee representative, pursuant to this subdivision.

(b) The individual must give written notice to the coordinator of the specific provision or provisions of sections 179.87 to 179.8757 alleged to have been violated. The individual or representative organization may commence a civil action under this subdivision if no enforcement action is taken by the commissioner within 30 days.

(c) Civil penalties recovered pursuant to this subdivision must be distributed as follows:

(1) 70 percent to the commissioner for enforcement of sections 179.87 to 179.8757; and

(2) 30 percent to the individual or authorized employee representative.

(d) The right to bring an action under this subdivision shall not be impaired by private contract. A public enforcement action must be tried promptly, without regard to concurrent adjudication of a private claim for the same alleged violation.

Sec. 6. [179.8755] RETALIATION AGAINST EMPLOYEES AND WHISTLEBLOWERS PROHIBITED.

(a) Pursuant to section 182.669, no meat-processing employer or other person may discharge or discriminate against a worker because the employee has raised a concern about a meatpacking operation's health and safety practices to the employer or otherwise exercised any right authorized under sections 182.65 to 182.674.

(b) No meat-processing employer or other person may attempt to require any worker to sign a contract or other agreement that would limit or prevent the worker from disclosing information about workplace health and safety practices or hazards, or to otherwise abide by a workplace policy that would limit or prevent such disclosures. Any such agreements or policies are hereby void and unenforceable as contrary to the public policy of this state. An employer's attempt to impose such a contract, agreement, or policy shall constitute an adverse action enforceable under section 179.875.

(c) Reporting or threatening to report a meat-processing worker's suspected citizenship or immigration status, or the suspected citizenship or immigration status of a family member of the worker, to a federal, state, or local agency because the worker exercises a right under sections 179.87 to 179.8757 constitutes an adverse action for purposes of establishing a violation of that worker's rights. For purposes of this paragraph, "family member" means a spouse, parent, sibling, child, uncle, aunt, niece, nephew, cousin, grandparent, or grandchild related by blood, adoption, marriage, or domestic partnership.

Sec. 7. [179.8756] MEATPACKING WORKER CHRONIC INJURIES AND WORKPLACE SAFETY.

Subdivision 1. **Facility committee.** (a) The meat-processing employer's ergonomics program under section 182.677, subdivision 2, must be developed and implemented by a committee of individuals who are knowledgeable of the tasks and work processes performed by workers at the employer's facility. The committee must include:

(1) a certified professional ergonomist;

(2) a licensed, board-certified physician, with preference given to a physician who has specialized experience and training in occupational medicine; and

(3) at least three workers employed in the employer's facility who have completed a general industry outreach course approved by the commissioner, one of whom must be an authorized employee representative if the employer is party to a collective bargaining agreement.

(b) If it is not practicable for a certified professional ergonomist or a licensed, board-certified physician to be a member of the committee required by paragraph (b), the meatpacking employer must have their ergonomics program reviewed by a certified professional ergonomist and a licensed, board-certified physician prior to implementation of the program and annually thereafter.

Subd. 2. **New task and annual safety training.** (a) Meat-processing employers must provide every worker who is assigned a new task if the worker has no previous work experience with training on how to safely perform the task, the ergonomic and other hazards associated with the task, and training on the early signs and symptoms of musculoskeletal injuries and the procedures for reporting them. The employer must give a worker an opportunity within 30 days of receiving the new task training to receive refresher training on the topics covered in the new task training. The employer must provide this training in a language and with vocabulary that the employee can understand.

(b) Meat-processing employers must provide each worker with no less than eight hours of safety training each year. This annual training must address health and safety topics that are relevant to the establishment and the worker's job assignment, such as cuts, lacerations, amputations, machine guarding, biological hazards, lockout/tagout, hazard communication, ergonomic hazards, and personal protective equipment. At least two of the eight hours of annual training must be on topics related to the facility's ergonomic injury prevention program, including the assessment of surveillance data, the ergonomic hazard prevention and control plan, and the early signs and symptoms of musculoskeletal disorders and the procedures for reporting them. The employer must provide this training in a language and with vocabulary that the employee can understand.

Subd. 3. **Medical services and qualifications.** (a) Meat-processing employers must ensure that:

(1) all first-aid providers, medical assistants, nurses, and physicians engaged by the employer are licensed and perform their duties within the scope of their licensed practice;

(2) medical management of musculoskeletal disorders is under direct supervision of a licensed physician specializing in occupational medicine who will advise on best practices for management and prevention of work-related musculoskeletal disorders; and

(3) medical management of musculoskeletal injuries follows the most current version of the American College of Occupational and Environmental Medicine practice guidelines.

(b) The coordinator may compile, analyze, and publish annually, either in summary or detailed form, all reports or information obtained under sections 179.87 to 179.8757, including information about ergonomics programs, and may cooperate with the United States Department of Labor in obtaining national summaries of occupational deaths, injuries, and illnesses. The coordinator and authorized employee representative must preserve the anonymity of each employee with respect to whom medical reports or information is obtained.

(c) Meat-processing employers must not institute or maintain any program, policy, or practice that discourages employees from reporting injuries, hazards, or safety standard violations, unless the employee authorizes employee's information be shared.

Subd. 4. **Pandemic protections.** (a) This subdivision applies during a public health emergency that involves airborne transmission.

(b) Meat-processing employers must maintain a radius of space around and between each worker according to the Centers for Disease Control and Prevention guidelines unless a nonporous barrier separates the workers. An employer may accomplish such distancing by increasing physical space between workstations, slowing production speeds, staggering shifts and breaks, adjusting shift size, or a combination thereof. The employer must reconfigure common or congregate spaces to allow for such distancing, including lunch rooms, break rooms, and locker rooms. The employer must reinforce social distancing by allowing workers to maintain six feet of distance along with the use of nonporous barriers.

(c) Meat-processing employers must provide employees with face masks and must make face shields available on request. Face masks, including replacement face masks, and face shields must be provided at no cost to the employee. All persons present at the meatpacking operation must wear face masks in the facility except in those parts of the facility where infection risk is low because workers work in isolation.

(d) Meat-processing employers must provide all meat-processing workers with the ability to frequently and routinely sanitize their hands with either hand-washing or hand-sanitizing stations. The employer must ensure that restrooms have running hot and cold water and paper towels and are in sanitary condition. The employer must provide gloves to those who request them.

(e) Meat-processing employers must clean and regularly disinfect all frequently touched surfaces in the workplace, such as workstations, training rooms, machinery controls, tools, protective garments, eating surfaces, bathrooms, showers, and other similar areas. Employers must install and maintain ventilation systems that ensure unidirectional air flow, outdoor air, and filtration in both production areas and common areas such as cafeterias and locker rooms.

(f) Meat-processing employers must disseminate all required communications, notices, and any published materials regarding these protections in English, Spanish, and other languages as required for employees to understand the communication.

(g) Consistent with sections 177.253 and 177.254, meat-processing employers must provide adequate break time for workers to use the bathroom, wash their hands, and don and doff protective equipment. Nothing in this section relieves an employer of its obligation to comply with federal and state wage and hour laws.

(h) Meat-processing employers must provide sufficient personal protective equipment for each employee for each shift, plus replacements, at no cost to the employee. Meat-processing employers must provide training in proper use of personal protective equipment, safety procedures, and sanitation.

(i) Meat-processing employers must record all injuries and illnesses in the facility and make these records available upon request to the health and safety committee. The name, contact information, and occupation of an employee, and any other information that would reveal the identity of an employee, must be removed. The redacted records must only include, to the extent it would not reveal the identity of an employee, the location where the employee worked, the date of the injury or visit, a description of the medical treatment or first aid provided, and a description of the injury suffered. The employer also must make its records available to the commissioner, and where there is a collective bargaining agreement, to the authorized bargaining representative.

(j) Except for paragraphs (f) and (g), this section shall be enforced by the commissioner under sections 182.66 and 182.661. A violation of this section is subject to the penalties provided under section 182.666. Paragraphs (f) and (g) are enforceable by the commissioner as described in section 179.875, subdivision 2.

(k) This subdivision may also be enforced as described in section 179.875, subdivisions 3 to 6.

Sec. 8. [179.8757] NOTIFICATION REQUIRED.

(a) Meat-processing employers must provide written information and notifications about employee rights under section 179.86 and sections 179.87 to 179.8757 to workers in their language of fluency at least annually. If a worker is unable to understand written information and notifications, the employer must provide such information and notices orally in the worker's language of fluency.

(b) The coordinator must notify covered employers of the provisions of sections 179.87 to 179.8757 and any recent updates at least annually.

(c) The coordinator must place information explaining sections 179.87 to 179.8757 on the Department of Labor and Industry's website in at least English, Spanish, and any other language that at least ten percent of meat-processing workers communicate in fluently. The coordinator must also make the information accessible to persons with impaired visual acuity.

Sec. 9. Minnesota Statutes 2022, section 182.654, subdivision 11, is amended to read:

Subd. 11. Refusal to work under dangerous conditions. An employee acting in good faith has the right to refuse to work under conditions which the employee reasonably believes present an imminent danger of death or serious physical harm to the employee.

A reasonable belief of imminent danger of death or serious physical harm includes but is not limited to a reasonable belief of the employee that the employee has been assigned to work in an unsafe or unhealthful manner with a hazardous substance, harmful physical agent or infectious agent.

An employer may not discriminate against an employee for a good faith refusal to perform assigned tasks if the employee has requested that the employer correct the hazardous conditions but the conditions remain uncorrected.

An employee who has refused in good faith to perform assigned tasks and who has not been reassigned to other tasks by the employer shall, in addition to retaining a right to continued employment, receive pay for the tasks which would have been performed if (1) the employee requests the commissioner to inspect and determine the nature of the hazardous condition, and (2) the commissioner determines that the employee, by performing the assigned tasks, would have been placed in imminent danger of death or serious physical harm.

Additionally, an administrative law judge may order, in addition to the relief found in section 182.669:

(1) reinstatement of the worker to the same position held before any adverse personnel action or to an equivalent position, reinstatement of full fringe benefits and seniority rights, and compensation for unpaid wages, benefits and other remuneration, or front pay in lieu of reinstatement; and

(2) compensatory damages payable to the aggrieved worker equal to the greater of \$5,000 or twice the actual damages, including unpaid wages, benefits and other remuneration, and punitive damages.

ARTICLE 7

REGULATION OF RESTRICTIVE EMPLOYMENT AGREEMENTS

Section 1. [181.141] SEXUAL HARASSMENT OR ABUSE SETTLEMENT; PAYMENT AS SEVERANCE OR WAGES PROHIBITED.

In a sexual harassment or abuse settlement between an employer and an employee, when there is a financial settlement provided, the financial settlement cannot be provided as wages or severance pay to the employee regardless of whether the settlement includes a nondisclosure agreement.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to settlements entered into on or after that date.

Sec. 2. [181.987] COVENANTS NOT TO COMPETE VOID IN EMPLOYMENT AGREEMENTS; SUBSTANTIVE PROTECTIONS OF MINNESOTA LAW APPLY.

Subdivision 1. **Definitions.** (a) "Covenant not to compete" means an agreement between an employee and employer that restricts the employee, after termination of the employment, from performing:

(1) work for another employer for a specified period of time;

(2) work in a specified geographical area; or

(3) work for another employer in a capacity that is similar to the employee's work for the employer that is party to the agreement.

A covenant not to compete does not include a nondisclosure agreement, or agreement designed to protect trade secrets or confidential information. A covenant not to compete does not include a nonsolicitation agreement, or agreement restricting the ability to use client or contact lists, or solicit customers of the employer.

(b) "Employer" means any individual, partnership, association, corporation, business, trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.

(c) "Employee" as used in this section means any individual who performs services for an employer, including independent contractors.

(d) "Independent contractor" means any individual whose employment is governed by a contract and whose compensation is not reported to the Internal Revenue Service on a W-2 form. For purposes of this section, independent contractor also includes any corporation, limited liability corporation, partnership, or other corporate entity when an employer requires an individual to form such an organization for purposes of entering into a contract for services as a condition of receiving compensation under an independent contractor agreement.

Subd. 2. **Covenants not to compete void and unenforceable.** (a) Any covenant not to compete contained in a contract or agreement is void and unenforceable.

(b) Notwithstanding paragraph (a), a covenant not to compete is valid and enforceable if:

(1) the covenant not to compete is agreed upon during the sale of a business. The person selling the business and the partners, members, or shareholders, and the buyer of the business may agree on a temporary and geographically restricted covenant not to compete that will prohibit the seller of the business from carrying on a similar business within a reasonable geographic area and for a reasonable length of time; or

(2) the covenant not to compete is agreed upon in anticipation of the dissolution of a business. The partners, members, or shareholders, upon or in anticipation of a dissolution of a partnership, limited liability company, or corporation may agree that all or any number of the parties will not carry on a similar business within a reasonable geographic area where the business has been transacted.

(c) Nothing in this subdivision shall be construed to render void or unenforceable any other provisions in a contract or agreement containing a void or unenforceable covenant not to compete.

(d) In addition to injunctive relief and any other remedies available, a court may award an employee who is enforcing rights under this section reasonable attorney fees.

Subd. 3. **Choice of law; venue.** (a) An employer must not require an employee who primarily resides and works in Minnesota, as a condition of employment, to agree to a provision in an agreement or contract that would do either of the following:

(1) require the employee to adjudicate outside of Minnesota a claim arising in Minnesota; or

(2) deprive the employee of the substantive protection of Minnesota law with respect to a controversy arising in Minnesota.

(b) Any provision of a contract or agreement that violates paragraph (a) is voidable at any time by the employee and if a provision is rendered void at the request of the employee, the matter shall be adjudicated in Minnesota and Minnesota law shall govern the dispute.

(c) In addition to injunctive relief and any other remedies available, a court may award an employee who is enforcing rights under this section reasonable attorney fees.

(d) For purposes of this section, adjudication includes litigation and arbitration.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts and agreements entered into on or after that date.

Sec. 3. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 31. **Damages for sexual harassment or abuse.** The amount of qualifying damages received is a subtraction. For purposes of this subdivision, "qualifying damages" means:

(1) damages received under a sexual harassment or abuse claim that are not excluded from gross income under section 104(a)(2) of the Internal Revenue Code because the injury or sickness for which the damages are paid are not physical; or

(2) severance pay received under a financial settlement of a sexual harassment or abuse claim that does not include a nondisclosure agreement.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

ARTICLE 8

BUILDING AND CONSTRUCTION CONTRACTS

Section 1. Minnesota Statutes 2022, section 15.71, is amended by adding a subdivision to read:

Subd. 1a. **Indemnification agreement.** "Indemnification agreement" means an agreement by the promisor to indemnify, defend, or hold harmless the promisee against liability or claims of liability for damages arising out of bodily injury to persons or out of physical damage to tangible or real property.

Sec. 2. Minnesota Statutes 2022, section 15.71, is amended by adding a subdivision to read:

Subd. 1b. **Promisee.** "Promisee" includes that party's independent contractors, agents, employees, or indemnitees.

Sec. 3. Minnesota Statutes 2022, section 15.72, is amended by adding a subdivision to read:

Subd. 3. **Unenforceability of certain agreements.** (a) An indemnification agreement contained in, or executed in connection with, a contract for a public improvement is unenforceable except to the extent that:

(1) the underlying injury or damage is attributable to the negligent or otherwise wrongful act or omission, including breach of a specific contractual duty, of the promisor or the promisor's independent contractors, agents, employees, or delegates; or

(2) an owner, a responsible party, or a governmental entity agrees to indemnify a contractor directly or through another contractor with respect to strict liability under environmental laws.

(b) A provision in a public building or construction contract that requires a party to provide insurance coverage to one or more other parties, including third parties, for the negligence or intentional acts or omissions of any of those other parties, including third parties, is against public policy and is void and unenforceable.

(c) Paragraph (b) does not affect the validity of a provision that requires a party to provide or obtain workers' compensation insurance, construction performance or payment bonds, builder's risk policies, owner or contractor-controlled insurance programs or policies, or project-specific insurance for claims arising out of the promisor's negligent acts or omissions or the negligent acts or omissions of the promisors, independent contractors, agents, employees, or delegates.

(d) Paragraph (b) does not affect the validity of a provision that requires the promisor to provide or obtain insurance coverage for the promisee's vicarious liability, or liability imposed by warranty, arising out of the acts or omissions of the promisor.

(e) Paragraph (b) does not apply to building and construction contracts for work within 50 feet of public or private railroads, or railroads regulated by the Federal Railroad Administration.

Sec. 4. Minnesota Statutes 2022, section 337.01, subdivision 3, is amended to read:

Subd. 3. **Indemnification agreement.** "Indemnification agreement" means an agreement by the promisor to indemnify, defend, or hold harmless the promisee against liability or claims of liability for damages arising out of bodily injury to persons or out of physical damage to tangible or real property.

Sec. 5. Minnesota Statutes 2022, section 337.05, subdivision 1, is amended to read:

Subdivision 1. **Agreements valid.** (a) Except as otherwise provided in paragraph (b), sections 337.01 to 337.05 do not affect the validity of agreements whereby a promisor agrees to provide specific insurance coverage for the benefit of others.

(b) A provision that requires a party to provide insurance coverage to one or more other parties, including third parties, for the negligence or intentional acts or omissions of any of those other parties, including third parties, is against public policy and is void and unenforceable.

(c) Paragraph (b) does not affect the validity of a provision that requires a party to provide or obtain workers' compensation insurance, construction performance or payment bonds, ~~or project-specific insurance, including, without limitation, builder's risk policies or owner or~~

~~contractor-controlled insurance programs or policies~~ builder's risk policies, owner or contractor-controlled insurance programs or policies, or project-specific insurance for claims arising out of the promisor's negligent acts or omissions or the negligent acts or omissions of the promisors, independent contractors, agents, employees, or delegates.

(d) Paragraph (b) does not affect the validity of a provision that requires the promisor to provide or obtain insurance coverage for the promisee's vicarious liability, or liability imposed by warranty, arising out of the acts or omissions of the promisor.

(e) Paragraph (b) does not apply to building and construction contracts for work within 50 feet of public or private railroads, or railroads regulated by the Federal Railroad Administration.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment and apply to agreements entered into on or after that date."

Delete the title and insert:

"A bill for an act relating to state government; establishing the biennial budget for the Department of Labor and Industry, Workers' Compensation Court of Appeals, and Bureau of Mediation Services; providing protections for agricultural and food processing workers; establishing nursing home workforce standards; modifying combative sports; providing for safe workplaces for meat and poultry processing workers; regulating restrictive employment agreements; modifying other miscellaneous policy provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 15.71, by adding subdivisions; 15.72, by adding a subdivision; 116J.871, subdivision 2; 175.16, subdivision 1; 177.26, subdivisions 1, 2; 177.27, subdivisions 4, 7; 178.01; 178.011, subdivision 7; 178.03, subdivision 1; 178.11; 179.86, subdivisions 1, 3, by adding subdivisions; 181.14, subdivision 1; 181.635, subdivisions 1, 2, 3, 4, 6; 181.85, subdivisions 2, 4; 181.86, subdivision 1; 181.87, subdivisions 2, 3, 7; 181.88; 181.89, subdivision 2, by adding a subdivision; 181.9435, subdivision 1; 181.9436; 182.654, subdivision 11; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 290.0132, by adding a subdivision; 326B.092, subdivision 6; 326B.096; 326B.103, subdivision 13, by adding subdivisions; 326B.106, subdivisions 1, 4, by adding a subdivision; 326B.802, subdivision 15; 337.01, subdivision 3; 337.05, subdivision 1; 341.21, subdivisions 2a, 2b, 2c, 4f, 7, by adding a subdivision; 341.221; 341.25; 341.27; 341.28, subdivisions 2, 3, by adding subdivisions; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; 341.33; 341.355; proposing coding for new law in Minnesota Statutes, chapters 179; 181; 182; 341; repealing Minnesota Statutes 2022, section 177.26, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 2782, be recommended to pass as amended and be re-referred.

There were yeas 6 and nays 4, as follows:

Those who voted in the affirmative were:

Senators Hauschild, Kupec, Marty, McEwen, Oumou Verbeten, and Pappas.

Those who voted in the negative were:

Senators Dornink, Gruenhagen, Lieske, and Wesenberg.

The motion prevailed.

Senator Putnam from the Committee on Agriculture, Broadband, and Rural Development, to which was referred

S.F. No. 1955: A bill for an act relating to state government; appropriating money to the Board of Animal Health.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

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

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

Sec. 2. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation** **\$** **96,089,000** **\$** **74,253,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>95,690,000</u>	<u>73,854,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

Subd. 2. Protection Services

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>24,400,000</u>	<u>23,350,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

(b) \$1,000,000 the first year and \$1,000,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027.

(c) \$375,000 the first year and \$375,000 the second year are for transfer to the noxious weed and invasive plant species assistance account in the agricultural fund to award grants to local units of government and Tribal Nations under Minnesota Statutes, section 18.90.

(d) \$215,000 the first year and \$215,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to

\$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base is \$175,000 for fiscal year 2026 and thereafter.

(e) \$190,000 the first year and \$190,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$20,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base is \$155,000 for fiscal year 2026 and thereafter.

(f) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical

laboratory. The base for fiscal year 2026 and thereafter is \$825,000.

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

(h) \$950,000 the first year and \$950,000 the second year are additional funding to maintain the current level of service delivery for programs under this subdivision. The base is \$1,388,000 for fiscal year 2026 and thereafter.

(i) \$975,000 the first year and \$975,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota's farmers by incorporating perennial and winter-annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to.

(j) \$1,250,000 the first year and \$250,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous-living cover crops and cropping systems in the early stages of commercial development. For the purposes of this section, "continuous-living cover crops and cropping systems" refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter-annual cereal grains and oilseeds that have market value

as harvested or grazed commodities. By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to. Of the amount in the first year, \$1,000,000 must be used to support markets for Kernza perennial grain, winter camelina, hybrid hazelnut, and elderberry, and is available until June 30, 2027. The commissioner may use up to 6.5 percent of this appropriation for administrative costs.

(k) \$225,000 the first year and \$225,000 the second year are appropriated for wolf-livestock conflict-prevention grants. The commissioner may use up to \$125,000 from each year to reimburse nonlethal prevention work performed by federal wildlife services. This is a onetime appropriation.

(l) \$50,000 the first year is to convene a working group of interested parties, including representatives from the Department of Natural Resources, to investigate and recommend measures to protect crops, stored crops, and forage from destruction due to white-tailed deer. Membership of the working group is at the discretion of the commissioner. The commissioner or the commissioner's designated representative must convene and facilitate the working group. No later than February 1, 2024, the commissioner must submit a report on the working group's recommendations to the legislative committees with jurisdiction over agriculture policy and finance. This is a onetime appropriation.

Subd. 3. Agricultural Marketing and Development

4,815,000

4,815,000

(a) \$150,000 the first year and \$150,000 the second year are to expand international trade

opportunities and markets for Minnesota agricultural products.

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

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

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

(e) \$450,000 the first year and \$450,000 the second year are to maintain the current level of service delivery. The base is \$550,000 for fiscal year 2026 and thereafter.

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

year and is available in the second year. This is a onetime appropriation.

(g) \$100,000 the first year and \$100,000 the second year are to award and administer grants to facilitate the start-up or expansion of aggregation and food hub services at farmers markets. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

36,232,000

30,732,000

(a) \$9,800,000 the first year and \$9,800,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,500,000 the first year and \$2,500,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$450,000 the first year and \$450,000 the second year are for projects, programs, and research associated with the preservation and production of wild rice in collaboration with Minnesota Tribal governments as defined in Minnesota Statutes, section 10.65, subdivision 2, paragraph (a), clause (4); and \$350,000 the first year and \$350,000 the second year are for potato breeding. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount

transferred to the Board of Regents, up to \$1,000,000 each year is for avian influenza prevention measures and research on avian influenza, salmonella, and other turkey-related diseases. Funds may be used for researching avian influenza prevention measures, including but not limited to measures to prevent transmission of avian influenza from wild birds to domestic turkeys. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. By January 15 each year, the entities receiving grants under this paragraph are requested to submit a report on the expenditures under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$26,432,000 the first year and \$20,932,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

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

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

(2) \$6,000,000 the first year and \$6,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is

available until June 30, 2025, and the second year appropriation is available until June 30, 2026. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is \$6,125,000 in fiscal year 2026 and thereafter;

(3) \$4,500,000 the first year and \$4,500,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii)

the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is \$3,375,000 for fiscal year 2026 and thereafter;

(4) \$1,500,000 the first year and \$1,500,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The base under this clause is \$250,000 in fiscal year 2026 and thereafter;

(5) \$1,150,000 the first year and \$1,150,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education centers, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education centers for purchasing equipment and agricultural products. Of the amount appropriated, \$150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$800,000 in fiscal year 2026 and thereafter;

(6) \$5,500,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants to Minnesota dairy farmers who enroll in coverage under a federal dairy risk protection program and produced no more than 25,000,000 pounds of milk in 2022. The commissioner must award DAIRI

grants based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating producer, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. This is a onetime appropriation;

(7) \$250,000 the first year and \$250,000 the second year are for grants to support hemp processing. This is a onetime appropriation;

(8) up to \$600,000 the first year and \$600,000 the second year are for urban youth agricultural education or urban agriculture community development;

(9) up to \$450,000 the first year and \$450,000 the second year are for the good food access program under Minnesota Statutes, section 17.1017;

(10) \$1,500,000 the first year and \$1,500,000 the second year are for the livestock investment grant program under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;

(11) \$1,150,000 the first year and \$1,150,000 the second year are for value-added grants;

(12) \$340,000 the first year and \$340,000 the second year are for the New Markets Program; and

(13) \$450,000 the first year and \$450,000 the second year are for beginning farmer farm business management scholarships.

By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking

minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

The base for the agricultural growth, research, and innovation program is \$17,582,000 in fiscal year 2026 and thereafter, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

Subd. 5. Administration and Financial Assistance

30,243,000

14,957,000

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

(b) \$375,000 the first year and \$375,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

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

(d) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota

Livestock Breeders Association. This is a onetime appropriation.

(e) \$60,000 the first year and \$60,000 the second year are for grants to the Northern Crops Institute to purchase equipment. This is a onetime appropriation.

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

(g) \$75,000 the first year and \$75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance and policy.

(h) \$200,000 the first year and \$200,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and

ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

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

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

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible

to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

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

Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The base is \$1,700,000 for fiscal year 2026 and thereafter.

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

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

(l) \$550,000 the first year and \$550,000 the second year are for services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the Emerging Farmer Working Group established under Minnesota Statutes, section 17.055, subdivision 1. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The base is \$350,000 for fiscal year 2026 and thereafter.

(m) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$50,000 the first year and \$50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(n) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business

Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(o) \$1,400,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. This is a onetime transfer.

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

(q) \$1,425,000 the first year and \$1,425,000 the second year are transferred to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans to farmers, rural landowners, and agricultural businesses through the agriculture best management practices loan program in Minnesota Statutes, section 17.117.

(r) \$150,000 the first year and \$150,000 the second year are for administrative support for the Rural Finance Authority.

(s) \$14,000,000 the first year is for transfer to the grain indemnity account established in Minnesota Statutes, section 223.24. This is a onetime transfer.

(t) \$500,000 the first year and \$500,000 the second year are to maintain the current level of service delivery. The base is \$600,000 in fiscal year 2026 and thereafter.

(u) \$250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. This is a onetime appropriation.

(v) \$1,250,000 the first year and \$1,250,000 the second year are to award down payment assistance grants under Minnesota Statutes, section 17.133. Of the amount appropriated each year, at least \$375,000 is for down payment assistance grants to emerging farmers. If the commissioner has not awarded \$375,000 to emerging farmers by March 1 each year, the commissioner may award remaining funds to any eligible farmer. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The base is \$750,000 for fiscal year 2026 and thereafter.

(w) \$222,000 the first year and \$322,000 the second year are appropriated for grants to meat and poultry processors to reimburse costs for training and retention of employees. A meat processor with 100 full-time equivalent employees or fewer is eligible for grant money under this section. Grants may be used for tuition reimbursement at Minnesota State Colleges and Universities, child care stipends, retention bonuses, and other related expenses. A grant award may not exceed \$5,000 per employee. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The commissioner may use up to 6.5 percent of the appropriation

each year for administration. This is a onetime appropriation.

(x) \$250,000 the first year and \$250,000 the second year are appropriated from the general fund to the commissioner of agriculture to award cooperative grants under Minnesota Statutes, section 17.1016. The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. This is a onetime appropriation.

(y) \$100,000 the first year is for grants or other forms of technical assistance to meat and poultry processors to reimburse the cost of attending courses or training and receiving technical assistance in fiscal year 2024 that supports developing sanitation standard operating procedures, hazard analysis and critical control points plans, or business plans. A meat processor with 50 full-time equivalent employees or fewer is eligible for grant money under this section. This is a onetime appropriation.

Sec. 3. **BOARD OF ANIMAL HEALTH**

\$ 6,771,000 \$ 6,931,000

(a) \$170,000 the first year and \$170,000 the second year are to cover increased costs associated with importing companion animals from parts of the world with a high prevalence of animal diseases.

(b) \$560,000 the first year and \$560,000 the second year are for agricultural emergency preparedness and response.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE**

\$ 6,643,000 \$ 4,343,000

(a) \$1,800,000 the first year is for equipment upgrades, equipment replacement, installation expenses, and laboratory infrastructure at the Agricultural Utilization Research Institute's laboratories in the cities of Crookston, Marshall, and Waseca. The is

a onetime appropriation and is available until June 30, 2026.

(b) \$500,000 the first year is for renewable natural gas and anaerobic digestion projects. The is a onetime appropriation and is available until June 30, 2026.

Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance	11,477,000	13,429,000
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(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$387,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$100,000 the first year and \$50,000 the second year are for a pilot program creating farmland access teams to provide technical assistance to potential beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Services provided by teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount for farm transitions, up to \$50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land.

(c) \$47,000 the first year and \$47,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. These are onetime appropriations.

(d) \$238,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration. The base for this appropriation is \$260,000 in fiscal year 2024 and later.

(e) \$1,700,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must

be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

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

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(f) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(g) \$1,437,000 the first year and \$1,437,000 the second year are for transfer to the

agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117. The base for appropriations under this paragraph in fiscal year 2024 and thereafter is \$1,425,000. The commissioner must examine how the department could use up to one-third of the amount transferred to the agricultural and environmental revolving loan account under this paragraph to award grants to rural landowners to replace septic systems that inadequately protect groundwater. No later than February 1, 2022, the commissioner must report to the legislative committees with jurisdiction over agriculture finance and environment finance on the results of the examination required under this paragraph. The commissioner's report may include other funding sources for septic system replacement that are available to rural landowners.

(h) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

(i) \$150,000 the first year is to provide grants to Central Lakes College for the purposes of designing, building, and offering credentials in the area of meat cutting and butchery that align with industry needs as advised by local industry advisory councils. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year. The commissioner may only award a grant under this paragraph if the grant is matched by a like amount from another funding source. The commissioner must seek matching dollars from Minnesota State Colleges and Universities or other entities. The appropriation is onetime and is available until June 30, 2024. Any money remaining on June 30, 2024, must be transferred to the agricultural growth,

research, and innovation program under Minnesota Statutes, section 41A.12, and is available until June 30, 2025. Grants may be used for costs including but not limited to:

- (1) facility renovation to accommodate meat cutting;
- (2) curriculum design and approval from the Higher Learning Commission;
- (3) program operational start-up costs;
- (4) equipment required for a meat cutting program; and
- (5) meat handling start-up costs in regard to meat access and market channel building.

No later than January 15, 2023, Central Lakes College must submit a report outlining the use of grant money to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture and higher education.

(j) \$2,000 the first year is for grants to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(k) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota State Horticultural Society. These are onetime appropriations.

(l) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

(o) \$75,000 the first year and \$75,000 the second year are for grants to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. These are onetime appropriations.

(p) \$75,000 the first year and \$75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. No later than January 15, 2023, the Minnesota Turf Seed Council must submit a report outlining the use of the grant money and related accomplishments to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture. These are onetime appropriations. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(q) \$150,000 the first year and \$150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, \$25,000 is for translation services for farmers and cottage food producers.

(r) \$222,000 the first year and \$286,000 the second year are to maintain the current level of service delivery.

(s) \$827,000 the second year is to award and administer grants to:

(1) organizations to provide technical and culturally appropriate services to emerging farmers and related businesses;

(2) organizations to help emerging farmers pay for up to 65 percent of premium expenses each year up to two years under the federal micro farm insurance program; and

(3) The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota.

This is a onetime appropriation and is available until June 30, 2024.

(t) \$750,000 the second year is to support the IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. The base for this appropriation is \$584,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(u) \$1,500,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. This is a onetime transfer. This transfer is in addition to the appropriations made in Laws 2022, chapter 47, section 2.

Notwithstanding Minnesota Statutes, section 17.041, the commissioner may use the amount to be transferred for the purposes identified under Laws 2022, chapter 47, section 2, paragraph (b). This paragraph expires on December 31, 2022.

(v) \$250,000 in the second year is for a grant to the Board of Regents of the University of

Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with initial reports completed by January 3, 2023, and January 3, 2024, and a final report by ~~September 1, 2025~~ December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item. The base for this appropriation is \$250,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(w) \$141,000 the second year is for additional funding to administer the beginning farmer tax credit. The base for this appropriation is \$56,000 in fiscal year 2024 and later.

(x) \$750,000 the second year is for a grant to the Ag Innovation Campus to continue construction of a soybean processing and research facility. This is a onetime appropriation.

The commissioner shall submit a report on the utilization of the grants to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by February 1, 2024.

(y) \$50,000 is added to the base for fiscal year 2024 and \$0 for fiscal year 2025 to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(z) \$500,000 the second year is to award and administer down payment assistance grants under Minnesota Statutes, section 17.133.

The base for this appropriation is \$750,000 in fiscal year 2024 and thereafter. Any unspent funds are available until the end of the following fiscal year.

(aa) \$350,000 the second year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. By January 15, 2023, the commissioner must report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2023, the commissioner must submit an additional report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2023. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

- (1) equipment required for a meat cutting program;
- (2) facility renovation to accommodate meat cutting; and
- (3) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$70,000 and may use up to ten percent of the grant for faculty training.

Priority may be given to applicants who are coordinating with meat cutting and butchery

programs at Minnesota State Colleges and Universities system and local industry partners.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 4 are effective July 1, 2023. Section 5 is effective the day following final enactment.

ARTICLE 2

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant program to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

(b) To be eligible for this program, a grantee must:

(1) be a cooperative organized under chapter 308A or 308B;

(2) certify that all control ~~and equity in~~ of the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily to process agricultural commodities or market agricultural products or services produced in Minnesota; ~~and~~

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative; and

(5) not allow nonpatron voting rights.

(c) The commissioner may receive applications and make grants up to \$50,000 to eligible grantees for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities, including site analysis, the development of bid specifications, preliminary blueprints and schematics, and the completion of purchase agreements and other necessary legal documents.

(d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

Sec. 2. Minnesota Statutes 2022, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner ~~must~~ may award farm down payment assistance grants of up to \$15,000 per eligible farmer. ~~An eligible farmer must match the grant with at least an equivalent amount~~ Each award must be matched with at least \$5,000 of other funding. The commissioner must accept grant applications for at least 30 days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For each year that

a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

Sec. 3. **[17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment.** The commissioner must establish and administer a program to support healthy soil management practices in accordance with this section.

Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for any project on agricultural land in Minnesota that will:

(1) increase the quantity of organic carbon in soil through practices, including but not limited to reduced tillage, cover cropping, manure management, precision agriculture, crop rotations, and changes in grazing management;

(2) integrate perennial vegetation into the management of agricultural lands;

(3) reduce nitrous oxide and methane emissions through changes to livestock, soil management, or nutrient optimization;

(4) increase the usage of precision agricultural practices;

(5) enable the development of site-specific management plans; or

(6) enable the purchase of equipment, parts and materials, technology, subscriptions, technical assistance, seeds, seedlings, or amendments that will further any of the purposes in clauses (1) to (5).

Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under this section. Local government units, including cities, towns, counties, soil and water conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant. A local government unit that receives a grant for equipment or technology must make those purchases available for use by the public.

Subd. 4. **Report.** By January 15 each year, the commissioner must submit a report on the grants awarded under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The report must include the number of grants awarded by county and the combined value of those grants.

Subd. 5. **Administrative costs.** The commissioner may use up to five percent of any funds appropriated for this program for costs incurred to administer the program.

Sec. 4. Minnesota Statutes 2022, section 41A.14, subdivision 2, is amended to read:

Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the commissioner and a representative of the College of Food, Agricultural and Natural Resource Sciences at the University of Minnesota must consult with an advisory panel consisting of the following stakeholders:

(1) a representative of the Minnesota State Colleges and Universities system;

- (2) a representative of the Minnesota Farm Bureau;
- (3) a representative of the Minnesota Farmers Union;
- (4) a person representing agriculture industry statewide;
- (5) a representative of each of the state commodity councils organized under section 17.54 and the Minnesota Pork Board;
- (6) a person representing an association of primary manufacturers of forest products;
- (7) a person representing organic or sustainable agriculture; ~~and~~
- (8) a person representing statewide environment and natural resource conservation organizations;
and
- (9) a person representing the interests of Minnesota Tribal governments as defined in section 10.65, subdivision 2, paragraph (a), clause (4).

(b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their respective organizations. The member under paragraph (a), clause (9), may be appointed by the Minnesota Indian Affairs Council at the council's discretion.

Sec. 5. Minnesota Statutes 2022, section 41A.19, is amended to read:

41A.19 REPORT; INCENTIVE PROGRAMS.

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, 41A.18, and 41A.20, ~~and 41A.21~~ to the legislative committees with jurisdiction over environment and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs.

Sec. 6. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to read:

Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached more than one contract, or failed to redeliver stored grain to a producer.

Sec. 7. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer licensed under this chapter must annually submit to the commissioner a financial statement prepared in accordance with ~~generally accepted accounting principles~~ national or international accounting standards. The annual financial statement required under this subdivision must also:

- (1) include, but not be limited to the following:
 - (i) a balance sheet;
 - (ii) a statement of income (profit and loss);

- (iii) a statement of retained earnings;
- (iv) a statement of changes in financial position; and
- (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer;
- (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants; and
- (3) be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, and where applicable, all members of the governing board of directors under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statements; and
- ~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants, and must show that the financial statements are free from material misstatements; and~~
- ~~(5) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants and must include an opinion statement from the certified public accountant.~~
- (b) Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.
- (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.
- (d) The commissioner shall annually provide information on a person's fiduciary duties to each licensee. To the extent practicable, the commissioner must direct each licensee to provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).

Sec. 8. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged by a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a written claim with the commissioner. The claim must state the facts constituting the claim. ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~ If a claim is valid, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Sec. 9. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter and chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under section ~~232.22, subdivision 6a~~ 223.28.

Sec. 10. Minnesota Statutes 2022, section 223.175, is amended to read:

223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS; FORM.

A written confirmation required under section 223.177, subdivision 2, and a written voluntary extension of credit contract must include those items prescribed by the commissioner by rule. A contract shall include a statement of the legal and financial responsibilities of grain buyers and sellers established in this chapter. A contract shall also include the following statement in not less than ten point, all capital type, framed in a box with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT IS NOT COVERED BY ANY GRAIN BUYER'S BOND MAY NOT BE COVERED COMPLETELY BY THE GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath the statement. A transaction that does not meet the provisions of a voluntary extension of credit, including the issuance and signing of a voluntary extension of credit contract, is a cash sale.

Sec. 11. Minnesota Statutes 2022, section 223.19, is amended to read:

223.19 RULES.

The commissioner may make rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to ~~223.23~~ 223.28.

Sec. 12. **223.24] GRAIN INDEMNITY ACCOUNT.**

Subdivision 1. **Establishment.** The grain indemnity account is established in the agricultural fund. The grain indemnity account shall consist of grain indemnity premiums, money from any other source, and interest.

Subd. 2. **Account; appropriation.** (a) Money in the grain indemnity account, including interest, is appropriated to the commissioner to pay valid claims and to administer this section.

(b) The commissioner shall direct payments from the grain indemnity account only for the following purposes:

(1) the payment of valid claims;

(2) the payment of grain indemnity premium refunds;

(3) the payment of administrative expenses under paragraph (c);

(4) the payment of legal fees and legal expenses under subdivision 7; or

(5) the payment of a trustee appointed under subdivision 6.

(c) The commissioner shall allocate money from the grain indemnity account to a separate administrative expenses account to pay or reimburse the agency for grain indemnity account expenses. Administrative expenses under this paragraph include the actual cost of processing payments and refunds, enforcement, record keeping, ordinary management and investment fees connected with the operation of the grain indemnity account, and legal expenses.

Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from the commissioner if the producer sold grain to a grain buyer as defined in this chapter or stored grain with a public grain warehouse operator under chapter 232 and the producer is damaged by the grain buyer's or public grain warehouse operator's failure to pay for or redeliver grain.

Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file a completed claim with the commissioner. The producer must state the facts constituting the claim and all other information required by the commissioner.

(b) Upon receiving a claim, the commissioner must promptly determine the validity of the claim and notify the claimant of the commissioner's determination.

(c) An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding under chapter 14.

Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16, subdivision 3c, the commissioner must pay the eligible producer:

(1) the amount equal to the value of the grain sold on cash sale, grain assigned to warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

(2) the amount equal to the value of grain sold up to \$200,000, or the lesser of \$750,000 or 75 percent of the amount owed to the seller for a contract in excess of \$200,000 for a deferred or delayed payment contract for which a price has been established when the contract originated within 120 days of the breach of contract;

(3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary extension of credit contract for which no price has been established when the contract originated within 180 days of the breach of contract;

(4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary extension of credit contract when the open storage assignment or contract originated between 181 days and 18 months from the failure; or

(5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary extension of credit contract when the open storage assignment or contract originated between 19 months and 36 months from the failure.

(b) Claims filed more than 36 months from the failure are not eligible for payment.

(c) For the purposes of this subdivision, multiple breaches of contract with a single entity constitute one failure.

(d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter 223, and a license with the United States Department of Agriculture (USDA) under the United States Warehouse Act, a seller may only file a claim with the grain indemnity account if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The commissioner must deny any claims for stored grain from a seller that holds both a Minnesota grain buyer license and a license with the USDA under the United States Warehouse Act.

(e) If valid claims exceed the amount of money available in the grain indemnity account, the commissioner must pay claims to producers in the order that the claims were received. When additional money becomes available, the commissioner must resume issuing grain indemnity payments to each eligible producer until each producer receives the maximum amount payable under paragraph (a).

(f) If the grain indemnity account balance is insufficient to pay refunds under section 223.26 and valid claims exist, once money is deposited into the grain indemnity account, the commissioner must issue pending refunds for grain indemnity premium payments before issuing payments to claimants.

Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order appointing a trustee or receiver to manage and supervise the operations of a grain buyer or public grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(b) The commissioner may recover the cost of the appointed trustee using money appropriated under subdivision 2.

Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse operator in default. The commissioner may take action against the grain buyer or public grain warehouse operator to recover the amount of any claim payment plus reasonable costs, attorney fees, and interest computed at the rate provided in section 270C.40. The commissioner must deposit any amount recovered under this subdivision in the grain indemnity account.

(b) As a condition of payment from the commissioner, a producer must subrogate the producer's interest in a voluntary extension of credit contract to the commissioner in an amount equal to any claim payment or payments that the producer received under this section.

(c) The commissioner may recover any debt to the grain indemnity account from a member of the board or management who acted negligently or fraudulently.

Sec. 13. **[223.25] GRAIN INDEMNITY PREMIUMS.**

Subdivision 1. **Charges.** (a) Except as provided in subdivision 3, producers of grain must be charged a grain indemnity premium as determined and published by the commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold to a grain buyer as defined in chapter 223.

(b) The grain indemnity premiums required under this section are in addition to any other fees or assessments required by law.

Subd. 2. **Collection and submission of grain indemnity premiums.** (a) Each producer must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in Minnesota. When a producer sells grain to a grain buyer, the grain buyer must deduct the grain indemnity premium from the proceeds of the sale and pay the grain indemnity premium to the commissioner on behalf of the producer.

(b) When purchasing grain from a producer, a grain buyer must deduct the grain indemnity premium described in paragraph (a) from the proceeds of the sale and notify the producer of the amount of the deduction in writing. The grain buyer must forward the grain indemnity premium to the commissioner for deposit into the grain indemnity account on behalf of the producer as described in this subdivision.

(c) A grain buyer must clearly indicate the grain indemnity premiums collected under paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and records containing the grain indemnity premiums for at least three years. A grain buyer must make the grain buyer's books and records available for inspection by the commissioner during regular business hours. The department must take steps reasonably necessary to verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books and records. Any record or portion thereof seized or copied by the commissioner is private or nonpublic data as provided in section 13.02, except that the commissioner may disclose data to aid in the law enforcement process.

(d) A grain buyer must submit grain indemnity premiums collected under paragraph (a) to the commissioner for the purpose of financing or contributing to the financing of the grain indemnity account by:

(1) January 31 for grain indemnity premiums collected during the months of July, August, September, October, November, and December; and

(2) July 31 for grain indemnity premiums collected during the months of January, February, March, April, May, and June.

Subd. 3. **Amount in grain indemnity account; basis for suspension and reinstatement of grain indemnity premium collection.** (a) Except as provided in paragraph (b), the grain indemnity premiums required under this section must be collected until the grain indemnity account contains more than \$15,000,000 as of June 30 of any given year.

(b) The commissioner may not require the collection of additional grain indemnity premiums until the amount in the grain indemnity account drops below \$9,000,000. In a year when the commissioner determines that the grain indemnity account is at or below \$9,000,000, the commissioner may reinstate the collection described in this section.

(c) The commissioner shall announce the intention to collect the premiums described in this section by May 1 with collection to begin July 1 until the grain indemnity account contains at least \$15,000,000. The commissioner must notify the public of the commissioner's intent to reinstate collection of additional grain indemnity premiums through publication in the State Register and by notifying each licensee of the licensee's obligation to collect premiums.

Sec. 14. [223.26] GRAIN INDEMNITY OPT OUT.

(a) A producer that has paid a grain indemnity premium under section 223.25 may receive a refund of that premium from the grain indemnity account by submitting a written demand for a refund to the commissioner, delivered personally or by first-class mail within 12 months after the producer paid the grain indemnity premium.

(b) The commissioner must prepare a poster and a distributable flyer explaining how a producer can opt out of the grain indemnity program and must post these documents on the Department of Agriculture website. The commissioner must provide printed copies of the poster and flyer at no cost to all licensed grain buyers and warehouses. Upon receiving printed copies of posters and flyers, the licensed businesses must post the poster in a conspicuous location and must make the flyers available for anyone visiting the licensed business.

(c) A producer must submit a demand for a refund of a grain indemnity premium under paragraph (a) on a demand for refund form developed by the commissioner. The commissioner must make the form available to a licensee, producer, or member of the public upon request.

(d) If a producer is entitled to a refund of a grain indemnity premium under this section, the commissioner must pay the refund within 90 days of receiving the demand for a refund. If the grain indemnity account balance is insufficient to pay refunds under this subdivision and valid claims exist, the commissioner must issue refunds for grain indemnity premium payments before issuing payments to claimants once money is deposited into the grain indemnity account.

(e) If the commissioner announces grain indemnity premiums as required under section 223.25, subdivision 3, by June 30, the commissioner must send a notice to each producer who requested a refund of a grain indemnity premium during the previous three fiscal years. The notice must inform the producer of the deadline for and method of submitting a demand for a refund to the commissioner under paragraphs (a) and (c) and the method for reentering the grain indemnity program under paragraph (f).

(f) A producer that receives a refund of a grain indemnity premium under paragraph (a) is not entitled to participate in the grain indemnity program or to receive any payment under this section unless the producer reenters the grain indemnity program by meeting all of the following conditions:

(1) the producer must submit a request for reentry into the grain indemnity program to the commissioner. The producer must submit the request on the form required by the commissioner and must deliver the request to the commissioner;

(2) the producer's request must be approved by the commissioner; and

(3) the producer must pay into the grain indemnity account all grain indemnity premiums that were refunded to the producer and interest on the refunds as determined by the commissioner.

(g) A producer that reenters the grain indemnity program under paragraph (f) is eligible to be reimbursed for claims under the grain indemnity program for any breach of contract that occurs at least 90 days after (1) an application for reentry and (2) all required payments have been made.

(h) A producer is not eligible for a refund of a grain indemnity premium under this section if the producer has received payment from the grain indemnity account for a valid claim within the preceding 36 months.

Sec. 15. **[223.27] PENALTIES; ENFORCEMENT ACTION; COSTS AND EXPENSES.**

(a) In addition to any other penalty or remedy provided by law, a person who knowingly or intentionally commits any of the following is subject to civil penalties under section 18J.10:

(1) refusing or failing to collect any grain indemnity premiums as required under section 223.25;

(2) refusing or failing to pay to the commissioner any grain indemnity premiums collected under section 223.25;

(3) making a false statement, representation, or certification, or knowingly failing to make a required statement, representation, or certification in a record, report, or other document required under this chapter or filed with the commissioner; or

(4) resisting, preventing, impeding, or interfering with the commissioner in the performance of the commissioner's duties under this chapter.

(b) In addition to the civil penalty described in paragraph (a), the commissioner in an enforcement action for a violation described in paragraph (a), clause (1) or (2), must order the grain buyer to pay into the grain indemnity account any grain indemnity premiums collected by the grain buyer that the grain buyer owes to the grain indemnity account and may order the grain buyer to pay interest on the amount that the grain buyer owes to the grain indemnity account.

Sec. 16. **[223.28] GRAIN BONDS; NEW LICENSE HOLDERS.**

(a) Except as provided in paragraph (b), before the commissioner issues a grain buyer or public grain warehouse operator license, a person who has not been licensed to buy grain or operate a public grain warehouse in the previous licensing period must file with the commissioner a grain bond in a penal sum of \$100,000. A grain bond must remain in effect for the first three years of the license.

(b) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

(c) The commissioner may require a supplemental bond in an amount prescribed by the commissioner based on the financial statements required in section 223.17, subdivision 6.

(d) A grain bond must be on a form provided by the commissioner.

(e) A grain bond required under paragraphs (a) and (c) must provide for the payment of any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss caused by the grain buyer's failure to pay within the time required. The grain bond must be conditioned upon the grain buyer being duly licensed.

(f) A grain bond required under paragraphs (a) and (c) that is obtained by a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade, and net quantity of grain called for by the receipt. A grain bond must be conditioned upon the operator being duly licensed.

(g) A grain bond must not be cumulative from one licensing period to the next. The maximum liability of the grain bond must be the grain bond's face value for the licensing period.

(h) A grain bond must be continuous until canceled. To cancel a grain bond, a surety must provide 90 days' written notice of the grain bond's termination date to the licensee and the commissioner.

(i) Upon the commissioner's determination that a claim is valid, the surety for any claims against the grain bond must make payments to the grain indemnity account.

Sec. 17. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

~~Subd. 5. **Statement of grain in storage; reports.** (a) All public grain warehouse operators must by February 15 of each year file with the commissioner on a form approved by the commissioner a report showing the annual average liability of all grain outstanding on grain warehouse receipts, open storage, and grain stored for feed processing that occurred during the preceding calendar year. This report shall be used for the purpose of establishing the penal sum of the bond.~~

~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum bond do not need to file this report.~~

~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file the report required in paragraph (a).~~

~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete and accurate records and accounts relating to any grain warehouse operated. The records shall reflect each commodity received and shipped daily, the balance remaining in the grain warehouse at the close of each business day, a listing of all unissued grain warehouse receipts in the operator's possession, a record of all grain warehouse receipts issued which remain outstanding and a record of all grain warehouse receipts which have been returned for cancellation. Copies of grain warehouse receipts or other documents evidencing ownership of grain by a depositor, or other liability of the grain warehouse operator, shall be retained as long as the liability exists but must be kept for a minimum of three years.

~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at all times grain of proper grade and sufficient quantity to meet delivery obligations on all outstanding grain warehouse receipts.

Sec. 18. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

Sec. 19. **BIOINCENTIVE REPORT.**

The commissioner of agriculture, in consultation with the commissioners of commerce and employment and economic development, must prepare a report on alternative methods to pay past claims filed under the bioincentive program under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18, and provide for adequate and sustainable funding to pay current and future claims under those sections. The report must be submitted to the chairs and minority members of the legislative

committees and divisions with jurisdictions of any proposed funding source and administration of the bioincentive program by January 15, 2024.

Sec. 20. **WOLF-LIVESTOCK CONFLICT-PREVENTION PROGRAM.**

(a) The commissioner of agriculture may award grants to livestock producers to prevent wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner may establish a cap on the amount of grant money that a recipient is eligible to receive annually.

(b) To be eligible for a grant under this section, a livestock producer must raise livestock within Minnesota's wolf range or on property determined by the commissioner to be affected by wolf-livestock conflicts.

(c) A grant applicant must document a cost-share of 20 percent for activities covered by a grant under this program. A grant applicant's cost-share amount may be reduced up to \$2,000 to cover the time and labor costs of wolf-livestock conflict prevention activities.

(d) Eligible wolf-livestock conflict-prevention activities include but are not limited to:

(1) the purchase of guard animals;

(2) payment of veterinary costs for guard animals;

(3) the installation of wolf barriers, which may include pens, fladry, and fencing necessary to protect livestock;

(4) the installation of wolf-deterring lights and alarms; and

(5) the installation of calving or lambing shelters.

(e) Eligible grant recipients must:

(1) make a good faith effort to avoid wolf-livestock conflicts;

(2) make a good faith effort to care for guard animals paid for under this section;

(3) retain proper documentation of expenses;

(4) report annually to the commissioner on the effectiveness of the nonlethal methods employed;
and

(5) allow follow-up evaluations and monitoring by the commissioner.

(f) Grant recipients shall continue to be eligible for depredation payments under Minnesota Statutes, section 3.737.

Sec. 21. **REPEALER.**

Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21; 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

Sec. 22. EFFECTIVE DATE.

This article is effective July 1, 2023.

ARTICLE 3**BROADBAND**Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$ 75,350,000</u>	<u>\$ 50,350,000</u>

(a) \$350,000 each year is for the Office of Broadband Development.

(b) \$55,000,000 the first year and \$30,000,000 the second year are transferred from the general fund to the border-to-border broadband fund account established in Minnesota Statutes, section 116J.396. These transfers are onetime.

(c) \$20,000,000 the first year and \$20,000,000 the second year are appropriated to the commissioner for the lower population density grant program to award grants to provide broadband service to unserved and underserved areas of the state where a 50 percent match formula is not adequate to make a business case for the extension of broadband facilities. Grants awarded under this paragraph may fund up to 75 percent of the total cost of a project and must otherwise adhere to Minnesota Statutes, section

116J.395, subdivisions 1 to 6; subdivision 7, paragraph (b); and subdivision 8. These appropriations are onetime.

Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50 percent of the total cost of a project.

(b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~ \$10,000,000.

Sec. 4. **[116J.3952] LOWER POPULATION DENSITY GRANT PROGRAM.**

Subdivision 1. **Establishment.** A lower population density grant program is established in the Department of Employment and Economic Development. The purpose of the lower population density grant program is to provide broadband service to unserved and underserved areas of the state where a 50 percent match formula is not adequate to make a business case for the extension of broadband facilities.

Subd. 2. **Grants.** Grants awarded under this section may fund up to 75 percent of the total cost of a project and must otherwise adhere to section 116J.395, subdivisions 1 to 6 and subdivision 7, paragraph (b).

Sec. 5. Minnesota Statutes 2022, section 116J.396, subdivision 2, is amended to read:

Subd. 2. **Expenditures.** Money in the account may be used only:

(1) for grant awards made under sections 116J.395 ~~and to 116J.3951~~ 116J.3952, including costs incurred by the Department of Employment and Economic Development to administer that section;

(2) to supplement revenues raised by bonds sold by local units of government for broadband infrastructure development; or

(3) to contract for the collection of broadband deployment data from providers and the creation of maps showing the availability of broadband service.

Sec. 6. **EFFECTIVE DATE.**

This article is effective July 1, 2023."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; making policy and technical changes to broadband provisions; providing civil penalties; appropriating money; requiring reports; transferring money to the border-to-border broadband fund account; creating the grain indemnity account; transferring money to the grain indemnity account; amending Minnesota Statutes 2022, sections 17.1016, subdivision 2; 17.133, subdivision 2; 41A.14, subdivision 2; 41A.19; 116J.395, subdivision 7; 116J.396, subdivision 2; 223.16, by adding a subdivision;

223.17, subdivisions 6, 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended; Laws 2022, chapter 95, article 2, section 29, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 17; 116J; 223; repealing Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21; 223.17, subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Dahms amendment to S.F. No. 1955.

There were yeas 4 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Anderson, Dahms, Dornink, and Westrom.

Those who voted in the negative were:

Senators Kunes, Kupec, Gustafson, Putnam, and Seeberger.

The amendment was not adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 1955, be recommended to pass as amended and be re-referred.

There were yeas 8 and nays 0, as follows:

Those who voted in the affirmative were:

Senators Dahms, Dornink, Gustafson, Kunes, Kupec, Putnam, Seeberger, and Westrom.

The motion prevailed.

Senator Dziedzic, from the Committee on Rules and Administration, to which was referred

H.F. No. 375 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
375	293

CONSENT CALENDAR

H.F. No.	S.F. No.
----------	----------

CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Dziedzic, from the Committee on Rules and Administration, to which was referred

H.F. No. 581 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
581	624				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Dziedzic, from the Committee on Rules and Administration, to which was referred

H.F. No. 1327 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1327	1053				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Dziedzic, from the Committee on Rules and Administration, to which was referred

H.F. No. 1523 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1523	1333				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 548 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 375, 581, 1327, and 1523 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Farnsworth introduced--

S.F. No. 3209: A bill for an act relating to housing; appropriating money for grants to Habitat for Humanity.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Morrison introduced--

S.F. No. 3210: A bill for an act relating to capital investment; appropriating money for reconstruction of roads in the city of Long Lake; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Fateh introduced--

S.F. No. 3211: A bill for an act relating to capital investment; appropriating money for a grant to WE WIN Institute, Inc. to acquire and improve property in the city of Minneapolis.

Referred to the Committee on Capital Investment.

Senator Housley introduced--

S.F. No. 3212: A bill for an act relating to metropolitan government; prohibiting the Metropolitan Council from requiring a local unit of government to amend its comprehensive plan under certain circumstances; amending Minnesota Statutes 2022, section 473.856.

Referred to the Committee on State and Local Government and Veterans.

Senators Fateh and Hawj introduced--

S.F. No. 3213: A bill for an act relating to capital investment; appropriating money to Ka Joog for a workforce training center.

Referred to the Committee on Capital Investment.

Senators Draheim, Duckworth, Housley, and Putnam introduced--

S.F. No. 3214: A bill for an act relating to state finances; providing a process to refund the state stadium bonds; repurposing the funds in the general reserve account; providing for grants for youth and collegiate sports; amending Minnesota Statutes 2022, section 297E.021, subdivisions 3, 4.

Referred to the Committee on Taxes.

Senator Weber introduced--

S.F. No. 3215: A bill for an act relating to transportation; appropriating money for reconstruction of Trunk Highway 75 from the city of Luverne to the city of Pipestone; authorizing the sale and issuance of state bonds.

Referred to the Committee on Transportation.

Senator Jasinski introduced--

S.F. No. 3216: A bill for an act relating to aeronautics; appropriating money for deposit in the hangar construction revolving account.

Referred to the Committee on Transportation.

Senators Dibble, Mann, Boldon, Hoffman, and Abeler introduced--

S.F. No. 3217: A bill for an act relating to capital investment; appropriating money for the RS Eden Recovery Campus.

Referred to the Committee on Capital Investment.

Senator Champion introduced--

S.F. No. 3218: A bill for an act relating to youth; establishing the Task Force on Youth Interventions; requiring a report; appropriating money.

Referred to the Committee on Judiciary and Public Safety.

Senator Champion introduced--

S.F. No. 3219: A bill for an act relating to capital investment; appropriating money for a year-round indoor public market in North Minneapolis.

Referred to the Committee on Capital Investment.

Senator Lang introduced--

S.F. No. 3220: A bill for an act relating to capital investment; appropriating money for the final segment of the Glacial Lakes Trail.

Referred to the Committee on Capital Investment.

Senator Lang introduced--

S.F. No. 3221: A bill for an act relating to capital investment; appropriating money for a special education learning center in the city of New London; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 864. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 1279. The motion prevailed.

Senator Fateh moved that the name of Senator Abeler be added as a co-author to S.F. No. 1852. The motion prevailed.

Senator Dibble moved that the names of Senators Gustafson and Mohamed be added as co-authors to S.F. No. 1944. The motion prevailed.

Senator Kunesh moved that the name of Senator Dibble be added as a co-author to S.F. No. 2009. The motion prevailed.

Senator Bahr moved that the names of Senators Hoffman and Abeler be added as co-authors to S.F. No. 2184. The motion prevailed.

Senator Mohamed moved that the name of Senator Pha be added as a co-author to S.F. No. 2232. The motion prevailed.

Senator Morrison moved that the name of Senator Pha be added as a co-author to S.F. No. 2273. The motion prevailed.

Senator Fateh moved that the name of Senator Mohamed be added as a co-author to S.F. No. 2428. The motion prevailed.

Senator Pappas moved that the name of Senator Abeler be added as a co-author to S.F. No. 2503. The motion prevailed.

Senator Dahms moved that his name be stricken as a co-author to S.F. No. 2542. The motion prevailed.

Senator Kunesh moved that the name of Senator Pha be added as a co-author to S.F. No. 2682. The motion prevailed.

Senator Fateh moved that the name of Senator Pha be added as a co-author to S.F. No. 2724. The motion prevailed.

Senator Xiong moved that the name of Senator Abeler be added as a co-author to S.F. No. 2728. The motion prevailed.

Senator Dibble moved that the name of Senator Kupec be added as a co-author to S.F. No. 2783. The motion prevailed.

Senator Kunesh moved that the name of Senator Dibble be added as a co-author to S.F. No. 2830. The motion prevailed.

Senator Pappas moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 2980. The motion prevailed.

Senator Dibble moved that the names of Senators Kupec and Cwodzinski be added as co-authors to S.F. No. 3017. The motion prevailed.

Senator Champion moved that the name of Senator Mohamed be added as a co-author to S.F. No. 3035. The motion prevailed.

Senator Bahr moved that the name of Senator Abeler be added as a co-author to S.F. No. 3037. The motion prevailed.

Senator Hoffman moved that the name of Senator Rarick be added as a co-author to S.F. No. 3130. The motion prevailed.

Senator Mitchell moved that the name of Senator Xiong be added as a co-author to S.F. No. 3139. The motion prevailed.

Senator Kupec moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 3187. The motion prevailed.

Senator Hawj moved that the name of Senator Pha be added as a co-author to S.F. No. 640. The motion prevailed.

Senators Nelson and Boldon introduced --

Senate Resolution No. 31: A Senate resolution honoring Baylie Chappuis on being named Minnesota's 2023 Youth of the Year by the Boys and Girls Club.

Referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Senators Coleman, Draheim, Duckworth, Dziedzic, Farnsworth, Housley, Kunesh, Lang, Latz, Lucero, Putnam, Weber, Wesenberg, and Westrom were excused from the Session of today.

44TH DAY]

MONDAY, APRIL 3, 2023

3007

ADJOURNMENT

Senator Boldon moved that the Senate do now adjourn until 11:00 a.m., Tuesday, April 4, 2023.
The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

